HOUSE OF COMMONS DEBATES

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HOUSE OF COMMONS

Thursday, May 26, 1988

The House met at 11 a.m.

Prayers

• (1110)

ROUTINE PROCEEDINGS

[*English*]

SUPREME COURT ACT

MEASURE TO AMEND

Hon. Bob Kaplan (York Centre) moved for leave to introduce Bill C-291, an Act to amend the Supreme Court Act (references by a Lieutenant-Governor in Council).

Mr. Speaker: Shall the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Kaplan: Mr. Speaker, this is an amendment to the Supreme Court Act in an important respect. The Act now provides for references to the Supreme Court of Canada for interpretation of Bills, but under the Act they can only be made by the federal Government.

The purpose of the amendment is to open the door so that provincial Governments can also refer questions to the Supreme Court of Canada. After all, if the Supreme Court is the arbiter between the two levels of government, both levels should have equal access to it. This is extremely relevant these days, Mr. Speaker, and I hope that the Bill will commend itself to all Members.

Mr. Speaker: I suppose we can say we certainly received the message.

Some Hon. Members: Oh, oh!

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

PETITIONS

SUPPORT FOR BILL C-51

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have a petition signed by a number of constituents from the riding of Glengarry—Prescott—Russell and from the riding of Stormont—Dundas.

These Canadians ask that the Government move ahead expeditiously with Bill C-51, which is aimed at reducing the number of Canadians who die from cigarette smoking.

OTTAWA-MONTREAL CN LINE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have another petition signed by a number of constituents, again from the great riding of Glengarry—Prescott—Russell.

These constituents are protesting plans by the Canadian National Railway to shut down the Montreal to Ottawa rail line through my constituency. They ask the House of Commons to protest, in order to ensure that this rail line which the Government and CN want to shut down remains open for the benefit of the citizens of the great riding of Glengarry—Prescott—Russell.

I totally support their petition.

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, I have the duty and honour to present a petition on behalf of approximately 3,100 people from the lower mainland of British Columbia.

The petitioners are asking this House to protect the rights of the unborn through appropriate legislation.

NORTHERN TAX ALLOWANCE

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, I have two petitions to present this morning. The first one, pursuant to Standing Order 106, has been certified correct as to form and content by the Clerk of Petitions.

It deals with the concern of residents of the community of Atikokan in my riding because they have been left off the eligibility list for the northern residents' tax deduction. They point out that many of the communities left off the list, like theirs, share identical environments. Because they are northern isolated communities they pay increased costs for food, fuel,

and housing, and the tax deduction was designed to alleviate the added costs of living in these isolated communities.

The petitioners humbly pray and call upon Parliament to declare the Township of Atikokan and the surrounding area to be eligible for the northern residents' tax deduction. There are approximately 240 names on this particular petition.

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, the second petition is one of many that I have tabled in this House over the last year. It is certified correct as to form by the Clerk of Petitions and is signed by residents of the Thunder Bay—Atikokan riding and the Thunder Bay—Nipigon riding.

The petitioners call upon the Parliament of Canada to allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

[*Translation*]

FEDERAL LANGUAGE TEACHERS—NECESSITY TO OBTAIN TIME FOR PREPARATION OF COURSES

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Madam Speaker, it is my duty to present to the House a petition signed by many Canadians, most of whom are public servants working for the Government who care about official languages and who teach Canadians the second language. The petitioners humbly state that the Government of Canada, represented by the Treasury Board, has not recognized the principle of fair and reasonable course preparation time for federal language teachers and that this situation is seriously undermining the policy of bilingualism in Canada.

Therefore, the undersigned, your petitioners, ask Parliament to mandate the Treasury Board to negotiate a collective agreement with the federal teachers in the ED group that will provide 15 hours a week of course preparation time for language teachers.

[*English*]

CANADA-U.S. FREE TRADE AGREEMENT

Mr. David Orlikow (Winnipeg North): Madam Speaker, I have the honour to present two petitions, pursuant to Standing Order 106.

The first is signed by a number of people in my constituency. It says that the Conservative Government had no mandate from the Canadian people to conclude a free trade agreement with the United States. Therefore, the petitioners humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement through a national general election.

The second petition is similar and is signed by residents in Winnipeg. It says that the Prime Minister (Mr. Mulroney) promised in the course of bilateral trade negotiations that Canadian sovereignty would not be compromised and, therefore, they pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement through a national general election.

ABORTION—SUPREME COURT OF CANADA DECISION

Mr. Dennis H. Cochrane (Moncton): Madam Speaker, pursuant to Standing Order 106, it is my honour and privilege today to present a petition containing the names of 39,894 New Brunswickers. They ask that the House of Commons consider the tragic effects of the recent decision of the Supreme Court of Canada and take immediate action to protect, defend, and respect the rights of unborn children.

The petition contains names from all over the Province of New Brunswick: 2,841 from my constituency of Moncton, over 11,000 from Madawaska—Victoria, over 3,200 from Gloucester, and over 1,600 from the constituency of Westmorland—Kent, as well as all other ridings represented by the signatures. The total petition represents over 5.5 per cent of the total population of the Province of New Brunswick.

The New Brunswick Right to Life Association, the sponsor of this petition, calls upon all legislators to respond to the wishes of the majority of Canadians by enacting legislation to protect the basic rights of the unborn child.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the following questions will be answered today: 319 and 322.

[*Text*]

"CANADA'S SENIORS—A DYNAMIC FORCE"

Question No. 319—**Mr. Boudria:**

Is there a government publication entitled *Canada's Seniors—a Dynamic Force* and, if so (*a*) did the Government spend money on its production and, if so, what was the cost of (*i*) research (*ii*) preparation (*iii*) publishing (*iv*) printing (*v*) distribution (*b*) what is the total number of copies printed (*c*) were any private consultants, printers or other non-governmental groups or individuals involved in the preparation and, if so, in each case (*i*) what was the name of the individual or firm involved (*ii*) what was the value of each contract awarded if any (*iii*) which contracts, if any, were awarded by tender?

Hon. George Hees (Minister of Veterans Affairs and Minister of State (Seniors)): Yes, a government publication entitled *Canada's Seniors: a Dynamic Force* was developed for Senators and Members of Parliament.

(a) (i) and (ii) For manuscript and design development including consultation in Ottawa, document review, preparation of English and French copy, production management from design development to mock-up $21,122.20

(iii) For creating art boards including typesetting, galley editing, corrections, layout and pasteup for English and French copy $6,071.00

(iv) First edition. For production of 2,000 bound tumble format copies including development of print specifications, film preparation, printing and binding $11,040.00 Second edition. For printing of additional 10,000 copies $13,069.12

(v) Distribution to Senators and Members of Parliament was managed within Health and Welfare Canada with no charges allocated.

(b) First edition: 2,000 copies; second edition: 10,000 copies.

(c) (i) First edition: Manifest Communications Limited; second edition: Love Printing Limited

(ii) One contract awarded in the amount of $38,233 for the development of the first edition.

(iii) The contract for the second edition was awarded by tender.

REVIEW OF MERGERS

Question No. 322—**Mrs. Collins:**

1. Since the passage of Bill C-91 in June, 1986, have any mergers been reviewed by the Director of Investigation and Research and, if so, what number (*a*) have been reviewed (*b*) have been referred to the Competition Tribunal for resolution (*c*) are still pending?

2. Is the main focus of the Director's review on compliance?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs):

1.(a) Throughout the period from June 19, 1986 to March 31, 1988, the Director of Investigation has examined 186 merger transactions in a significant fashion (defined as two days or more of examination). As of March 31, 1988, examinations were continuing on 25 of these transactions.

(b) The Director has made application to the Competition Tribunal in three instances since June 19, 1986.

(c) As of March 31, 1988, two applications before the Tribunal were still pending.

2. The Director takes a compliance-oriented approach in the administration of all the provisions of the Competition Act and in particular to his review of merger activity for which the compliance approach is particularly well suited.

The new legislation has encouraged parties to a merger to co-operate with the Director in resolving concerns he may have on the competitive impact of a particular merger. Equally, timing constraints are a factor both for the parties, who typically face a narrow window of opportunity for the purchase or sale of the assets or shares in question and for the Director, whose assessment of the impact of the proposed merger must be completed in a rather short time frame.

The objective of the Director's compliance approach is to offer a broad spectrum of alternatives to ensure that every reasonable opportunity is provided to business persons to structure their affairs within the parameters of the law.

The Competition Act provides the Director with broad discretion in the resolution of merger matters. There are six mechanisms, or compliance instruments available: advance Ruling Certificates (ARCs); advisory Opinions under the Program of Compliance (which may in certain instances be given in relation to a restructured transaction); monitoring (as allowed for by the three-year statutory period in which a merger may be challenged); undertakings; applications for Consent Orders; and contested applications before the Tribunal.

[*Translation*]

Mr. Hawkes: I suggest, Madam Speaker, that the other questions be allowed to stand.

The Acting Speaker (Mrs. Champagne): The questions listed by the Hon. Parliamentary Secretary have been answered. Shall the other questions be allowed to stand?

Some Hon. Members: Agreed.

• (1120)

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-117, an Act to amend the Excise Tax Act and the Excise Act, as reported (without amendment) from the Standing Committee on Finance and Economic Affairs.

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Some Hon. Members: Question.

Mr. Nystrom: Madam Speaker, I had assumed that there would be someone from the Government leading off this debate on the Excise Tax Act. If that is not the case, then I would like to say a few words.

The Acting Speaker (Mrs. Champagne): We have to dispose of the concurrence motion, and then we can go into debate on third reading.

Hon. Doug Lewis (for the Minister of Finance) moved that the Bill be concurred in.

The Acting Speaker (Mrs. Champagne): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the yeas have it. The motion is agreed to on division.

Motion agreed to.

Mr. Lewis (for the Minister of Finance) moved that the Bill be read the third time and passed.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Madam Speaker, Bill C-117 contains the requisite provisions to implement the changes in federal sales tax and excise tax announced by the Minister of Finance in his respective Budgets on February 18, 1987 and February 10, 1988, in the White Paper on Tax Reform on June 18, 1987 and the document on tax reform on December 16, 1987.

The Bill contains a number of important measures whose purpose is to increase tax revenue and deal with certain technical aspects of the legislation. Most of the provisions for increasing revenue are part of the Government's tax reform program. These changes and the changes in corporate income tax will be used to offset the short-fall in revenue from personal income tax as a result of tax reform. Madam Speaker, as you know, it is imperative to adopt Bill C-117 as soon as possible, in order to amend federal sales tax legislation and remove certain inequities it contains. Madam Speaker, I would ask the House to adopt this Bill as soon as possible.

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Madam Speaker, I welcome this opportunity to take part in the debate this morning on Bill C-117, whose purpose is to legislate a number of historic tax increases. The Parliamentary Secretary said earlier that he would like to see this Bill pass as soon as possible. I may remind him, and I may remind this House, that we are talking about the tax increases announced in the February 1987 Budget. That Budget contained the 12 per cent tax on snacks, candy and ice cream, which became effective on July 1, 1987, and this means the Government is going to take the following amounts out of taxpayers' pockets: In 1987-88 it will be $60 million, in 1988-89, $80 million, and so on. The same budget announced a 4 per cent increase in the excise tax on cigarettes and tobacco, effective the day the Budget was brought down, on February 19, 1987, and this will take $70 million out of taxpayers' pockets in 1987-88 and another $7 million in 1988-89, and so forth, Madam Speaker.

The same budget provides for a $4 increase in the air transportation tax, effective on May 1, 1987 and estimated to raise $45 million for the Treasury by August 1, 1987 and $50 million in 1988-89 and following years. The same budget raised the sales tax on leaded gas to the same level as for unleaded gas, effective April 1, 1987, which means another $30 million annually for the Treasury, taken out of taxpayers' pockets!

And so this Bill keeps increasing taxes. After a long wait, after many promises, the Minister of Finance finally tabled his White Paper on Tax Reform in June 1987. At the very moment the White Paper on Tax Reform was tabled, this document on which Canadians were asked to consult, in June 1987, the Minister—and he did it again in December 1987—raised taxes again. He introduced what was referred to in English as "the talk tax". There is now a 10 per cent tax on long distance calls. Imagine, Madam Speaker, people who live in rural areas, farmers who have to make long distance calls whether they like it or not, and now, since 1987, they have to pay this tax. Add to this a 2 per cent increase in the tax on cable TV, from 8 to 10 per cent during the 1987 tax reform, which became effective on January 1, 1988. This adds up to $870 million taken out of taxpayers' pockets by the Conservative Government for 1988-89 and $945 million for 1990 and $1 billion for 1990-91.

The number of taxes this Government is dumping on Canadian taxpayers is outrageous! Imagine, the elderly, the handicapped and all other groups, including farmers, who now have to pay a tax on long distance calls they cannot avoid. It's not like living in the city where you can . . . And even in urban areas, and I am thinking of Montreal East, in Rivière-des-Prairies, the present riding of Mercier and in the new riding of Anjou—Rivière-des-Prairies, people still pay long distance rates if they call Laval, which is right next door, across the river. And in addition to being penalized by having to pay long distance rates within an urban area, they are penalized even more by this tax.

As part of the same tax reform, before the consultation process was complete, the Minister of Finance increased the tax on paint and wallpaper from 8 to 12 per cent, effective January 18, 1988, which increased the Government's revenue by $60 million per year. As part of the same tax reform, with a little creative accounting the Minister of Finance produced something like $1.6 billion which, in fact, does not mean a thing, because it does not apply to all the other years, but he wanted to cook the books to give Canadians the impression that his deficit was gradually diminishing. He just changed the rules of the game, and he said:

• (1130)

From now on, employers, the people who create jobs, will pay the Government every two weeks instead of every month,

and in this way the Government will get the money faster and the money will be coming in every month although at year end it boils down to the same thing, except for this one-time gain of $1.6 billion. This has definitely changed all the rules and skewed all the figures, and that is why the Minister claims he reduced the deficit, although if we look at the national debt and the annual deficit, there has been an increase instead of a decline.

Madam Speaker, the same rule is now being applied to federal sales tax. Remittance of the tax has now been accelerated. And for the deductions at source, the Minister has used an accelerated payment system which, according to him, was only for big business. But in his calculations, he forgot that such a measure also applies to small business. The construction contractor who has 20 employees in the Province of Quebec is affected by this measure because he must remit every 15 days these payroll deductions and this creates an unacceptable cash flow problem.

If we consider the effects of such a measure on municipalities, if they have cash flow problems, if this measure reduces their revenues, who will pay at the end of the year? Why, the taxpayers, of course! Through this accounting measure that the Minister of Finance wanted to implement in his tax reform, in his 1987 Budget, he has again indirectly increased taxes and created another hidden tax.

In the tax reform of June and December 1987, the Minister of Finance also raised the tax on alcohol and tobacco by 15 to 18 per cent. Here again, it is more money for the Government, but the extra $175 million a year must come from the taxpayer's pocket.

Madam Speaker, we have seen accelerated tax increases since this Conservative Government took power in September 1984, and it still goes on with every budget and every ministerial statement. For example, in the February 1988 Budget, there is another cent a litre excise tax on gasoline that took effect on April 1, 1988 and yielded $225 million right away, for the 1988-89 fiscal year, and $300 million a year thereafter.

Madam Speaker, gasoline taxation is something that affects everybody. It involves our communication system, public transit, everyone's car. People need gasoline to go to work, home, to the doctor or the hospital. So it is very important and every time we tax gasoline, it affects everybody. This Government is always dipping into the taxpayers' pockets.

So when the Parliamentary Secretary tells us that it is in Canadians' interest to pass this Bill C-117 immediately, I would like to say first of all that these taxation measures, these unacceptable tax increases, were announced in the February 1987 Budget, more than a year ago, since we are in May 1988. So it is definitely the Government that has taken more than a year to pass Canadian legislation. Secondly, I do not see why it is urgent for Canadians to pay this tax.

As you see, Madam Speaker, this Government is pushing through all those measures before the election, in the hope that Canadians will have forgotten them when the election comes. Of course, Madam Speaker, on behalf of this side of the House I can assure you, I can assure this House and Canadians that as soon as the Prime Minister (Mr. Mulroney) calls for an election, we will make sure Canadians are aware of all those billions and billions of dollars this Government pocketed in taxes while in office. Of course we will remind Canadians that the Minister of Finance, the former finance critic of the then Opposition, stated he was committed not to increase taxes. Increasing taxes was no good. But the first thing he did, his first step as Minister of Finance was to increase taxes, Madam Speaker.

If we were to list all the hidden taxes this Government imposed on Canadians, in the social area, in the area of immigration—when a Canadian for instance applies to have a relative come to Canada, he must make a deposit, make a contribution to Canadian citizenship. When we move, for instance—let us look at Canada Post Corporation. How many increases have there been? And no later than this morning, Madam Speaker! They are digging into our pockets!

Up till now, the concept has been that to err is human. The Canada Post Corporation is now suggesting in its five-year plan this is no longer so. Starting from April 1st, 1989, it is no longer human. If you use the wrong postal code on a letter, you will have to pay 10 cents. The letter will be sent back to you and you will have to pay a 10 cents penalty. And if you want to know what your postal code is or to correct your postal code, you have to buy the postal code directory from the Canada Post Corporation. But that directory costs $10. And it changes every year. This is how they go about it, not only through direct taxes we find in each and every budget and Minister's statement, but through indirect taxes from all Crown corporations where the Government can get after the money. Let taxpayers pay!

I would simply like to mention the direct taxes announced in the Budget presentation to the House—never mind all the other hidden taxes the Government has been pocketing since 1984—and make a brief summary, a short list. There is more to it than that of course, but I simply want to remind my colleagues that we do have indirect taxation. The sales tax went up from 9 to 10 per cent on October 1 and the Government got an additional $1 billion out of that. Another sales tax increase—again an indirect tax—from 10 to 11 per cent on January 1, 1986 yielded $1 billion more to the Government. Still another sales tax increase from 11 to 12 per cent on April 1, 1986, again another $1 billion for the Government. And of course there was the tax on candies, soft drinks, snack foods, anything the Government could tax. They even tried to slap a tax on food under their tax reform.

So the Liberal caucus got into the act and my colleague from Montreal—Sainte-Marie (Mr. Malépart) hit the road and had people sign a petition. That was when the Conservative Government decided to backtrack, Madam Speaker, because it soon found out that people simply would not accept a tax on food. There was another sales tax increase—from 8 to

12 per cent—on paint, wallpaper and toys which took effect on January 1, 1988 and has brought in $60 million. The excise tax on a litre of gasoline went up 2 cents on September 3, 1985, up a cent on January 1, 1987, up a cent on February 19, 1987, and again up a cent on April 1, 1988.

If we add them all up—$900 billion, plus $450 million, plus $450 million, plus $300 million—we can hardly believe the Conservative Government and the Minister of Finance have been siphoning that kind of money from the pockets of the taxpayers. I repeat, Madam Speaker, especially the tax on gasoline which has become a necessity because people do more than drive around, they take their car to work, they drive to the hospital, they drive their kids to school. These taxes on essential things give you an idea just how much money this Government takes away from taxpayers.

• (1140)

On April 1, 1987 the sales tax on gasoline again went up and cost taxpayers an additional $30 million. There was a gradual tax increase on air transportation on May 1, 1986, $340 million. Higher taxes on alcohol and tobacco, first increase of $340 million on May 24, 1985; second increase of $150 million on February 27, 1986; third increase of $70 million on February 19, 1987; and fourth increase of $175 million on January 1, 1988. These are millions of dollars Canadian taxpayers have to pay every day in sales taxes. This commodity tax is not a luxury tax, but a tax on day-to-day necessities.

On top of the $945 million tax increase starting January 1, 1988, there is the 10 per cent tax on long-distance phone calls. What a shame, Madam Speaker! Slapping a 10 per cent tax on long-distance phone calls, especially in rural regions. But this is just a short list. There will also be a long one apart from all the other taxes which the government will impose through fees and permits and also through Crown Corporations. And I am only talking here about indirect taxes.

Let's now turn to direct taxes. On January 1, 1986, the government deindexed family allowances, personal credits and tax tables, bringing in 635 million dollars. Imagine what would have happened, Madam Speaker, if we had not succeeding in stopping the government from deindexing old age security pensions. Imagine the money the government would have siphoned from the pockets of taxpayers and our senior citizens who had to endure such an insult from this government. Still in the realm of direct taxes, on January 1 1986, the government eliminated the tax abatement, which has brought in $650 million dollars. On May 22, 1985, it eliminated the deduction for Registered Home Ownership Savings Plan, $105 million. From July 1, 1985 to December 31, 1986, it imposed a temporary surtax of 5 to 10 per cent on highly paid individuals, $500 million. On July 1, 1986, it imposed a permanent surtax of 3 per cent on all taxpayers, $1.2 billion. On January 1, 1986, it changed the taxation of dividends, $300 million. On January 1, 1986, it changed married people's exemptions, $20 million. And so on and so forth, Madam Speaker.

When you look at that list, which is a short list, and realize the billions involved in these increases, you wonder: My God, how can there still be a deficit? How can there still be a national debt? And yet, despite all the accounting tricks which the Minister of Finance has used, the deficit remains above $30 billion a year.

Since this Tory Government came into office, our national debt has risen by as much as 40 per cent, in spite of all the tax increases. If the Prime Minister (Mr. Mulroney), together with his Cabinet and other Conservative Members, thinks that with this legislation brought in before an election, Canadians will forget about these tax increases, I have news for him, Madam Speaker. He will realize that Canadians have not forgotten and we will make sure they do not forget that Mrs. Denis insisted on saying: You deceived us, Charlie Brown, and we will not forget it. Canadians will certainly not forget it, Madam Speaker.

When I consider the tax reform which was supposed to create an equitable system where everybody would be treated fairly—what do I find? That the Government will carry out this tax reform in two stages. During the first stage where small adjustments were made in an effort to convince Canadians with a few goodies before an election, to forgive its major tax increases of the past four years. But even that has failed.

Take the case of a major industry: small businesses. Everybody agrees that this industry is responsible for creating most jobs. Small and medium size businesses have created between 75 and 80 per cent of our new jobs. That is great! The Government should encourage our businessmen. How should it go about it? Except for the programs which it has implemented, even in the tax area, it should have favoured these people with a lower tax rate. But it did the opposite! The only industry which will be faced with a tax increase under the tax reform is the small manufacturing industry. Once this tax reform is implemented how do you think manufacturers will be able to compete with U.S. manufacturers within the framework of the Mulroney-Reagan Agreement? How do you thing our small businesses will be able to compete with this 2 per cent tax increase? How will they be able to compete? Is this how they will make the U.S. market accessible to our business corporations? The first thing they do, even before the free trade agreement is implemented, is to increase the tax rate. The only initiative put forward by this Tory Government for small businesses was indeed to increase the tax rate.

Still in the area of tax reform, Madam Speaker, we find that the second stage is somewhat forgotten or put aside—they are negotiating with provinces, they are referring to multiple, value added tax, a national federal sales tax, negotiations are going on, but all this takes time. In the meantime, he suggests they have to find new taxes. Before the process is completed taxes must be raised. And all of a sudden he creates a new tax, without implementing or completing tax reform. Because we do not yet know where we are going with the sales tax and tax reform. Everything is put into question.

The Minister says: Let us be realistic, we need money. But since an election is coming, we cannot impose a sales tax across the board, especially on food. We will try doing it sector by sector, but we have to find a way to increase Government revenues, create a new sales tax indeed on marketing. Now a manufacturer, once he has priced his product, must add to that price, in order to evaluate the sales tax, by including his promotion and marketing cost. In this Bill, the Minister of Finance completely neglected to include a definition of "promotion costs, marketing costs", or perhaps he does not even know himself. So everyone is left in the dark and companies definitely are seriously concerned with that unrealistic, incomplete legislation that will create a red tape monster.

Moreover, two or three years down the road, when an auditor from Revenue Canada's Sales Tax Branch makes an audit, a difinition will then be issued, if there is a definition at that stage, and this will be arbitrary—what is a marketing cost? What is a promotion cost for a manufacturer? This is why a multitude of companies and organizations appeared before the Standing Committee on Finance and Economic Affairs, suggesting: In the name of God, stop that! This is a sheer madness, its makes no sense! Let us not get into that! We do not know where we are going, we do not know how much to charge because the sales tax cost is part of the pre-retail sale cost, and there is a danger two or three years down the road that we will be assessed by the Government— Therefore we have discouraged entrepreneurship instead of promoting and encouraging our manufacturers and our industrialists to become more active and innovative in producing and selling. They are discouraged because they are dealing with an uncertain tax system and they do not know how to proceed.

• (1150)

I should like to refer to a single case, that of furniture manufacturing in Quebec, a vital industry which will have to compete against Americans if the market is opened up. There is a problem and I should like, Madam Speaker, with your consent, to read from a letter which I received from one of my constituents, a company in my riding of Saint-Léonard—Anjou, by the name of *Les meubles Valentino*, which says:

> We should like to bring to your attention the representations made by the Quebec Association of Furniture Manufactures to the minister of Finance, Mr. Michael Wilson, in connection with the new computation method of the federal sale tax to be implemented on November 1,1988.
>
> As an employer and as a member of that organization, we should like to support its action and ask you to be kind enough to demand from the government the withdrawal of that new measure.
>
> As you will appreciate after reading the enclosed brief we have good reasons to oppose this new measure. Suffice to mention:

They mention six points in their letter, and again I quote:

> (1) The measure adding $34 million a year in taxes on the furniture industry.

I did not refer to this measure a moment ago when I listed the tax increases, but it means the furniture industry alone must pay an extra $34 million. You can imagine how much money this unrealistic and discriminatory measure brings in!

Again I quote the letter:

> (2) The measure will not narrow the gap in favour of imports, on the contrary it will make it even worse in most cases.
>
> (3) The administrative complexity of the measure will entail huge additional costs.

Just think of the small businessman having to cope with this mess and figuring out how much more he will have to spend on distribution and advertising to sell his products. How can he be expected to do that when the measure does not even define what constitutes an advertising or distribution expenditure?

I continue the quotation:

> (4) The measure will be harmful because of uncertainty concerning the amount taxable.

How will that be defined, how will the 25 per cent be added, and two or three years later in comes an inspector or an auditor who says: No, you know, such or such item must be included. For example, take a small firm where the president of the company or the owner happens to be the production manager, the salesman, the clerk, the accountant, he does everything, so where does his salary come from? How is his salary accounted for? What part? Is it part of the distribution? The gentleman or the lady also makes deliveries? What part of the salary will go under advertising? That is how far this Government has gone in its never-ending quest for money.

Fifth, he says, and again I quote:

> (5) It is unfair to make the furniture industry pay for the actions of other industries.

What is the meaning of the fifth point? There was a case before the court and they said a few companies took advantage of the situation and tried to get secrets, an advertising company with a separate branch for distribution, they boosted their products and their affiliated firm did not have to advertise, this way they could cut costs and therefore on the basic cost the tax was lower. The court ruled for the plaintiff. There were other ways of solving the problem. The Minister of Finance could have brought in regulations which, as is done for small business deductions, define allowable relationships between corporations and forbid corporations which are not at arm's length from claiming certain benefits.

The Minister decided instead to use the opportunity given to him by the judicial system to get additional amounts, unconcerned about the problems such a system would create for business.

Furthermore, the sixth point in the letter states: "The timing is bad for such a radical change!" Indeed, Madam Speaker. The government wanted Canadians to believe that its tax reform package would simplify things—and everybody agrees that the Income Tax Act needs simplifying.

All Canadians were therefore hoping that, through tax reform, their annual tax form would be clearer and simpler,

that businesses would enjoy more harmonious relationships with the government as far as tax collection is concerned.

This has not been achieved during the first phase, in fact things have only become more complicated—and I invite you, Madam Speaker, and all my colleagues just to look at the tax form. Did you know that, on July 1, the first phase of tax reform goes into effect? All we need is to take the form—Members have to complete it as well —to determine the exemptions which are now credits. However, if we look closely, it is even more complicated than our annual income tax return. This is supposed to be a simple form that tells the employer how to deduct taxes from his payroll. And it turns out to be more complicated than an income tax return! Tax reform was supposed to simplify matters, but it seems to be making them more complex.

Phase two of the tax reform has yet to be implemented, but the Minister has started to announce new measures. If he needed money, he could have raised taxes. No, he couldn't do that, because raising taxes is a political no-no. We are right in the middle of an election campaign, so we can't raise taxes. We have to get the money somewhere else. So we create a new tax, a new way to calculate it, just like that, and nobody has a clue how they should calculate this tax and what kind of responsibility is involved.

Considering all the people who contributed to the discussion, all the businesses and industries that appeared before the committee, I hope the committee on finance will recommend that the Minister get rid of these new federal taxes and give businesses a breather so that they can get on with their work and create jobs.

Madam Speaker, we see here a Government that was elected on the basis of promises made by its Minister of Finance who was not supposed to raise taxes, because taxes were already too high. They would concentrate on bringing expenditures down through better management, in order to balance government spending and government revenues. Today, however, when we look at the results—as of March 31, 1984, we had an annual deficit of $32 billion. Today, we have an annual deficit of about $30 billion, which means only $2 billion less. However, during that period, income tax and other taxes increased by $22 billion. If we add to that the $1.6 billion and $1.3 billion worth of creative accounting the Minister of Finance has done on sales tax and remittance of payroll deductions, we could say that without the accounting changes and the disastrous increases in sales tax, we would have an annual deficit today of $34 billion, which means an increase of $2 billion.

That is what the Conservative Government has accomplished, a Government that promised it would not increase taxes, a Government that promised a simple tax system that all Canadians would be able to understand. Now we have a national debt that has increased by 40 per cent. We have a deficit that didn't go down, and especially, if we adjust all the creative accounting entries—we have a taxation system that will come into effect as of July 1—it won't be long now—and all employers have received these exemption forms for the changes in payroll deductions, and it will take them ages to complete these forms. This is an untolerable situation.

In concluding, Madam Speaker, if the Parliamentary Secretary thought this morning that we would approve this Bill in a matter of minutes, I think he failed to realize that Canadians don't agree with this Government. Not long ago, in fact it was early this week or on the weekend, a poll showed that 50 per cent of Canadians were not satisfied with the Conservative Government. If we consider all these taxes and everything they involve, Canadians are definitely disappointed in a Government that was elected on a promise of good government and a commitment not to raise taxes. And I am sure that as soon as the Prime Minister can screw enough courage to call an election, Canadians will remember this and send the Conservative Government to the Opposition benches.

• (1200)

Mr. Roger Clinch (Parliamentary Secretary to Minister of Communications): Madam Speaker, it is a real pleasure for me to say a few words on Bill C-117. We know that the Bill contains legislative amendments required to implement the changes made to the federal sales tax, the excise tax announced by the Minister of Finance on various occasions like the February 18 Budget, on February 10, in the White Paper on Tax Reform on June 18, 1987, and the December 16 paper on tax reform.

[*English*]

I move:

That this question be now put.

The Acting Speaker (Mrs. Champagne): Mr. Clinch, seconded by the Mr. Hawkes, moves that this question be now put.

Mr. Cassidy: Madam Speaker, I want to raise a point of order and then, hopefully, go on to debate. Yesterday, somewhat in heat because of some tactics being used by the Government, I made some comments about the Chair which I wish to withdraw and apologize for. I think you, Madam Speaker, realize that the next few weeks are going to be difficult for the Chair, as they will be for all of us, if the level of debate and perhaps the partisanship among the different Parties rises in view of the forthcoming election.

However, I apologize for my remarks which may have suggested the Chair was not acting fairly. I recognize that even if we may have been uncomfortable about the different procedures being used at that time, they were in fact within the Government's right to bring forward. That was my point of order, Madam Speaker.

The Acting Speaker (Mrs. Champagne): I thank the Hon. Member. Resuming debate.

Mr. Cassidy: I believe debate is now on the motion that this question be put, but effectively it allows the debate to continue.

The Acting Speaker (Mrs. Champagne): Is the Hon. Member seeking the floor?

Mr. Cassidy: Yes, I am.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Ottawa Centre (Mr. Cassidy).

Mr. Mike Cassidy (Ottawa Centre): Madam Speaker, I think there was discussion in which it was suggested that it would be possible to end this debate at the end of today. I do not know where those negotiations are at this time, but I am not quite sure why the Parliamentary Secretary to the Government House Leader thought it necessary to bring forward that particular motion, because it would seem to me that, if anything, it might interfere with our ability to discuss these things—

Mr. Hawkes: Madam Speaker, to the best of my knowledge, outside Routine Proceedings, I have not risen in the House today, so I do not know if I could have put a motion.

Mr. Murphy: It was some other guy. Don't worry about it.

Mr. Hawkes: Perhaps my hon. friend erred accidentally.

Mr. Cassidy: I acknowledge, Madam Speaker, that the vividness—

The Acting Speaker (Mrs. Champagne): That is not a point of order. The Parliamentary Secretary was named as seconder to the motion moved by the Parliamentary Secretary to the Minister of Communications (Mr. Clinch).

Mr. Cassidy: Madam Speaker, I would say that the Hon. Member by his dress is identifying himself as, shall we say, a purple Tory, not quite a red Tory but certainly—

Ms. Copps: You are colour-blind. That is maroon.

Mr. Cassidy: Is it maroon? The vividness of his coat of many colours should remind him that it was his colleague behind him who moved the motion.

I would like to speak with respect to third reading of this particular Bill. The purpose of this Bill is to sock it to Canadians once again in terms of raising revenue from the sales tax. It certainly raises the whole question about the fairness of the tax system which has been put in place and developed by the Progressive Conservative Government since it assumed power back in 1984.

You will recall, Madam Speaker, that in the 1984 election campaign, the present Prime Minister (Mr. Mulroney) indicated: "The rich will pay and pay handsomely under a Conservative Government". Perhaps he was referring to the contributions he expected his Party to receive from wealthy Canadians in gratitude that they are the only group of Canadians who have wound up paying less taxes in 1988 than they were paying prior to the present Government coming to power in 1984.

I think it is instructive that the American Government under President Reagan, the British Government under Prime Minister Thatcher, and this Government here have all seen fit to sharply cut taxes on the wealthy. I guess it is also worth noting that if there was a role model to follow, instead of President Reagan and Prime Minister Thatcher, it would have been that of the previous Liberal Government which also saw as a priority the cutting of taxes on wealthy Canadians in a very major way.

I was reading this morning some notes which referred specifically to the question of where the deficits have come from. What has been the source of the deficits which we have experienced in this country over the course of the last 10 years and which have risen monumentally since the early 1980s, the time of the recession? Would that that could enter into the record, the strip-tease being done by the Hon. Member in front of every Member of the House.

Since the 1970s, the study indicated, it is not so much increases in spending which have driven the deficit of the Government of Canada to levels with which every Party, including mine, is uncomfortable. It is the amount of tax expenditures. It is the amount of reductions in tax which have been given to corporations, and particularly to wealthy Canadians, which has accounted for something like three-quarters of the current level of the deficit now running at some $29 billion a year.

I think it is instructive, as well, that the present Government, which did have an option in terms of taking away those tax privileges from corporations, failed at that job. Rather than taking those tax privileges away, it has in fact continued to allow them to exist. In certain cases it has increased them such as was done with the half million dollar exemption on capital gains.

• (1210)

Capital gains were always treated very tenderly by the previous Liberal Government. The present Conservative Government has done it in spades by putting in the $100,000 and the half million dollar exemption on capital gains. At the time it was introduced it meant that people who dabble in the stock market in a serious way, people who flip houses in hot real estate markets such as Toronto, Vancouver, or Ottawa, people who made money in that way, would be able to have tax-free an amount of money equivalent to what a Newfoundland fisherman or someone who is farming in New Brunswick would hope to earn during an entire lifetime.

I raise that because what Canadians say to us when we have talked to them—and we have spent a lot of time thinking about the issue of taxation in the course of the last three years—is: "We are looking for the tax system to be fair". It

seems to me that one of the primary standards on which the present Bill increasing the sales tax and other taxes has to be judged is whether or not the tax on goods put in by the Progressive Conservatives is fair. I think one has to come up with an answer which is to the contrary. It is not fair.

In fact, Canada is the only remaining industrial country in the world with a sales tax at the manufacturers' level. That sales tax now collects more revenue from goods and services—and it amounts to some 35 per cent of total revenue—than most countries in the Organization for Economic Co-operation and Development collect, which is about an average of 29 per cent.

There has been an increasing bias away from corporate taxes and toward sales taxes and personal taxes by the present Government. This is something which we inherited from the Liberals, but Liberals and Conservatives alike have seen nothing wrong with increasing sales taxes in all kinds of ways in order to increase an inequitable and a regressive tax as opposed to taking tax revenues from progressive sources.

My Party has argued for a long time that we should be looking for tax fairness. It is not fair if the same proportion of income is taken from people in a low-income bracket as is taken from people in a high-income bracket. Yet that is the effect of these constant increases in sales taxes.

If someone who is not well off goes today to buy some chips or food for the kids, some pet food for the family dog or cat, or even goes to buy candy for the children, then those products are taxed. The sales tax on candy for kids is the same whether the family's income is $15,000 or whether it is $150,000 per year. Perhaps that illustrates graphically what I mean. There is something unfair when poor kids are paying as much tax as rich kids pay on those few things that they can buy in order to have some pleasure. This is true when we talk about poor families and rich families as well. It seems to me that this is a fundamental unfairness. It is why it makes more sense to have the bulk of personal income taxation coming through the income tax system rather than constantly trying to cut the income tax system, and saying: "We have to do it because there are some states in the United States which have a lower tax rate than those which happen to prevail here in Canada".

The Standing Committee on Finance and Economic Affairs has spent a fair amount of time looking at the whole question of a manufacturers' sales tax and the whole question of Phase 2 tax reform. We have been looking at some of the proposals which were made in Bill C-117. We have also looked at some of the proposals that the Government was making with respect to Phase 2 tax reform and the proposals being made for an adjustment to the manufacturers' sales tax, a kind of quick fix which is meant to last for a couple of years' time.

As you know, Madam Speaker, the proposal is extremely complicated. It is somewhat like a skill testing question one has to answer in order to collect a lottery prize which one gets in one's cornflakes or some other product some manufacturer is trying to promote. One has to take away a certain portion of the cost of the good in order to make some allowance for marketing and distribution costs. Then one has to add back a certain amount.

The hope is that this will create greater fairness between domestic manufacturers and importers of foreign goods who, right now, have some benefits because of the present sales tax system. In fact, we are increasingly hearing evidence in the system that it does not work. It will not work until we get to a system which is fair and modern and which probably hits at every level up to the retail level so that the disparities that now exist, depending on the way in which manufacturers or importers do business here in Canada, can in fact be brought to an end.

For example, right now there is discrimination as to whether a manufacturer sells directly to retailers or whether that manufacturer sells through wholesalers. Roughly half the goods sold by manufacturers in Canada today are sold directly to retailers. This creates all kinds of problems under which the base of tax for the purposes of the tax has to be attributed in some way so that there is not too much loss to the Treasury.

It has also been pointed out that for our export industries the present tax is quite unfair. It is estimated that something in the order of 42 per cent of federal sales tax revenues has been collected on intermediate and capital goods, or are therefore being charged in various ways on production which is for export. We are disadvantaging our exports at the same time that we advantage importers and imports in terms of their ability to compete in the Canadian market. That is not fair.

There is something more fundamental that is not fair. This goes right to the heart of what we have talked about when we talk about tax fairness for average families. It is this. Since 1984 the Progressive Conservative Party has consistently raised the sales tax and the excise tax burden on average families. It has done it year after year after year, to the point where there is now a total increase on the average family earning $35,000 per year of some $1,074.50. That is what we calculate has been the increase of tax over the course of the last four years under a PC Government that said it would make the rich pay and not that it would make average Canadians pay. That is a great deal of money, more than $1,000. It is not compensated by a cut of perhaps $300 or $400 in the personal tax burden which people are meant to get under the tax reform when it comes into force in July of this year.

The partial deindexing of the system will mean that any income tax benefits that come from tax reform will very quickly slip away. In a couple of years that benefit will have gone as well.

I know, Madam Speaker, that you would be interested in what some of these figures show average Canadians are now having to pay. In 1984 the Government took measures that led to an increase in oil and gas prices that was worked out to about $100 for the average family. The increased unemployment insurance premiums amounted to the equivalent of $102

for the average family. The Government put into place a Liberal tax increase which it had opposed when it was in Opposition. How things change when it moved to government. It put in a sales tax increase equivalent to $150 for the average family, for a total increase in the November 1984 mini budget of $352.

Then, in May of 1985 it did it again. It eliminated the federal tax reduction on average families. That amounted to $100. It modified indexing on average families. That amounted to $115. It cut family allowance payments—a cost of $22.50 to an average family. It increased the tax on cigarettes and alcohol. That amounted to $75 extra. It broadened the sales tax, which amounted to $150 for the average family. It increased the gasoline tax by the equivalent of $50. That was an increase of $512.50.

• (1220)

In June, 1985 the Conservatives went at it again with a 1 cent per litre increase in gasoline to pay for indexing the Old Age Security, something the Conservatives have tried to sneak through and eventually were compelled not to do. That was $50 for the average family. In February, 1986 a surtax of 3 per cent was added which cost the average family $170. Another sales tax increase, $150 more for the average family, and an increase on the tax on cigarettes and alcohol amounted to a further $200. In February, 1986 that was a total of $340 extra.

I keep on asking: "Is that fair?" What about the fact that at the same time capital gains were exempted from tax? That was not capital gains for farmers or small businesses, but capital gains for people who speculated in the stock market, people who were flipping houses, or people who were investing in condominiums in Florida. Those capital gains were totally and completely tax-free. That is something that did not affect the average Canadian.

In 1987 the Conservatives went back at it again. Gasoline went up again by one cent a litre, which amounted to $50 for the average family. The sales tax was broadened again, which amounted to $15 for the average family. Cigarette and air ticket taxes went up by $35, for a total of some $80 per family depending on the category. In June, 1987 tax reform brought in a $300 tax cut for the average family, so my figures are already incorporated in that.

In February, 1988 there was a gasoline tax increase of one cent per litre, worth $50 for the average family. I do not have the costing, but the 10 per cent on telecommunications services will raise some $870 million per annum. If that is taken down to perhaps 10 or 11 million families across the country, one is talking about another $80 or $90 per family that the Conservatives will collect.

[*Translation*]

I would like to point out, Madam Speaker, that I do not know how many times we New Democrats have tabled in the House our calculations on the tax increases imposed by the Progressive Conservative Party since it took power in 1984.

Madam Speaker, the Government has never denied these estimates. We do not have the exact figures because we do not have the resources of the Department of Finance or of National Revenue, but we tabled them in the House many times. And the Government has never denied these figures showing that for an average family with an annual income of, say, $35,000, the tax increases over three and a half years now amount to some $1,400 a year. And now tax reform provides a temporary tax reduction of $310 a year for this family with a $35,000 income.

Madam Speaker, on average, this means an increase of around $1,100 a year for the average family with an annual income of $35,000. And I wonder whether this is really fair. Why, when I met my constituents in recent weeks, going door to door in my riding, do they all comment that they pay more and more every year on their tax return, that every year when they file their tax return, they have to pay more? The reason for that is deindexation and the tax system imposed by the Conservatives. The reason is the income tax increases imposed on average families by the Conservatives. The reason people's real income and purchasing power is going down is that the Conservatives have imposed tax upon tax upon tax, so much so that people are less well off, less able to afford the necessities of life and even the small luxuries that they could afford previously, because of what this Government has done.

[*English*]

I raise these matters at this point when we are talking about Bill C-117. A number of the details have been discussed at second reading and during the course of committee stage and report stage of this particular Bill. However, I wish to raise one specific question that particularly affects Canadians in northern Canada. As a member of the finance committee, I wish to say how disappointed I am that the Progressive Conservatives were so unfeeling and unfair when it came to northern Canadians and the particular problems that they face under this new telecommunications tax.

If one lives in the North and wishes to keep in touch with neighbours, let alone with people in southern Canada, one inevitably has to make long-distance telephone calls a great deal. A person living in the North can easily have a long-distance telephone bill of $75 to $150 per month. That 10 per cent tax will apply to all those long-distance charges. Whereas a person living in Ottawa can communicate by telephone with one million people without paying any of this tax because it is all a local charge, people who live in the Holman Islands, people who live in the Mackenzie Valley or in other remote communities, cannot do that.

The finance committee strongly urged that there be a cap on the tax on residential telephone subscribers of $3 per month. In other words, if a long-distance telephone bill exceeded $30 a month, no extra tax would be required to be paid. That would have been fair to people who live in isolated communities and have unduly high long-distance telephone charges because of

their isolation and their need to keep in touch. Unfortunately, that was ignored.

I see that my time has ended. I thank you for your attention, Madam Speaker. I will consult with you privately on those figures, but I know that they are correct because not once have they been denied by the Progressive Conservatives. A tax increase of $1,000 in three and a half years on the average family, including this recent sales tax increase and the other measures contained in Bill C-117, is just not fair.

Mr. Nunziata: I find it amusing that the finance critic for the New Democratic Party should be critical of certain policies of the previous Liberal administration. The Hon. Member is justified in criticizing the present Conservative administration.

The New Democratic Party has a track record in government with regard to economic policies. A few short weeks ago the people of Manitoba defeated the New Democratic Party in a devastating and resounding fashion, to a large extent because of the economic policies of the New Democratic Government in Manitoba. The people of that province said that enough was enough, that they were fed up with the incompetence of the NDP Government, and they turfed out the last remaining NDP Government in Canada. A short while ago the people of British Columbia were fed up with the economic incompetence of the NDP Government there, and turfed it out.

Mr. Cassidy: That was in 1975.

Mr. Nunziata: The Hon. Member states that that was in 1975. That is correct, and never again will the New Democratic Party in the Province of British Columbia ever see the light of day or ever be a government because of its incompetence in managing the financial affairs of that province, and the same applies in Saskatchewan.

My question to the Hon. Member is the following. How can Canadians have trust in the economic policies of the New Democratic Party when that same Party mismanaged the economies of Manitoba, Saskatchewan, and British Columbia? Can the Hon. Member, the finance critic for the federal New Democratic Party, explain why the electorate in those three provinces turfed out those governments to a large extent because of their economic policies? Can he explain to the people of Canada how the federal economic policies of the New Democratic Party would be any different from the economic policies of the provincial NDP governments that were defeated?

• (1230)

Mr. Cassidy: It is trust. It seems to me—

The Acting Speaker (Mrs. Champagne): The Hon. Member for Ottawa Centre.

Mr. Cassidy: Thank you, Madam Speaker. The Hon. Member speaks of trust. It seems to me it was just the other day that I was at a meeting of the Riding Association of the York South New Democratic Party, which was attended by the man who is presently the Hon. Member from York South and represents the Liberal Party. It seems to me it ill behoves him to speak of such things as trustworthiness when we do not know from one day to the next which Party he is with, whether he is behind his Leader or trying not to stab his Leader in the back.

Mr. Nunziata: Madam Speaker, I have a point of privilege. The Hon. Member for Ottawa Centre (Mr. Cassidy) is suggesting that I was in attendance at some meeting of the New Democratic Party.

Mr. Cassidy: Yes.

Mr. Nunziata: I hope he will check the record and extend an apology because that is an absolute falsehood and a lie. For the Hon. Member to be so irresponsible as to make such allegations is not surprising in his case, but for the record I would hope he would be a little more honest.

The Acting Speaker (Mrs. Champagne): Order. First, I would like the Hon. Member for York South—Weston (Mr. Nunziata) to put some nuance into the accusation that he has just put. The words that have been used are not parliamentary—

Mr. Cassidy: Withdraw.

The Acting Speaker (Mrs. Champagne): —and the Hon. Member knows that. I would like him first to correct that and then we will deal with the other situation, please.

Mr. Nunziata: Madam Speaker, the Hon. Member has uttered an absolute, unequivocal, and complete falsehood. Until he withdraws that falsehood, I do not intend to withdraw my comments about his dishonesty.

The Acting Speaker (Mrs. Champagne): Does the Hon. Member for Ottawa Centre (Mr. Cassidy) have any comment?

Mr. Cassidy: On a point of order, Madam Speaker, I believe the Hon. Member for York South—Weston (Mr. Nunziata) used unparliamentary language and he should withdraw it. I am quite prepared to deal with the issue of facts. The issue of fact is that the Hon. Member was a member of the New Democratic Party. He ran on the NDP ticket when he ran for alderman in the Borough of York. It was just the other day, around the same time that the NDP Government was defeated in Manitoba, and that is why I said it was just the other day that I attended meetings where he was involved with the New Democratic Party in the provincial riding or the federal riding of York South.

Mr. Gauthier: Madam Speaker, I rise on a point of order. I would like to ask the Chair to look at the "blues" later this day to read what was said by the Hon. Member for York South—Weston (Mr. Nunziata). I was here and I heard the language used. I do not want to pass judgment on that language. I do

not think the Member said that the Hon. Member for Ottawa Centre (Mr. Cassidy) was an unparliamentary word but I did hear him say that the statement made by the Hon. Member for Ottawa Centre was not very truthful. Maybe the Chair would like to look at the "blues" to make sure that nothing has been said here that was not parliamentary. I am sure the Hon. Member for York South—Weston would not want at any time to be against the practices or the rules of this House. If the "blues" are exact, they will show that he was right and the Hon. Member for Ottawa Centre was wrong.

The Acting Speaker (Mrs. Champagne): The Chair wishes to thank the Hon. Member for Ottawa—Vanier (Mr. Gauthier).

[*Translation*]

As usual, his comments, his suggestions are almost always of great wisdom—

An Hon. Member: Not always.

The Acting Speaker (Mrs. Champagne): Almost always, I know, in helping the Chair and in helping the Members of this House act as they should. I will take the Hon. Member's advice and we can, if necessary, come back to this subject a little later today. The Hon. Member for Ottawa Centre (Mr. Cassidy) had the floor during the period for questions and comments.

[*English*]

Mr. Cassidy: Madam Speaker, I do hope you will look at the specific comment made by the Hon. Member for York South—Weston. He accused me of a lie. I do not believe that that is parliamentary language. I think that should be withdrawn. You will look at the "blues"—

[*Translation*]

The Acting Speaker (Mrs. Champagne): I said a few moments ago that this was exactly what the Chair meant to do over the next few hours. I should like now Hon. Members to resume debate on the issue we are dealing with. Agreed?

Mr. Prud'homme: On the same point of order, Madam Speaker.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Saint-Denis (Mr. Prud'homme) rises on a point of order.

Mr. Prud'homme: If I may, madam Speaker, I should like to ask you to be a little more explicit. If the NDP Member says that a Member of the Official Opposition did this or that, was at such or such a place, and that the latter states that it is a lie, what he really means is that it is not true. It is either true or not true. It cannot be half true. One cannot be partly somewhere. I submit therefore to the Chair that the Hon. Member should stick to the point, because it is not the first time that he came to Quebec to make statements which are exactly the opposite of what he said in other provinces. We just let it go. But if he keeps it up, we are going to raise points of procedure all morning and, if necessary, all afternoon.

The Acting Speaker (Mrs. Champagne): I thank the Hon. Member for Saint-Denis (Mr. Prud'homme). Although I tried, my comments obviously were not clear enough, therefore I shall repeat. Following the advice of the Hon. Member for Ottawa—Vanier, I said in the House that I would look at the blues as soon as they are typed, that we could return to this later if necessary, and that I was willing to let things stand for the time being. I asked the Hon. Member for Ottawa Centre (Mr. Cassidy) to resume debate on third reading of the Bill before the House and I interrupted him when he failed to continue with the debate, preferring rather to return to the unfortunate incidents of a few seconds ago. I therefore urge again the Hon. Member for Ottawa Centre to address the issue before us. The Hon. Member for Ottawa Centre (Mr. Cassidy) has the floor.

[*English*]

Mr. Cassidy: Madam Speaker, I will comment very briefly on the comments made by the Hon. Member for York South—Weston who was critical of the record of New Democratic Party Governments in Manitoba, Saskatchewan, and British Columbia. In Saskatchewan the NDP governed for decades without plunging the province into deficit, but since the current Conservative Government under Grant Devine has taken power that province has seen monumental deficits such as Saskatchewan had never known. They amount to $3.2 billion. Through the 1981-82 recession the unemployment rate in Manitoba, which had an NDP Government, remained at the lowest level of any province in Confederation.

I happened to have a cup of coffee this morning with the Government Leader for the Yukon, my friend Tony Penikett. In the Yukon, just a few days ago, the Yukon NDP Government's economic strategy for the next 15 years called "Yukon 2000" was adopted unanimously by the legislature of the territory with the full support of both Liberal Party Members and of Conservative Party Members.

Those are points which seem to me to point to the kind of sound, sensible economic management that our Party has given in western Canada. We have made mistakes from time to time. Every Party does, but the sound, over-all management we have given to western Canada I believe we can now give as the national Government of Canada after the next election.

Mr. Orlikow: Madam Speaker, I would like to ask the Hon. Member for Ottawa Centre (Mr. Cassidy) a question. We heard the spokesperson for the Liberal Party criticize the Conservative Government because of the large increases in excise, sales, and other taxes as if the Liberals, when they were in power, did not do so.

Would the Hon. Member confirm that one of the last recommendations made by Mr. Lalonde when he was the Liberal Finance Minister was to increase the sales tax by 1 per

cent, which increase was permitted to be imposed by the present Conservative Government?

• (1240)

Is it not a fact that the biggest part of the reason we have such a deficit is the kind of give-aways that Liberal Governments started under the present Leader of the Official Opposition (Mr. Turner) when he was the Minister of Finance? The Conservatives have continued this, so that 60,000 corporations pay no taxes at all. In 1986-87 some of the largest corporations like Alcan, Hudson's Bay, and Bramalea paid no corporate taxes at all.

Mr. Cassidy: Madam Speaker, my friend from Winnipeg North has a good deal of reason. In fact, as he points out, I may have been unfair, in the heat of partisanship, to the Progressive Conservatives when I read through that list of tax increases which occurred under the Conservatives.

The first increase in sales tax equivalent to $150 for the average family was in fact a Liberal tax increase, not a Conservative tax increase. The Conservatives simply borrowed it from the Liberals.

We talk about unfairness in the tax system and about the fact that there are all these loopholes and tax privileges for wealthy Canadian individuals and corporations. That tradition was not begun by the Progressive Conservatives; it was begun by the Liberals.

Of course, the Liberals talk like New Democrats in opposition but they act like Conservatives when in government. There is an ample record to prove that point, and I would hate to see that Party back in government because it would give it a chance to show that the Minister of Finance (Mr. Wilson) is a patsy. Liberals can do just as well at favouring rich Canadians and corporations at the expense of average Canadians.

Mr. Boudria: Madam Speaker, I want to ask a question of my distinguished colleague. I wonder what the present policy of the New Democratic Party is on the taxation provision of flow-through shares. I would like to know the position today as opposed to the one of yesterday or the one of the day before, which presumably were all different because they always are.

Mr. Cassidy: Madam Speaker, the short answer to the question of my hon. friend from Glengarry—Prescott—Russell (Mr. Boudria) for whom I normally have a great deal of respect is that the policy today is the same as it was yesterday, the day before, and the day before that. We have argued that when a tax concession has had proven results and is proven to be of significantly greater benefit than cost, it is worth considering.

The fact that some 60 mines, I believe, have been opened in Canada in the last three or four years as a consequence of the flow-through share provision is a sign of the benefit of this particular provision. When it is used as a tax loophole—

Mr. Gauthier: A Liberal provision, by the way.

Mr. Cassidy: The Hon. Member talks of a Liberal provision. Another example of a Liberal provision which was a disaster across Canada to the tune of some $2 billion was the scientific research tax credit. The interesting thing is that the Conservatives continued that one along to the point that more money went out the door of the Treasury from the Conservatives continuing that provision than had actually gone out the door during the time the Liberals had that particular provision in force.

I have questions about flow-through shares and the way the Government was dealing with the issue in 1986. However, our Party is one which is able to consult and to listen. We have talked to northern Canadians.

[*Translation*]

We have talked to prospectors, to people in the mining industry, to residents of Northern Quebec communities.

[*English*]

We have seen the benefits of the program and we have said that we should keep it, focus it, and ensure that it is not used by Falconbridge, Inco and other large corporations like that. Let us ensure that it encourages the junior mining companies and that it gets genuine activity into smaller northern communities. On that basis we think it has a great deal to be said for it. Our policy has been to support it, and that is our policy today.

[*Translation*]

The Acting Speaker (Mrs. Champagne): The time for questions and comments has expired.

[*English*]

Resuming debate, the Hon. Member for York South—Weston.

Mr. John Nunziata (York South—Weston): Madam Speaker, I appreciate the opportunity to make submissions on Bill C-117. Before I get to the merits of this particular piece of legislation, let me say a few more words about the New Democratic Party.

For far too long the New Democratic Party has been treated with kid gloves when it comes to its economic policies.

Ms. Copps: What economic policies?

Mr. Nunziata: What economic policies? I will be getting into some of the New Democratic Party economic policies, but for far too long members of the NDP have occupied their little corner on the left side of the House, knowing that they will never form a government, and have made all kinds of different promises and espoused all kinds of different economic policies. However, when one scrutinizes the NDP policies, whether they are on NATO or on the economy, the true colours of the New Democratic Party come out.

It seems to me that the NDP members have mastered the art of hypocrisy. They say one thing in one part of the country

to cater to one particular region of the country, and the NDP finance critic is a master at that. He will say one thing in one part of the country to try to curry votes, and then his Leader will say something else in another part of the country.

Mr. Boudria: Like the frigates.

Mr. Nunziata: Like the frigates, like Meech Lake, like the nationalization of certain companies. Let us examine the NDP economic policies and the NDP socialist philosophy. Members of the NDP believe that the Government has to play a very significant role in the economy. It has to intervene here and it has to intervene there. It is NDP policy that once elected, if ever elected, they will nationalize banks. Think of the absolute naivety of that particular policy. Let us examine that policy which is a policy of the New Democratic Party and is in the policy handbook.

The New Democrats say that they will nationalize banks. What does that mean? That means that the Government of Canada will expropriate, let us say, the Royal Bank. From where will the Government of Canada and the taxpayers of Canada obtain enough money to buy the Royal Bank? Is the NDP suggesting that the Leader of the NDP and the NDP Government will walk down Bay Street, get into the elevator at the Royal Bank Tower, and take over the meeting of the Board of Directors of the Royal Bank?

Mr. Nystrom: Madam Speaker, I rise on a point of order. I know that you would like to enforce the rule of relevance. I enjoy this ex-NDPer, this ex-supporter of the socialist movement in Canada, this ex-activist in the NDP, when he speaks, but I am glad he is with the Liberals. However, there is a rule of relevance, and I am sure even the Liberals would appreciate talking about the Bill.

The Acting Speaker (Mrs. Champagne): I am sure that if the Hon. Member shows a little bit of patience, the Hon. Member for York South—Weston will make the link somewhere along the line.

Mr. Nunziata: Thank you, Madam Speaker. You are quite correct that I fully intend to—

Mr. Shields: Madam Speaker, I rise on a point of order. I am sure all of us are very sad to see a marriage break up, and I would like to offer my services as a marriage counsellor to try to get the two Parties back together again.

Mr. Nunziata: Fortunately, Madam Speaker, there is absolutely no prospect of reconciliation, absolutely no prospect. Yes, I admit that in my youth I was a member of the socialist movement, the New Democratic Party, but I saw the light.

Let me tell you the reasons why I tore up my membership in the New Democratic Party, why New Democrats across the country are tearing up their membership cards, why people like Maud Barlow, Chaviva Hosek, and Patrick Johnson have said no to the New Democratic Party. It is because of its policies. It is because the New Democratic Party is completely, absolutely, and unequivocally out of touch with mainstream Canada.

Yes, I was 12 or 13 years old and I joined the New Democratic Party. However, it did not take long for me to find my rightful home.

Let me return to some of the economic policies of the New Democratic Party. It behoves the NDP to criticize the economic policies of other political Parties because when Canadians are given the opportunity, in the light of day, to examine New Democratic Party economic policies, they will see that the New Democrats want to take over the Royal Bank, the Bank of Commerce, and the Bank of Montreal.

• (1250)

The Leader of the NDP and all his socialist followers are going to get in the elevator at Commerce Court, go up to the board of directors and say: "Sorry, guys, we are taking over." That is absolute naivety but that is NDP policy. They are going to nationalize the cable companies and the banks. Shareholders should beware because if the NDP is elected, Heaven forbid, it will take over those companies.

I could go on and on about NDP economic policies but Canadians are not fooled. They know the NDP is very seriously lacking in credibility, whether it is on the economic or any other front. Therefore I should, in the few moments remaining, speak about Bill C-117, an Act to amend the Excise Tax Act and the Excise Act.

The purpose of the Bill, as you know, is to implement the many sales and excise tax increases announced by the Conservative Government. It is now the Government's turn. It is as deserving of criticism as the NDP, if not more. The Conservatives, under their Prime Minister (Mr. Mulroney), are seriously lacking in credibility, and when the election is called, whether it is September or October of this year or the spring of next year, the key issue in the minds of Canadians will be the honesty, integrity, and credibility of the Prime Minister and the Conservative Government.

Mr. Boudria: Or lack thereof.

Mr. Nunziata: Or lack thereof. The Conservatives made a lot of promises and my hon. and distinguished colleague from the federal riding of Glengarry—Prescott—Russell (Mr. Boudria) has duly documented each and every one they made in their thirst for power in the summer of 1984.

His book has a number of columns, one of which is entitled "The Promises". The next column is entitled "The Broken Promises". Surprisingly, the columns match. For almost every promise made there is a broken promise. If any Canadian wants a copy of that book put together by the Hon. Member for Glengarry—Prescott—Russell, all they need do is write to him postage free and he will send them a copy. It is called *The Book of 338 Tory Promises* and is very interesting.

In the book the Hon. Member quotes some of the statements made by the Prime Minister and members of the Conservative Party during the election. One of the statements the Minister of Finance (Mr. Wilson) was: "We will reduce spending. We will refrain from increasing taxes which are already too high." Let me repeat that just to be absolutely clear. This is the Minister of Finance who has taken charge, if you will, of the finances of the nation over the last three and a half years. He made this statement on March 6, 1984, here on the floor of the House of Commons: "We will reduce spending. We will refrain from increasing taxes which are already too high."

That is a promise of sorts. If you believe what he said when he was in opposition then one would expect that he would deliver on that promise, that is, to refrain from increasing taxes. What did he do when his Party came to power and he was appointed Minister of Finance? He proceeded almost immediately to increase taxes. Canadians will never forget that very first Budget, that very first attempt at managing the finances of the country. Canadians will never forget the attempt by the Government to deindex senior citizen pensions, notwithstanding the promise made by the Prime Minister of Canada when he was Leader of the Opposition, when in Quebec he said to the senior citizens: "Elect me, Brian Mulroney, and I promise that your pensions are sacred trust". What happened to that sacred promise about sacred trust? In the very first Budget handed down by the Minister of Finance the Government tried but failed to reduce the deficit on the backs of senior citizens.

While the people of Canada might have been hoodwinked during the election campaign, they were not going to put up with that. There were protests across the country. Senior citizen groups from one great coast to the other started to complain, demonstrate, and write letters. Eventually the Government and the Minister of Finance had to back down on that ill-conceived, unfair, inequitable tax measure. What made matters worse was that after saying senior citizen pensions were a sacred trust and they would not increase taxes, they did a complete about face.

That is not the only example of the Minister of Finance breaking a promise. As you know, this legislation we are debating today will implement a number of sales and excise tax increases announced by the Government in the February, 1987 Budget, the June, 1987 Budget, the December, 1987 tax reform proposals, together with the February, 1988 Budget. If one examines not simply the Budgets I have just referred to and the tax reform proposals but also the record of the Government over the last three and a half years on tax increases, the statistics are absolutely staggering.

Let us just examine what this Government has done from 1984 to fiscal year 1988-89. It has increased taxes by $32.4 billion, a 46 per cent increase. What taxes were increased? The Government not only broke its promise not to raise taxes, it broke its promise to practise equity and fairness in the tax system. The Government increased personal income taxes by 55 per cent in that period of time while at the same time it increased corporate taxes by only 28 per cent. Individuals were ripped off to the tune of 55 per cent, but corporation taxes were increased by only 28 per cent. Not only did the Government increase personal income taxes, and the income tax system is somewhat regressive or not as progressive as it ought to be anyway, but it increased sales and excise taxes by 77 per cent. Canadians have been asked to pay over the last five years an additional $10.6 billion in sales and excise taxes.

I note that it is one o'clock and I would appreciate the opportunity to continue my remarks at three o'clock.

The Acting Speaker (Mrs. Champagne): There will be six minutes left for the hon. gentleman to continue his remarks.

It being one o'clock I do now leave the chair until two o'clock.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

NATIONAL DEFENCE

NUCLEAR POWERED SUBMARINES—OPINION POLL

Hon. André Ouellet (Papineau): Mr. Speaker, I rise today to show Canadians just how irresponsible the Government's defence policy actually is. This very week President Reagan arrives in the Soviet Union for talks with Soviet General Secretary Gorbachev. Also, the American Senate is on the verge of ratifying the INF treaty signed between the superpowers last December.

Meanwhile, back in Ottawa, what is Canada doing? It is proposing the most irresponsible defence initiative in Canadian history, that is, the acquisition of 10 to 12 nuclear powered submarines. Not only does this go against the trend toward peace, but yesterday we discovered how unhappy Canadians truly are at having nuclear powered submarines.

According to an Environics poll conducted between May 3 and May 17, 59 per cent of those questioned oppose the purchase of nuclear powered submarines. The picture is clear. The world does not want proliferation in arms and neither do 59 per cent of Canadians. It is only a Conservative Government locked in the 1950's cold war rhetoric that continues to push this irresponsible initiative.

ABORTION

FREE VOTE ADVOCATED ON ISSUE

Mr. Don Ravis (Saskatoon East): Mr. Speaker, since the Supreme Court decision overturned the abortion law Canada has become the only civilized nation in the world without legislation protecting the unborn child. The question of abortion is a moral issue, not a political issue, and should be treated accordingly. For this reason a free vote should be held to allow Members of Parliament to follow their consciences and express their personal views by choosing the option they believe is proper.

A recent poll shows that 60 per cent of Canadians believe that restrictions should be placed on abortion. That is a 7 per cent increase since February. Clearly, the Canadian people find the present situation unacceptable and expect this House to pass a law which is fair and responsible to both the mother and the unborn child.

We as parliamentarians must have the strength to face this issue and not seek to hide behind the guise of party politics. The question of rights for the unborn is far too important to be treated irresponsibly.

* * *

MARINE SAFETY

EPIRBS—CALL FOR INSTALLATION ON VESSELS 10 METRES AND OVER

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, on May 31, 1989, the Department of Transport will make it mandatory for all vessels over 20 metres to be fitted with an EPIRB or electronic beeping device. But why not all vessels over 10 metres as it planned to do last year?

The change in vessel length means that a large percentage of vessels will not have this protection for their crews. Pressure was brought on the Minister because of the cost in dollars, neglecting the cost in human life.

EPIRBs should be mandatory on all commercial vessels. It has been estimated that the cost of the search for the *Scotia Cape*, at approximately $10 million, could have placed EPIRBs on all West Coast commercial vessels.

A Victoria company, Modern Products Inc., has developed a 406 megahertz system for EPIRBs. The company was given a guarantee that they would be mandatory on vessels 10 metres and up and had planned its production accordingly. It feels that this is one more case of a small Canadian company, which is a world innovator, getting the shaft. The Government should revert to its original plan and have EPIRBs mandatory on all vessels 10 metres and over.

S. O. 21

THE ADMINISTRATION

RECORD OF ACCOMPLISHMENTS

Mr. William G. Lesick (Edmonton East): Mr. Speaker, in 1984 the Progressive Conservative Party's election platform was based on four major pillars; national reconciliation, economic renewal, social reform, and renewed internationalism. Have we delivered? The answer is a resounding yes with the Meech Lake Accord, various regional diversification initiatives, the lowest unemployment and interest rates in years, day care, capital punishment, abortion, a better than ever defence policy, and over 220 individual pieces of legislation passed.

The Government has delivered in the areas that it promised it would. Now, with the free trade agreement, prosperity for all Canadians is at hand.

As we near the next federal election, Mr. Speaker, I ask Canadians to compare this record of accomplishments with that of the previous Government or, for that matter, any previous Canadian Government.

* * *

FERRIES

SERVICE FOR PRINCE EDWARD ISLAND—CONSTRUCTION OF TWO VESSELS URGED

Mr. George Henderson (Egmont): Mr. Speaker, I want to bring to the attention of the House today a serious situation which is developing in the line of transportation to and from Prince Edward Island.

Three years ago, when the present Deputy Prime Minister (Mr. Mazankowski) was Minister of Transport, he announced that they were very close to making a final announcement with regard to two new ferry vessels for Northumberland ferries to travel between Wood Island, P.E.I., and Caribou, Nova Scotia.

The next Minister of Transport, the present Hon. Minister for International Trade (Mr. Crosbie), stated a year and a half ago that construction of these ferries would proceed in a matter of days.

• (1405)

This is May, 1988, and there is still no construction. I ask the current Minister of Transport (Mr. Bouchard) to proceed with the announcement of the construction of two new vessels for Northumberland ferries. We rely totally on agriculture, fishing, and tourism in the Province of Prince Edward Island.

The Northumberland ferries now in place at Wood Island and Caribou are over 30 years old. If they are not replaced within the next year, they will have to be decommissioned. It is urgent, and I ask the Government and the Minister to make this announcement immediately.

S. O. 21

ABORTION

SANCTITY OF HUMAN LIFE

Mr. Gordon Taylor (Bow River): Mr. Speaker, one of the most misleading statements by pro-abortion activists is: "Before abortion on demand there were 30,000 or 40,000 women dying every year as as result of botched-up back alley abortions".

This false statement is intended to create an unjustified fear by suggesting that only abortion on demand could prevent such tragedies. There may have been an occasional death, but 30,000 or 40,000 is false and without any valid statistical foundation.

Before we vote on this matter let us be sure to separate the facts from the fiction. Surely the only scientifically honest new law that can be passed is one that recognizes the truth of the existence of a new human person from the moment of conception, and then proceed to protect that person from those who would seek to destroy him or her. Let us recognize the sanctity of human life.

* * *

NATIONAL DEFENCE

NUCLEAR POWERED SUBMARINES—OPINION POLL

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, the flagship of the Conservative White Paper on Defence, a plan to buy 10 to 12 nuclear powered attack submarines at a cost of at least $8 billion, is sinking fast.

A broad range of defence analysts and Maritime experts have questioned the wisdom of such a plan, especially given that the budget of $8 billion to be provided by the federal Government may actually be only half of what will need to be spent by the time the cost of construction in Canada and the total costs of an extensive training, servicing, and environmental monitoring infrastructure are added.

Now a new poll published by the Canadian Centre for Arms Control and Disarmament shows that 59 per cent of the Canadian public disapprove of spending even $8 billion to procure these militarily destabilizing and environmentally dangerous submarines. Even half of those who identified themselves as Tories are against these submarines.

A spokesman for one of the firms in the race for the contract dismisses preoccupations with cost, wanting to stick instead to what he calls simpler premises.

Canadians are concerned with the outrageous price tag attached to this program, especially since the Government itself has admitted that it has no accurate figures. The real cost of this program can go nowhere but up as consensus for nuclear powered submarines sinks lower and lower.

• (1410)

[*Translation*]

EQUITY IN EMPLOYMENT

TROPHY AWARDED TO GENERAL ELECTRIC COMPANY

Mrs. Gabrielle Bertrand (Brome—Missisquoi): Mr. Speaker, the Conservative Government made a promise to Canadian men and women concerning employment equity, and it is taking steps to live up to this commitment.

Our Government has been urging industrialists and employers to support and promote employment equity. With that in mind, every year the Department of Employment and Immigration gives an award and a trophy to the firm which pays particular attention to equity in non-traditional jobs.

During the recent Salon de la femme at the Montreal Vélodrome, a company with a plant at Bromont in my riding of Brome—Missisquoi, Canadian General Electric, was awarded the "Equal Opportunity" trophy.

Mr. Speaker, this company has been innovative and took the lead in this field. Women hired by General Electric can expect to perform the same kind of work as men do, and they have been quite successful. Like men, they can just as well be assigned to manufacturing as to automated operations.

Thanks to our incentive policies other firms like General Electric made special efforts to reach the same objective even though they did not have to do that.

I thank and commend General Electric, I congratulate the director of Cowansville's manpower centre for submitting that company's name and, finally, I say well done to women who face up to challenges whenever they are given an opportunity.

* * *

CANADA POST CORPORATION

RECOGNITION OF ERRORS

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, the Canada Post Corporation had decided to penalize Canadians who by oversight put a wrong postal code on a letter or who did not put it in at all because they did not know what it was.

This measure would have been unfair. Imagine its effect on senior citizens, the disabled, the small businesses.

Mr. Speaker, I was pleased to learn that finally the Canada Post Corporation recognized that it was a mistake. It is human to err, Mr. Speaker, but up to now the Canada Post Corporation refused to acknowledge it.

In the same spirit, I hope that the minister will bring pressures to bear on the Canada Post Corporation to make it also admit that setting up supermailboxes and closing rural

post offices were other mistakes. The mandate of the Canada Post Corporation should be entirely altered to make it clearer and more specific, its essential service being the delivery of mail to all Canadians without discrimination and such should be the Corporation's mandate. It should not take the first opportunity to try to make money and to give an unequal treatment to Canadians.

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[*English*]

PHARMACEUTICAL INDUSTRY

PRICE OF DRUGS

Hon. Bob Layton (Lachine): Mr. Speaker, a few days ago opposition Members, looking for headlines, claimed that drug prices in Canada were rising at more than double the inflation rate. What a flagrant misrepresentation of the facts. I want to set the record straight.

An independent study by the Peat Marwick Consulting Group has demonstrated that drug prices have stayed well within the inflation rate since Bill C-22 established the Drug Prices Review Board in December, 1987. Eighty-three per cent of prices for prescription drugs did not increase at all during the last six months, and 96 per cent showed price increases of less than the average Consumer Price Index of 5 per cent.

The Opposition is slow to recognize the substantial benefits, including Canadian made products for medical and health care, thousands of high-tech, high quality jobs, and sizeable investments being made across the country, as a result of the passage of this Bill.

The good news announcements come every week. This may mean little to the Liberals and the New Democratic Party, but it sure matters to the people finding jobs in my riding of Lachine. Let us keep the record straight.

* * *

HEALTH

BENZOYL PEROXIDE—DEPARTMENTAL STUDIES

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, a number of issues have drawn attention to the sluggishness of the Department of National Health and Welfare. Mussels and AIDS are two examples. We can now add Benzoyl Peroxide.

Benzoyl Peroxide is a chemical used in acne medication. For three years evidence has been mounting that it causes skin cancer. Two years ago a committee of specialists studying the issue felt more study was necessary before a final decision could be made, but it recommended a ban on over-the-counter sales of Benzoyl Peroxide in the interim. Nothing happened.

I wrote to the Minister of National Health and Welfare (Mr. Epp) a year ago. His answer was: "The matter is under review. We will have a decision soon". I wrote to the Minister again in March of this year, after a year of silence and inaction and the accumulation of yet more evidence of danger. His answer was: "It needs more study. We will have an answer soon".

The Department of National Health and Welfare has done nothing to restrict over-the-counter sales of Benzoyl Peroxide products. Indeed, so complacent is the attitude that a senior toxicologist at the Department of National Health and Welfare resigned his position in protest over the Government's lack of action.

Where are the results of the surfeit of studies? Is the Government going to study the issue to death, the death of Canadians still in the dark about the dangers of Benzoyl Peroxide?

* * *

THE DISABLED AND THE HANDICAPPED

NATIONAL ACCESS AWARENESS WEEK

Mr. Gus Mitges (Grey—Simcoe): Mr. Speaker, Canada's first National Access Awareness Week for disabled persons will be held May 29 to June 4. National Access Awareness Week is designed to encourage the active participation of communities, organizations, businesses and governments in improving the quality of life for disabled Canadians. It is being organized in co-operation with representatives of disabled persons, organizations, labour, business, government, and rehabilitation organizations.

• (1415)

The goal is to develop "five star" communities, where five elements—housing, employment, transportation, recreation, and education—are available to everyone who lives there.

Communities across Canada are being asked to celebrate what has already been accomplished by persons with disabilities; assess the accessibility of services and facilities in their community; and plan practical improvements and set goals by which progress can be measured over several years.

This is an excellent program that merits the support of everyone.

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CANADIAN NATIONAL RAILWAYS

STORAGE OF DANGEROUS GOODS IN FORT ROUGE YARDS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, last week in the CNR Fort Rouge yards a very major

mishap took place when a tanker car containing lethal gas sprang a leak. Officials worked eight hours on the particular tanker car without informing residents who live within 1,000 metres of this particular location.

I draw this matter to the attention of the House because it is a disaster waiting to happen. I want to urge the Minister of Transport (Mr. Bouchard) strongly, or his representatives, to inquire into and investigate the problem of the storage of dangerous goods in the CN Fort Rouge yards because it represents a serious potential threat to thousands of residents who are in close proximity to the yards.

In fact I suggest that the CNR should be responsible for removing all goods of a dangerous nature that are stored in those areas, and provide major barriers to protect the citizens of that region.

* * *

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—BENEFITS FOR WOMEN

Mrs. Mary Collins (Capilano): Mr. Speaker, free trade, as a Canadian woman, what's in it for me? As a business woman, free trade means economic expansion and jobs, particularly in the retail and wholesale, trade, commercial, personal care, and business services. It looks like some good opportunities there to make my future more secure and prosperous.

As a mother, not only are there jobs but more highly skilled jobs to secure my children's future. Free trade will create a firm financial foundation to secure our social programs too, such as child care and health care.

As a consumer, listen, I count my pennies. When tariffs are removed those pennies will grow into dollars. In fact, I will probably save about $1,000 per year in my household.

As a woman in all my roles, free trade is for me!

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—IMPLEMENTING LEGISLATION—POSITION OF PREMIERS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I have a question for the Minister for International Trade. He will know by now that a number of premiers have said that the Bill on trade that was tabled in the House this week is an unacceptable intrusion into their provincial jurisdiction. The only explanation we have had back from the Minister is: "The Americans made me do it". He counters them with a threat of: "Take me to court".

That is no way to run a country. Canadians expect a more constructive and positive response on the very important impact this trade Bill will have on federal-provincial relations.

I wish to ask the Minister this question. What is he going to do about the major confrontation that is now building up with the provinces over the trade Bill? Will he withdraw this offensive Bill and rework it so that we will not put in danger the important balance of federal-provincial relations? Will he take a reference himself to the Supreme Court to get a proper ruling before we engage in open warfare with the provinces over a deal that does not do much for this country at all in any event?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the hon. gentleman's question shows just how far out of touch he is, and how anxious he is to try to damage the free trade agreement for which he or his Party has no alternative.

As an example of how inaccurate the hypothesis of his question is—and I don't know if it had an hypothesis, I don't know if it had anything actually—here is the latest information on Saskatchewan Premier Grant Devine who said today that he does not believe that the proposed federal free trade legislation affects his province's rights. I can quote, of course, a number of other premiers.

The reaction of the premiers has been most positive because they recognize that it is only by the exercise of our trade and commerce power, and it is only by our having the limited authority given us in Clause 9 to deal with Ontario, which is out to block the benefits of this agreement for the rest of the country, that we can proceed with the free trade agreement, which was negotiated freely and in consultation with the provinces with the United States of America.

HEALTH CARE SYSTEM

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, by that answer I presume we can expect the Premier of Saskatchewan to be receiving another major grant for his province within 24 hours.

Some Hon. Members: Oh, oh!

Mr. Axworthy: The Minister is ignoring the statements made by the Premiers of Quebec, Ontario, Nova Scotia, Alberta, and others.

• (1420)

I wish to cite to him the study released by the Attorney General of Ontario that clearly points out that this trade deal will put in danger the operation of health clinics, blood clinics, and the practice of medicine and health care in the Province of Ontario, and open the door to profit oriented businesses to distort that system totally.

In light of that clear evidence of the way in which this trade Bill will have a serious impact upon the health care system of

the country, will the Minister withdraw the Bill? Will he not admit that the price that he is asking this country to pay for the trade deal is far too high? Canadians do not want their health care system ruined by this trade deal.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, it will not be long before Canadians will be warned that there will be an invasion of killer bees because of the Canada-U.S. Free Trade Agreement, or that American typhoons will come up and wipe out Canada. The Canadian people are not buying the cry wolf stuff.

Might I refer to something that was said by the Honourable Donald Macdonald. He said that the deal signed by the Tories with the U.S."is consistent with the policy of the governments of which Mr. Turner and I were members." The Government "has taken great care to respect the jurisdiction of the provinces," and "it has made every effort to ensure compliance with the agreement in a manner that is both consistent with federal jurisdiction and also respectful of provincial concerns".

That was stated by a Liberal, an impartial and truthful Liberal, not now in active politics, prostituting himself as the Hon. Member is.

Some Hon. Members: Oh, oh!

Mr. Axworthy: Mr. Speaker, that is a strange and curious observation from a Minister of the Crown on politics, a profession that he has practised throughout his entire life. I would say to him, Sir, that it does not speak well for a Minister to cast aspersions on all Members of the House in that manner.

Some Hon. Members: Oh, oh!

EFFECT ON CANADIAN LAWS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): I wish to ask the Hon. Minister the following question.

Section 8 of the trade deal clearly indicates that the Canada-U.S. Trade Agreement will prevail over all laws passed by this Parliament. At the same time, the U.S. Congress yesterday decided that the trade agreement with Canada will be subservient to U.S. law.

Why is it that the U.S. Congress states very clearly that the trade agreement does not override its laws, but that Canada is prepared to make a totally different decision and have the trade agreement supersede all the laws of this Parliament? Why the imbalance? Why the distortion? Why are we caving in to those types of American demands? What is the Minister going to do about that major disparity between the two pieces of legislation on either side of the Canada-U.S. border?

Hon. John C. Crosbie (Minister for International Trade): There is a simple explanation. The Americans have their statutory draftsmen, we have ours. We have our legislative precedents, they have theirs.

In the United States legislation there is a clause that states that its legislation implementing the free trade agreement will override every inconsistent piece of state legislation. The hon. gentleman did not cite that. Would he like us to have that in our Bill, overriding every inconsistent provincial legislation? No, of course not, because the Hon. Member is now trying to pretend that he is for provincial rights when he was one of those who imposed the national energy policy on western Canada in an attempt to crush Alberta and the rest. He is a Johnny-come-lately to the provincial rights league. Well, you better come over and join us.

Mr. Axworthy: No, that's your trick, John. You crossed the House, not me.

• (1425)

[*Translation*]

CANADA-UNITED STATES FREE TRADE AGREEMENT—BILL C-130—PROVINCIAL JURISDICTION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is directed to the Minister for International Trade, and I want to say that although he insists on denying that Bill C-130 does not impinge on areas of provincial jurisdiction, his denials do not change the facts. The Premier of Quebec said there was an impingement on provincial jurisdiction. The Premier of Ontario said so, and some of the other provinces have expressed reservations. However, what I fail to understand is why the Minister included Clauses 6 and 9 in Bill C-130, although he had been warned that the provinces did not agree. Mr. Speaker, I want to ask the Minister whether he would confirm that two weeks ago, the Government of Quebec specifically asked him to withdraw Clauses 6 and 9, and I also want to ask him whether he would confirm that other provinces also disagreed with the presence of these two clauses. Finally, would he also confirm that in response, he said he could not withdraw the clauses because the Americans wanted them in?

[*English*]

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I wonder whether the hon. gentlemen when they were in power checked all their legislation with the provinces to see whether the provinces agreed with every clause they had in their legislation? They didn't do that with the national energy legislation which they later had to divide into eight sections because of its violation of the rules of this House.

What does the Premier of Quebec say? Quebec continues to support the free trade agreement. Quebec's objectives have, by and large, been achieved. The Premier of Quebec says that Quebec will proceed to legislate to protect provincial jurisdiction of with respect to wine and distilled spirits, so that Clause 9 will not need to apply to Quebec. This is the role and position which the Premier of Quebec has taken—most sensible, most conciliatory, and most disappointing to the hon. gentlemen opposite, Mr. Speaker.

[*Translation*]

BILL C-130—REQUEST THAT MINISTER DELETE CLAUSES 6 AND 9

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, the Minister is skirting the issue, because he knows perfectly well that he consulted the provinces and that they told him quite clearly not to include Clauses 6 and 9 in Bill C-130. That these clauses impinge on areas of provincial jurisdiction is clear, since the Premier of Quebec has to table legislation in the National Assembly to prevent the federal legislation from doing just that.

Mr. Speaker, my question to the Minister is this: Now that we have nothing more to add and the Minister is aware of provincial objections to these two clauses, will he do the sensible thing and withdraw these two clauses?

[*English*]

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I can reassure the hon. gentleman right here and now that we are not withdrawing Clause 9 which is made more than necessary by the dog-in-the-manger attitude of the Premier of Ontario and his Government. We are not going to withdraw it, Mr. Speaker. There can be no Canada-U.S. FTA without Clause 9 in the Bill. Nor are we going to withdraw Clause 6 which is a declaratory clause, as Premier Bourassa has said, that maintains our rights.

Mr. Guilbault (Saint-Jacques): Your American masters would not allow you to do that.

Mr. Crosbie: The Premier of Quebec said this and I quote him from yesterday "We discussed the situation"—that is he and I— "and we would have preferred another approach". If there could have been another approach, we would have preferred it as well, but I must say—

Mr. Axworthy: The Americans would not let you.

Mr. Crosbie: He said "The Quebec Government's position on this type of federal decision is no different from the one taken by successive governments for 40 years".

Some Hon. Members: Time!

Mr. Crosbie: The Hon. Members don't like to hear this. It is long past time.

DEFINITION OF SUBSIDY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have questions for the Minister and I will do my best to ask them devoid of rhetoric and I hope the Minister will reciprocate.

Some Hon. Members: Oh, oh!

Mr. Broadbent: I will try, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Member for Oshawa.

Mr. Broadbent: I will try again, Mr. Speaker.

The Government clearly believes that with this proposed law it has the authority to pass regulations in the area of the regulation of wine and spirits traditionally in the constitutional domain of the provinces. I see the Minister nodding in agreement, that that is what they believe their constitutional right is in the circumstances.

• (1430)

If this is the case, does the Minister also believe that when the Government sits down with the United States, to discuss, as it plans to, what constitutes a subsidy, the federal Government will also have the right to act independently to amend provincial legislation enacting social and regional development policies, for example, that the federal Government considers to be inconsistent with the agreement it has negotiated with the United States? That is a factual question, and I would appreciate getting the Minister's clear, factual understanding of the Government's position on this important matter.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I welcome a question from the hon. gentleman that is devoid of rhetoric. It was also, of course, devoid of much sense. Nevertheless, I will attempt to deal with it without rhetoric myself.

I do not at the present time know of any social policy or regional development policy of this Government or of a province that is inconsistent with the free trade agreement. That is our position. If any of them are challenged in the United States, either before the FTA goes into effect or after, we will be protecting our right to have these kinds of policies in our own country, as we have in the past.

As to what may be a subsidy or not, that is a question for dispute and argument. It is not yet settled. We have our strong views on what is a proper subsidy, and there are certain GATT rules understood. This process we hope to expedite as quickly as we can, and have a definition that is as reasonable and as sensible as is possible to achieve.

POWER OF FEDERAL GOVERNMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the last half of the Minister's answer is, of course, what I was asking about. The Minister knows that the next five to seven years are precisely the period in which what constitutes a subsidy will be negotiated.

Since the Government is resting its case on the use of the federal Government's trade and commerce power as justification for legislating within the provincial domain in wine and spirits, is it not, by inserting in Clause 6 the override power, claiming well in advance, in negotiating what constitutes a subsidy in the years ahead, that it will have the authority, quite clearly and unilaterally, according to the federal Government, to pass regulations for social and regional development policies if, in negotiations with the United States,

these are regarded as subsidies? If so, will he also admit that what this constitutes is a profound shift in constitutional power, going right from Regina to Ottawa to Washington? Will he acknowledge that?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I will not acknowledge something that is completely wrong. Premier Bourassa has a complete grasp on this subject. This is what the Premier of Québec said yesterday, and he of course is very conscious of provincial rights. He said that Clause 6 is declaratory, it is more political than legal.

What Clause 6 does—

Some Hon. Members: Oh, oh!

Mr. Crosbie: If I might be permitted to answer, Clause 6 says that the Government of Canada, the Parliament of Canada, reserves its right to legislate in the future in connection with the free trade agreement if it deems it necessary in the future. It does not give the Government of Canada any additional powers because this Parliament cannot give the Government of Canada any powers beyond the legislative jurisdiction of the Government of Canada. Surely that is obvious.

Premier Bourassa went on to say that if the federal Government acts in a way in the future which affects provincial jurisdiction, Quebec has options, including going to court or passing provincial laws. It has been that way since 1867. Why do members of the Official Opposition and of the New Democratic Party want to twist this obvious proposition?

[*Translation*]

UNILATERAL CHARACTER OF CERTAIN GOVERNMENT DECISIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question was put very seriously, without rhetoric, and I am confident about the substance. My last question is this: According to the Premier of Quebec and his responsible Minister, according to the Premier of Prince Edward Island, according to the Premier of the Province of Ontario and his responsible Minister, and according to many constitutional experts, the federal Government is out to change constitutional powers unilaterally. My question is just this: Why this unilateral action by a Conservative Government?

[*English*]

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, why is there a debate in the country about the so-called Meech Lake amendments? One can only change the Constitution if one does it in a way that accords with the Constitution, the BNA Act and the Constitution Act of 1982.

Neither this Government nor this Parliament could unilaterally change the Constitution, and the only powers that we are asserting in our Bill are federal powers that have been federal since 1867, under the trade and commerce power, because we cannot be a nation, we cannot enter into commercial arrangements with other nations, unless we have those powers. Normally, Ontario is one of the greatest supporters of these kinds of powers for the federal Government. We are doing nothing that the Constitution does not permit us to do, and if we are, the courts will strike us down.

* * *

[*Translation*]

CANADA POST CORPORATION

OPPORTUNITY TO REVIEW CERTAIN DECISIONS

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, my question is for the Deputy Prime Minister, in the absence of the Minister responsible for Canada Post. Canada Post decided to penalize Canadians who omit the postal code or make mistakes in it. Today, as a result of pressure, Canada Post recognized that this decision was a mistake and withdrew the proposal that had been accepted by the Government. Will the Deputy Prime Minister recognize that installing supermailboxes is also a big mistake and that Canada Post should reintroduce home mail delivery immediately?

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, Canada Post's decision is known. This morning, the President of Canada Post issued a press release in which he admitted having made a mistake and it is over.

As for the Hon. Member's last question, he must remember that Canada Post wants to increase service, Mr. Speaker, and not decrease it, and I would like to remind him that by the end of its plan, Canada Post will have increased the number of places where stamps can be bought and letters mailed to 7,000. This will be very good in providing more service for Canadians.

[*English*]

COST OF POSTAL CODE GUIDE

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, now that the Government and Canada Post have admitted that they made a mistake, can the Government ask Canada Post to make available the postal code books at every post office at a minimum cost and not at the excessive cost of $10? If they want Canadians to use the postal codes, they should give them the possibility to find the postal codes.

[*Translation*]

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, obviously, Canada Post must do everything to encourage Canadians to put the postal code on their mail so as to help them make it easier to deliver the mail and minimize the delays in sending it.

[*English*]

AGRICULTURE

WESTERN DROUGHT—FEDERAL ASSISTANCE

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, my question is directed to the Minister of Agriculture and is with regard to the drought relief proposals he made outside the House yesterday to the press. He said he would be moving water to livestock, moving feed to cattle, moving the cattle to pastures, monitoring livestock prices against overselling, and providing crop insurance where it is too dry to put seed in the ground.

Some Hon. Members: Hear, hear!

Mr. Althouse: Can he tell us how the no seeding necessary to collect crop insurance scheme will work, and is it in effect at this moment?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, it is obvious that my hon. colleague is using some misrepresentations in reference to the conversations I had outside the House yesterday. I was not announcing details of a drought assistance program but simply carrying out a reasonable, common sense conversation with the interested members of the press about things that we would have to consider, common sense and logical things, aspects of a program that we would have to consider as a federal Government, as would our provincial counterparts, if indeed the situation developed into a full-blown drought.

• (1440)

MONITORING OF LIVESTOCK PRICING

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, with regard to the monitoring of livestock pricing, can the Minister tell us what action if any will accompany this price monitoring system? Will the Government begin buying to hold the price up, and what has been the reaction of feedlot operators to this proposal?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, again I think the Hon. Member is putting the cart before the horse. We will have to consider all these aspects. We will not consider them in isolation. We will not act unilaterally. Rather, we will follow the same pattern we have followed since early February.

Matters of this kind will be worked out in consultation with our provincial counterparts and members of the drought committees. In fact, at our meeting in Calgary on Tuesday, during which I hope to schedule time to go out and view some of the affected areas, I am insisting that we have representatives of livestock groups and producer groups there.

ENVIRONMENTAL AFFAIRS

THINNING OF OZONE LAYER

Mr. Alan Redway (York East): Mr. Speaker, my question is directed to the Minister of the Environment. Is it true that Environment Canada has discovered a very substantial and significant thinning of the ozone layer over the Canadian Arctic? As well, can the Minister assure the House that the ozone layer treaty will be on the agenda of the economic summit meeting in Toronto next month?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I can confirm that Government of Canada scientists and others have expressed great concern about the thinning of the ozone, both in the area the Hon. Member referred to and elsewhere. For example, there has been something like a 2 per cent to 3 per cent thinning in the ozone layer over the city of Toronto from 1976 to about 1983, the last year for which we have data in that particular case.

The Government of Canada will be raising at the G-7 summit, through the Prime Minister, the question of ozone depletion. In particular we will be urging the G-7 countries to ratify the Montreal protocol. We ourselves want to do so beforehand but are being prevented from ratifying because Liberal members of the Senate are holding up the Canadian Environmental Protection Act. Until the Senate acts expeditiously, as the House of Commons has done, we are prevented from taking world leadership on a most important global problem.

* * *

[*Translation*]

NATIONAL DEFENCE

OPPOSITION TO PURCHASE BY CANADA OF NUCLEAR SUBMARINES

Hon. André Ouellet (Papineau): Mr. Speaker, in the absence of the Minister of National Defence, my question is for the Deputy Prime Minister. Yesterday, we learned that 59 per cent of Canadians oppose the purchase of nuclear submarines. After more than a year of propaganda, the Conservative Government has not been able to convince the people that buying these submarines is a good deal. Is the Deputy Prime Minister prepared today to listen to the voice of the people and give up this ill-conceived policy?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, as the Hon. Member knows, there is quite a discrepancy in polls taken in the country these days. I have a poll here conducted by Angus Reid which indicates in April, 1988, 47 per cent supported the idea and 47 per cent opposed it. On April 20, 1988, Decima Research showed 42 per cent in favour of the initiative. When

asked whether Canada should rely on the U.S. submarine force to provide security under the ice in Canadian waters, only 10 per cent agreed.

I think one must look at the polls in their fullest context rather than simply singling one out, because there are discrepancies from time to time.

COSTS OF ACQUISITION

Hon. André Ouellet (Papineau): Mr. Speaker, it is quite clear from the figures just given to us that, despite the efforts of the Government, successive polls have shown more and more people are opposing this venture as they become aware of it.

I want to remind the Minister that the proposed submarine program is supposed to cost $8 billion. That figure does not include the cost of maintaining the fleet or providing refuelling facilities. Will the Deputy Prime Minister come clean with the Canadian people and give us the cost of this program? Is he ready to admit today that the total cost will run into the tens of billions of dollars?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I think the Hon. Member was in the House on a number of occasions when the Opposition challenged the figures with the Minister of National Defence. I think he made very clear and precise what figures were allocated to the purchase of the nuclear submarines.

May I simply remind the Hon. Member and the House that this Government produced a White Paper on National Defence, the first one in 16 years, which clearly outlined Canada's defence policy. We committed ourselves to a three ocean defence policy, as well as to the ongoing commitments to NATO and NORAD. We also committed ourselves to the domestic revitalization of our regular and reserve Armed Forces. I think it is quite obvious that the White Paper in total has been very well accepted by Canadians.

* * *

NATURAL RESOURCES

POSSIBLE DIVERSION OF WATER FROM SOUTH SASKATCHEWAN RIVER INTO SOURIS RIVER

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is directed to the Minister of the Environment. His Department and the Province of Saskatchewan are engaged in a study, a copy of which I have in front of me. The study speaks of the possibility of diverting water from the South Saskatchewan River and the Qu'Appelle Valley River into the Souris River to meet the needs of a dam which the Premier of Saskatchewan insists should be built on the Souris. The Souris River also flows into North Dakota.

Can the Minister give us the assurance that his Government would never approve diverting water from the South Saskatchewan or Qu'Appelle River Basins into the Souris River to be exported to the U.S?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I am a little puzzled by the last part of the question where he talks about water exports. My understanding is that the purpose of the project in question is not to export water in the sense that term is used in the federal water policy. Indeed, if that is the purpose, and I do not think it is, it would be in violation of the federal water policy we articulated in great detail some months ago.

REQUEST FOR ASSURANCE GOVERNMENT WILL NOT APPROVE DIVERSION OF WATER

Mr. Simon de Jong (Regina East): Mr. Speaker, the federal water policy is opposed to any inter-basin transfer. Yet this study talks about an inter-basin transfer. Let me quote:

> The available draft in the Souris River is not sufficient for projected long-term requirements. The future development of the Qu'Appelle River to the Souris River diversion therefore appears to be a viable source of supply.

The director of the study was canned by the provincial Government because he embarrassed the provincial Minister by mentioning there was not enough water in the South Saskatchewan River to meet the needs of the Souris River.

Again, can the Minister give us, and especially the farmers of southern Saskatchewan who are experiencing short-term drought and the possibility of long-term drought, the assurance that his Government will never approve diverting water which could eventually be exported to the United States? Give us that clear assurance.

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the Hon. Member is excelling himself in confusion. We are talking about an international waterway which covers at least three jurisdictions, two of them Manitoba and Saskatchewan, and two countries. The federal Government has an obligation to satisfy itself that every environmental consideration is being factored into the equation because we administer the International River Improvements Act.

The permit has been applied for by the Province of Saskatchewan. I received it in January. Every due process is being followed, and I am honoring my obligations as a Minister of the Crown in that respect.

• (1450)

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT— CANADIAN WATER RESOURCES

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is for the Minister for International Trade. A couple of days ago in this House his Parliamentary Secretary, in answer to a question on the trade deal and export of water, consistently made reference to bottled water in relation to Item 2201 of the tariff schedule.

If the Minister reads the tariff schedule carefully he will see that the term "bottled" is only in the mind of the Parliamentary Secretary. There is not one reference to "bottled" on that page.

Therefore, would the Minister for International Trade tell this House why, if water was not intended to be in the deal and the legislation, there is no reference to the exclusion of water in both documents in order to give this reassurance to Canadians from coast to coast?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, we have repeatedly stated the fact that there is absolutely nothing in the U.S.-Canada Free Trade Agreement which compels Canada, forces Canada, or directs Canada to sell water to the United States of America. As a matter of fact the Minister of the Environment has announced the Government's policy which, although I do not have the exact wording before me now, is not to permit large-scale diversion of water to the United States or any other country.

That is in contradistinction to what the Leader of the Opposition, in his book in 1968, *Politics of Purpose*, said at page 183, about water:

> And if someday we can agree to the sharing of this continent's water by offering some of our water for export, we might want at that time to insist that if water is to be considered as a continental resource, markets should also be considered on the same basis. We might wish to export water not for money—but in return for access to your markets.
>
> That, as I see it, must be our position. I don't want to sound tough.

He certainly didn't sound tough in those days. The Member should be taking this matter up with his Leader. He should be concerned about his policy.

Mr. Caccia: Mr. Speaker, it would be a sad day if the policy of the Government of Canada in 1988 were to be inspired by a statement made 20 years earlier.

TERMS OF AGREEMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the Minister for International Trade has to clarify in this House why there is a reference to sharing of natural resources under Section 409 of the trade deal. If the Government found it necessary to exclude explicitly beer, unprocessed fish, and logs, why was water not included in that list?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I will come back to the words of the Leader of the Opposition, who is now in a position of some considerable power, although we all realize that the hon. gentleman asking the questions does not want him there. He is one of the dissenters.

Mr. Gray (Windsor West): Have the guts to answer the question directly.

Mr. Crosbie: The Leader of the Opposition said:

> Water will occupy the best minds—

—so you can forget it, Herb—

> —of our two countries for the next generation. It will be a constant topic of discussion over our neighbourhood fence. I am sure that we will be able to resolve the future use of the water of this country in a spirit of realistic friendship.

That is what the Member's Leader wants to occur.

Mr. Axworthy: What do you want? You want to sell hot air.

* * *

[*Translation*]

THE ENVIRONMENT

GRANT MADE TO NORANDA COMPANY FOR CONSTRUCTION OF POLLUTION EMISSION TREATMENT PLANT

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, my question to the Minister of Environment is about the $41.6 million paid to Noranda, supposedly to build a gaseous pollutant recovery plant.

Could the Minister indicate to the House whether this amount is considered as a loan or a subsidy for accounting purposes? Is he willing to table in the House the Quebec-Canada-Noranda Agreement?

[*English*]

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I do not think there is any secret about this. The company in question accounts for something like 45 per cent of the acid rain causing emissions in Quebec. The Hon. Member will know that Québec and Ontario account for about 80 per cent of the total domestic emissions relating to acid rain.

The Government of Canada worked very closely with the Government of Quebec and, through the Government of Quebec, with Noranda to finance the building of a sulphuric plant to address the problem directly.

The negotiation was conducted, in very large measure, by the Province of Quebec. It was, in effect, their deal to negotiate because it was within provincial jurisdiction. Our role was one of supporting that province and helping with the funding.

[*Translation*]

REQUEST THAT MINISTER TABLE DOCUMENTS RELATING TO AGREEMENT AND ANALYSES

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, my supplementary question is directed to the same Minister.

Could the Minister table in the House all relevant documents, not just the agreement, but also the analytical reports showing that this agreement respects the polluter pay principle whereby pollution clean-up costs should not be paid with Government subsidies?

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, I find it strange that the New Democratic Party should criticize the Government for trying . . .

An Hon. Member: Let him answer, we do not need dummies!

Mr. Valcourt: Mr. Speaker, I find it strange that members of the NDP, Canada's uncompromising party, should object to the Goverment taking steps to protect Quebec's environment. It is my first comment.

As to the disclosure of the terms of the contract, I must say this is a contract between the Government and a private corporation. We know what the Socialists think of private enterprise, but as a rule there is no disclosure of the terms of such a contract because this could affect the competitivity of the company.

* * *

[*English*]

DISASTERS

INVESTIGATION OF GANDER AIR CRASH

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Deputy Prime Minister and is concerning the Gander air disaster. Several members of the Canadian Aviation Safety Board have signed a report rejecting the air crash investigators' theory that icing was the cause of the crash that took the lives of 256 people in Gander, Newfoundland.

In view of the fact that half of the Board members are complaining that they were restricted in their review of the investigators' finding, coupled with the fact that eye witness reports have been rejected as irrelevant, will the Minister now assume his responsibilities on behalf of the Government?

Will he make available to the Canadian Aviation Safety Board all the information that the investigators have on hand? Will he personally ensure that all members of the Board are provided with all of the information?

Hon. Gerry St. Germain (Minister of State (Transport)): Mr. Speaker, as the Hon. Member knows, the Canadian Aviation Safety Board is an autonomous body set up by this Parliament in 1983. He may recall that it was set up with unanimous agreement.

The investigation is ongoing. At the present time a draft report of this accident has been issued to interested parties which are responding. We are awaiting a final report. Until such time, I think it would be premature to judge the final outcome of this investigation.

Mr. Boudria: Mr. Speaker, as interesting as that may be, that is not the question that I asked.

[*Translation*]

REQUEST FOR ACCESS TO ALL INFORMATION

Mr. Don Boudria (Glengarry—Prescott—Russell): I would like to ask the Minister of State (Small Businesses) a straight forward question: Why did the Canadian Aviation Safety Board and its members not get access to all information? We have here, Mr. Speaker, a foot of information. And some is missing! Why was this information not given to members of the Bureau to make sure that everybody would know all about that terrible accident? Why not make all information readily available? Is the government hiding something?

[*English*]

Hon. Gerry St. Germain (Minister of State (Transport)): Mr. Speaker, we have said, and will repeat again, that the results of this entire investigation will be made public. I repeat that the Minister will be receiving a report from the Canadian Aviation Safety Board and the Minister will have 90 days to respond. This investigation will be completed with the well-being and safety of all air transportation in Canada in mind.

Mr. Boudria: There is interference.

* * *

• (1500)

WESTERN DIVERSIFICATION FUND

ALLOCATION OF FUNDS TO MANITOBA

Mr. David Orlikow (Winnipeg North): Mr. Speaker, in the absence of the Minister responsible for the Western Diversification Fund, my question is directed to the Deputy Prime Minister. Last week the Conservative Premier of Manitoba confirmed what we had claimed weeks ago, that in fact Manitoba received virtually none of the funding from that fund while tens of millions of dollars have gone to British Columbia and Saskatchewan. When will the Government get its act together to see that Manitoba gets its fair share of the funds?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am advised that in Manitoba approximately 350 applications have been received from a variety of sources. To date, 35 projects worth about $12.6 million have been approved for Manitoba. Details will be announced shortly.

Mr. Broadbent: He just happened to have them with him.

Mr. Mazankowski: That is right, I just happen to have them. I guess that is good anticipation, Mr. Leader of the New Democratic Party.

I think it is most unfair when one does these periodic comparisons, because the response to the western diversification initiative has been overwhelming. There have been some 55,000 inquiries and a number of applications. The fact that it is a new initiative means that we have had some growing pains. However, I think that quite clearly applications are being processed in a much more expeditious manner and announcements are being made. I am sure my hon. friend will welcome that. I am sure Manitoba will be well looked after in the process.

DECISION MAKING PROCESS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the fact is that Manitoba has not received its fair share. One of the major claims about this fund was that decisions would be made at a regional level. The Premier of Manitoba claimed last week that many of the decisions are tied up in the bureaucratic mess in Ottawa. When will the Government gets its act together and let the regions do the things they are prepared to do?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, that has clearly been the intention. As I said, the response to the program indeed has been overwhelming. There have been tens of thousands of applications submitted, and many inquiries. There has been a pipeline to fill and I think my hon. friend will see that in the next short while the approvals will be announced in a much more expeditious manner. As I said earlier, I am sure that Manitoba will be receiving its fair share.

Mr. Speaker: This will be the last question of Question Period.

* * *

RESEARCH

FUNDING OF UNIVERSITY RESEARCH

Mr. David Berger (Laurier): Mr. Speaker, in the absence of the Minister of State for Science and Technology I will put my question to the Deputy Prime Minister. From the time the Government took office it has cut funds for research, science, and technology, and done its level best to drive scientists out of the country. In January a board set up by the Prime Minister and chaired by him recommended a 100 per cent increase over two years in funds for university research.

How can the Deputy Prime Minister justify a 7 per cent annual increase which rejects the advice of a board chaired by the Prime Minister and which will drive more scientists out of the country?

[*Translation*]

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, I find it quite appalling to listen to the Liberal Opposition. Instead of congratulating the Government for having injected more than $520 million in our universities for research and development, they complain that this is not enough. The Liberal Party should remember that during its many years in power it never gave the field of science and technology the attention it deserved. Instead of complaining today, the Hon. Member should congratulate the Prime Minister and the Conservative Government!

[*English*]

GOVERNMENT POSITION

Mr. David Berger (Laurier): Mr. Speaker, under the Centres of Excellence Program announced yesterday, many universities will not even be able to apply for funds because the Government refuses to fund research costs fully. Will the Minister explain why the Government has rejected another critical recommendation made by the board chaired by the Prime Minister to fund fully the cost of university research?

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)): Once more, rather than complain in the House the Liberal Party spokesman in this area should congratulate the Government for what it has done for university research. Of course, when the previous Liberal Government totally neglected R and D in Canada, we will not be able to correct the situation in a matter of a few months. It is good solid progress that is well received by universities all across Canada.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, will the Deputy Government House Leader give us the statement of business for the coming week?

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, this afternoon we will resume debate on Bill C-117, the Excise Tax Act. There is an understanding among the Parties that the debate will be

concluded at or before 5 p.m. today, and a division will take place at that time.

Tomorrow, between 10 a.m. and 11 a.m., we will resume debate on Bill C-126, the Bretton Woods Act. It is the understanding between the Parties that there will be a division before 11 a.m.

Subsequent to Routine Proceedings tomorrow, we will continue debate on second reading of Bill C-129, the Air Canada Privatization Act, until 2 p.m. There is also an understanding among the Parties that there will be no motion under Standing Order 9(4)(a).

It is our intention on Monday to commence what might be called the procedural debate on Bill C-130, the free trade legislation. It is our intention to call the legislation. I do not think there is any secret that my colleagues opposite may wish to put some questions to the Chair. Naturally, we are in a position to respond. There will be no effort to proceed with the motion being put and the debate ensuing on Bill C-130 in order to give Your Honour an opportunity to reflect upon the procedural matters.

We will then follow that with continuation of debate on Bill C-129, unless it should finish tomorrow.

There is a tentative agreement that I am reasonably sure will go ahead, that on Tuesday we will recommence debate on the Meech Lake Accord. On Wednesday we will resume debate on Bill C-129, the Air Canada Privatization Bill, unless it should pass second reading either tomorrow or Monday.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, since the Minister has told the House that the Government does not intend to use Standing Order 9(4)(a) tomorrow on Bill C-129, will the Minister give us an undertaking that he will utilize no rules in the book that could extend hours, including Standing Order 69?

Mr. Lewis: Mr. Speaker, when I discussed this matter with Members opposite and officials of their Parties, I gave my word that there would be no effort to extend hours. I am not completely *au courant* with Standing Order 69. I can make myself *au courant*.

I assure my colleague that there is no intention to extend hours tomorrow.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I have three brief points. I am in full concurrence with what the Government House Leader has just said—not the Government House Leader but the guy who controls the shop over there.

Mr. Speaker: The Hon. Member might at least say the honourable guy.

Mr. Nystrom: I just want to concur with the list that has been given to us by our friend across the way. He gave us his word that there would be no move to extend the hours tomorrow on the Air Canada debate.

There is something that I want to clarify for the record publicly. It is my understanding that if we debate the Meech Lake Accord Tuesday, in all likelihood it will be a Leaders' day if the three Leaders are available.

Mr. Lewis: Mr. Speaker, we have made every effort to co-operate with the Opposition Parties in order that we could arrange what might be called a Leaders' day. Until we have an opportunity to confirm this with the Prime Minister (Mr. Mulroney) when he gets back from Europe, I do not want to say it is a firm deal as of yet.

• (1510)

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-117, an Act to amend the Excise Tax Act and the Excise Act, be read the third time and passed, and the motion of Mr. Clinch (p. 15788).

Mr. John Nunziata (York South—Weston): Madam Speaker, I appreciate the opportunity to conclude my remarks on Bill C-117. As you will recall, Madam Speaker, prior to the luncheon adjournment I was indicating how dishonest the Government has been with respect to its position on tax increases.

For example, on March 6, 1984 the Minister of Finance, a member of the Conservative Opposition at the time, said: "We will reduce spending. We will refrain from increasing taxes which are already too high". The Prime Minister himself said on November 29, 1984: "Canadians pay a good deal of money for government services. They are already paying quite enough". However, the moment this Government was elected to office it systematically, in each subsequent Budget since the election of 1984, increased taxes. The record shows that from 1984 to fiscal year 1988-89, taxes have increased by $32.4 billion. This was done by a Government which said: "We will refrain from increasing taxes. Canadians are already paying quite enough". The Government has increased taxes by $32.4 billion, an increase of 46 per cent, in three and one-half years.

If one analyzes where those tax increases have occurred, one sees that personal income taxes have risen by $16.1 billion, an increase of 55 per cent. Corporate income taxes have only gone up 2.6 per cent, an increase of 28 per cent. Sales and excise taxes have gone up 77 per cent in four years. That is what Canadians are being forced to pay as a result of the economic measures of the Government.

The Government, through the Minister of Finance, the Prime Minister, and other members of the Cabinet, indicated

it wanted fairness in taxation. If that was their goal and if they were being honest and forthright with the people of Canada, why would they then increase personal income taxes by 55 per cent while at the same time only increase corporate income tax by 28 per cent? Individuals throughout the country are being forced to pay $16.1 billion more in taxes while corporations are only paying $2.6 billion more in the three and one-half years the Conservative Party has been in power.

Where is the fairness, equity, or economic justice with respect to the economic measures of this Government? Is it any wonder the people of Canada have lost complete trust and faith in the Government? Is it any wonder the Prime Minister has lost his moral right to govern?

After saying that Canadians were already paying too much and that it would not increase taxes, the Government started out in 1984 by attempting to deindex senior citizens' pensions. It increased the sales tax from 9 per cent to 12 per cent, a very regressive tax measure. On October 1, 1984 it went up 1 percentage point, again on January 1, 1986, and again on April 1, 1986. The Government extended the sales tax on candy, soft drinks, fast food, and snacks on July 1, 1985 and again on July 1, 1987. What a birthday present for the people of Canada.

There was a sales tax increase from 8 per cent to 12 per cent on paint, wallpaper, and toys on January 1, 1988. I am sure the Minister for International Trade was very concerned about the increase in the sales tax on toys. There was an increase in gasoline excise tax of two cents per litre on September 3, 1985 another cent per litre on January 1, 1987, another one cent per litre on February 19, 1987, and another cent per litre on April 1, 1988, for a total of five cents per litre since the conservative party came to power three and one-half years ago. the list goes on and on.

The bottom line is that both the Minister of Finance and the Prime Minister misled the people of Canada when they said they would hold back increases in taxation by indicating to the people of Canada that taxes were already too high. This particular piece of legislation, Bill C-117, is an attempt to increase further excise taxes which have already risen a significant amount since the Government came to power. They have gone up 77 per cent which amounts to $10.6 billion. This legislation only exacerbates the already serious problem the Government has with credibility.

I urge Hon. Members, considering of course that the Government holds a substantial majority, to look at themselves in the mirror and ask themselves if they are being truly honest with the people of Canada with respect to Bill C-117.

Mr. Boudria: Madam Speaker, I had the distinct pleasure and honour of listening to the remarks made by my colleague, the Hon. Member of York South—Weston (Mr. Nunziata). I want to congratulate him on an excellent speech. I am sure I speak on behalf of all Members, even the Minister for International Trade (Mr. Crosbie), when I do so.

I want to ask my distinguished and learned colleague if he is aware of the fact that in Bill C-117 there is a measure that will tax long-distance telephone calls to the tune of 10 per cent. I wonder if my colleague is aware of the negative impact of such a measure on rural Canadians?

Rural Canadians often have to make long-distance telephone calls to contact the doctor, hospital, as well as friends and relatives. I am sure you know that, Madam Speaker, because there is a rural component in your constituency as well. Does my colleague not agree with me that this is a reprehensible tax measure designed in a discriminatory way and is unfair to rural Canadians of the constituency of Glengarry—Prescott—Russell and elsewhere?

Mr. Nunziata: Absolutely, Madam Speaker. The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) asks me whether I was aware of this regressive tax measure. How can any Canadian not be aware of a regressive tax measure such as the 10 per cent tax on long-distance telephone calls which came into effect January 1, 1988, as well as the tax increase on cable television from eight per cent to ten per cent?

This tax measure might be understandable and reasonable to people living in larger urban centres who have the ability to make local calls in order to communicate with their friends and families. Where the inequity arises is when those who live in rural communities in northern Canada do not have the opportunity to make local calls in order to keep in contact with families and friends. It is these people who are being hit the most in terms of this regressive tax measure.

• (1520)

Notwithstanding the fact that the Finance Committee, which includes members of the Progressive Conservative Party, recommended that there be a cap on the level of taxation on long-distance calls, the Minister of Finance refused that very reasonable request.

Mr. Cassidy: Madam Speaker, I want to raise one point which perhaps relates a bit to an exchange that the Hon. Member for York South—Weston (Mr. Nunziata) and I had before lunch. It seems to me that there was alderman of the same name as his who stood and was elected as a New Democratic Party candidate to the municipal council in the Burrough of York back about 10 years ago. Am I confused or was that not the same gentleman who now represents York South—Weston for the Liberal Party here in the House of Commons?

Mr. Nunziata: Madam Speaker, as always, the Hon. Member is confused. We did have an exchange earlier. I told the Hon. Member that he was being dishonest with Members of the House. He is being dishonest again.

Mr. Cassidy: Answer the question.

Mr. Nunziata: It is absolutely not true. I was never elected as a New Democrat alderman. I would ask the Hon. Member

to check his facts. On more than one occasion he has deliberately misled the House and misled the people of Canada—typical NDP crap.

Ms. Copps: Madam Speaker—

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

The Acting Speaker (Mrs. Champagne): The Hon. Member for Hamilton East was seeking the floor.

Mr. Cassidy: On a point of order, Madam Speaker.

The Acting Speaker (Mrs. Champagne): The Chair recognizes the Hon. Member for Ottawa Centre on a point of order.

Mr. Cassidy: Madam Speaker, thank you for recognizing me. I ask Your Honour for your advice. To accuse another Member of deliberately misrepresenting, I believe, is unparliamentary. I would appreciate a ruling on that. If it is unparliamentary would the Chair ask the Hon. Member to retract his comment?

The Acting Speaker (Mrs. Champagne): The Hon. Member for Cowichan—Malahat—The Islands was seeking the floor?

Mr. Manly: On the same point of order, Madam Speaker.

The Acting Speaker (Mrs. Champagne): At this point in time the Hon. Member for York South—Weston, I must agree albeit in an amusing way, or in a light tone, has used words that should not be used in the House of Commons. I am sure that he will find a way to withdraw.

Mr. Nunziata: Madam Speaker, yes, I will withdraw the word "crap" as perhaps not being parliamentary. However, the Hon. Member made the statement that I was an NDP alderman. That is a falsehood. It is a lie. It is a misrepresentation. I refer to that statement. I am not calling him a liar or someone who might spread falsehoods or misrepresentations. The fact that he made the statement speaks for itself.

Mr. Crosbie: Shameless piece of pettifoggery.

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

The Acting Speaker (Mrs. Champagne): The Hon. Member for Ottawa Centre is rising on a point of order.

Mr. Cassidy: Madam Speaker, I do believe that you asked the Hon. Member to withdraw some other words. Perhaps that could be dealt with now.

Ms. Copps: Why don't you withdraw your falsehood?

Mr. Cassidy: If he wishes to intervene again, he can indicate whether or not he was ever a member of the NDP.

The Acting Speaker (Mrs. Champagne): The Chair feels it is a sad case that we would have returned this afternoon to the subject which I had hoped would be closed after the exchange this morning. When the hon. gentleman for Ottawa Centre was recognized on a question I would have thought that we would be staying within the relevant elements of the Bill at hand. However, I wish that the Hon. Member who has spoken about misleading the House will please withdraw.

Mr. Nunziata: Madam Speaker, I do not want to waste the time of the House of Commons. I think the people of Canada will understand what has occurred here in typical NDP fashion. However, for your sake and for your sake alone, Madam Speaker, I will withdraw whatever you consider to be offensive and unparliamentary. As they say in Latin *res ipsa loquitur*.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Hamilton East.

Ms. Copps: Madam Speaker, I actually had a question for the Hon. Member relating to a previous subject. It is amazing how members of the NDP have such incredibly thin skins. The Hon. Member for Ottawa Centre (Mr. Cassidy) was not satisfied to spread false statements this morning; he had to come back and repeat the same falsehoods this afternoon. When challenged he hid behind the shroud of parliamentary decency to claim that there is a withdrawal. Do Hon. Members hear the Hon. Member stand up and say: "I am wrong. I am sorry. I falsely accused the Hon. Member"? No, he hides behind the so-called parliamentary practice: "Yes, I cannot call anybody a scoundrel. I cannot call anybody a scalawag. It is okay if you call them any other kind of 20th century name".

In any case, my question relates to the question of long-distance telephone calls.

Some Hon. Members: Oh, oh!

Ms. Copps: There is one issue that I do not wish to remain on the public record. My friend and colleague, the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria), was perfectly correct when he said that the imposition of a 10 per cent tax was a tax on rural Canadians. However, he may also be aware, and this is one thing I wanted to point out to my hon. friend from York South—Weston, that not only does it discriminate against rural people; it also discriminates against Canadians living in suburban communities.

For example, I have a sister living in Dundas. The area around Hamilton is not even as large in circumference and population as is Ottawa. However, if one is living in Dundas and wants to phone one's brother in Stoney Creek, one has to pay a long-distance charge. That is different from the City of Toronto where one can call 2.5 million people without using long distance. However, in many suburban areas and other communities long distance must be used.

Does the Hon. Member not agree that not only does this measure discriminate against rural Canadians, it also discriminates against those Canadians living in communities such as Dundas, Stoney Creek, and in the Niagara region?

The Acting Speaker (Mrs. Champagne): A short answer from the Hon. Member for York South—Weston.

Mr. Nunziata: How can I help but not agree with the statements made by my friend and colleague from Hamilton East? She is quite correct. This regressive tax measure ought not to be in place. It discriminates against people in the North. It discriminates against seniors. It discriminates anyone and everyone who uses long distance.

Ms. Copps: Not in Toronto.

Mr. Nunziata: In Toronto as well, we make long distance calls as well.

The point is that the Government misled the people of Canada when it said that it would not increase taxes. It has increased taxes right across the board. It is patently unfair. All those Tory Members across the way should hang their heads in shame.

The Acting Speaker (Mrs. Champagne): Resuming debate with the Hon. Member for Winnipeg North Centre (Mr. Keeper).

Mr. Cyril Keeper (Winnipeg North Centre): Madam Speaker, it is good to get some relief—

Mr. Nunziata: Comic relief.

Mr. Keeper: —from this partisan bickering which has been dominating the Chamber for the last little while. I hope that "partisan bickering" is not an unparliamentary phrase. I would not want to get immersed in what has just been taking place over the last few minutes.

The Acting Speaker (Mrs. Champagne): The Chair also hopes that this is not contagious.

Mr. Keeper: Madam Speaker, I thank you for your assistance.

Some of those people who are watching may be surprised to know that the piece of legislation before the House is an Act to amend the Excise Tax Act and that it has to do with sales taxes. I just want to mention a few of the things with which these increased taxes have to do.

There is a 10 per cent tax on telecommunication services, telephones, telex services. There is an increase in the telecommunications programming tax on cable and pay-television services. There is an increase in the sales tax on paint and wallpaper products. There is an acceleration of federal sales tax and excise tax remittances. There is an increase in the federal sales tax on beer, spirits, wines, and tobacco. The list goes on and on.

• (1530)

These increased taxes did not come about as an act of God. They came from a series of Budgets that the Conservative Government imposed upon Canadians. The Acts that we are dealing with today concern the Minister of Finance's Budgets of February 18, 1987 and February 10, 1988; his June 18, 1987 White Paper on tax reform, and his December 16, 1987 tax reform paper.

What we have here are a series of tax increases coming out of papers that the Government called "tax reform". In a nutshell, that is what this debate is about. It is the Mulroney Conservative Government imposing tax increases upon Canadians in the name of tax reform. In the next few months, by sleight of hand, the Conservatives hope to create the opposite impression from what they have in fact been doing. We all know that in July people will be receiving some small measure of tax relief. When one looks at the over-all balance of things and takes into account all of the increases in tax burden that the Conservative Government has laid upon the backs of ordinary Canadians, the tax relief that will be delivered this summer is but a fraction of the tax increase. The over-all balance will mean tax increases.

In sum, Madam Speaker, tax reform to Tories spells tax increases. As a result of the Conservative Budgets over the last few years the average family is facing an increase in tax burden of $1,500. This might be justifiable if everybody else had been required to bear the same burden, or the money was being spent so wisely that it was evident to every Canadian that a tax increase was necessary.

Let us look at the first aspect of that proposition. Is everybody else carrying their fair share of the burden? What about corporations? What about large, profitable, powerful multinational corporations in Canada that make millions of dollars in profits and end up paying no taxes? In 1987, Xerox Canada made millions of dollars of profits and paid no taxes. The same holds true for a whole series of large and profitable corporations. Not only did those corporations pay no taxes and therefore set the tax burden that ordinary Canadian families have faced as a result of Tory policy in an unfair context, but many of those corporations received tax credits. They received dollars from the taxes of ordinary Canadians. In some cases, large corporations which made hundreds of millions of dollars in profits received tens of millions of dollars in tax credits as gifts from the Conservative Government of the day.

I do not wish to be overly partisan and say that this idea was originated by the Conservative Party, because I am aware of the fact that this trend was started under previous Liberal Governments. This policy of going easy on profitable corporations and going tough on ordinary Canadian families was started by the Liberals.

When Canadians voted for change in the last election, it is unfortunate that they did not receive real change. They did not get a government that was going to bring about real tax reform. Instead, they got the same old Liberal policies under a new partisan label. They got tax reform that translated into tax increases.

Mr. Redway: Pass it and we will get some tax reform.

Mr. Keeper: How can the Conservatives justify the fact that they have increased the tax burden on the ordinary family by some $1,500 over the last three years? Have they asked everyone in the country to pay their fair share? Clearly they have not had the courage, the will, or the intention to ask corporations to do that, not just any corporation, but profitable corporations. What about wealthy individuals? There are people in this country who make more than $50,000 and $100,000 in personal income and who, because of tax write-offs pay no taxes.

During the last federal election the then candidate for Prime Minister, now Prime Minister, (Mr. Mulroney), promised a minimum income tax, after he was prodded in that direction by the Leader of our Party who was calling for real tax reform. In the televised leadership debate the now Prime Minister then stated that he would bring about a minimum income tax. Once he got into office he moved as slow as a snail, as quick as a turtle, and eventually did bring forward some form of minimum income tax. At that time we welcomed the fact that he was taking action. But we also wanted to take some time to see whether or not this tax was going to bear fruit.

What studies and commentators have found is that the minimum income tax on wealthy individuals introduced by the Conservative Party is having a marginal impact. Because of exemptions, many of those wealthy individuals continue to pay no taxes. How can the Conservatives ask the ordinary Canadian family to pay more taxes, while many wealthy individuals who earn $50,000 or $100,000 pay no taxes? The whole question of taxation is one that leaves the ordinary Canadian with a sense of unfairness, that they are being asked to pay more while others are getting a free ride.

I would like to address the matter of tax reform and this matter of the continual pattern of tax increases by the Conservative Government from another perspective, that is, from the perspective of revenues, and what revenues could be collected if we asked those people who are getting a free ride now to pay taxes.

For example, in his annual report the Auditor General has identified $30 billion to $40 billion of tax write-offs which he says are questionable; there are serious questions about whether or not these tax expenditures achieve the public purpose objectives for which they were put in place. I am referring for example, to incentives for investment to create growth and employment. The Auditor General, who is an objective officer of Parliament, has stated that these tax write-offs do not achieve the objectives for which they have been established. Those are tax expenditures, forgiven taxes in order to achieve certain objectives, and the Auditor General says we do not know whether those objectives are being achieved and there is no basis upon which we can confidently say that they are being achieved.

• (1540)

We are giving up revenues. Instead of giving up those revenues for questionable purposes and collecting them we could provide some tax relief for the ordinary families. I want to assure you, Madam Speaker, that, based on my experience of talking to hundreds of citizens in my own riding of Winnipeg North Centre, the average family today is feeling the burden of taxation. People are fed up with this burden and they are angry that they are continually being asked to pay more and more and more. We allow these tax expenditures of $30 billion or $40 billion to leak through the tax system sieve. If we collected those revenues, a portion of them would provide the money for some tax relief for ordinary families who would not have to face such a heavy burden of taxation.

Now, $30 billion or $40 billion is a significant amount of money. Not only could we provide tax relief with it but we could also use it to attack some of the most glaring social problems in society. Canadians are compassionate. We have a sense of justice and a sense of fairness. It is shocking that we have people who are homeless and that there are children who do not have a roof over their heads. Some families do not have enough to eat. There are extremely acute social problems which could be attacked if we collected the tax revenues which are now being expended in a questionable way, according to the Auditor General. What about the tax increases which the Conservatives have brought about? We ought to look at revenues which the Conservatives are allowing to slip away. People who are getting a free ride in our society, the powerful and the wealthy, should pay their fair share, then we could give some relief to the ordinary family and take action on some very acute problems such as those of the homeless and hungry.

I want to approach this question of Tory tax increases, so-called tax reform, from another perspective. What are our priorities for the revenues once we collect them? If we are increasing taxes, the Government must have a purpose for the money which is being taken out of the pockets of ordinary Canadian families.

This Government has embarked on a program of having nuclear submarines. Estimates of the cost of this program are in the neighbourhood of $8 billion. When I consider that, I have serious questions about the Government's judgment that it has to increase the taxes for ordinary Canadian families. Is the reason for increasing taxes that the Conservatives want to play this macho game of nuclear submarines, spending billions of dollars to purchase them so they can play in the big leagues with the Americans and Soviets? Could they not find an effective, more modest and realistic way of achieving the security objectives of Canada without wasting the money of hard pressed families on the purchase of nuclear submarines?

It is ironic that we are embarking on the possibility of purchasing very expensive subs from France, for example, a country which is giving us such a hard time with the fishery in Atlantic Canada. Why are we offering to give billions of dollars to a country that says it does not care what happens to

our inshore fishermen and does not care about negotiations because it is bigger, more powerful and more significant on the international stage than Canada? Why are we taxing ordinary Canadian families to give bushels of money to a country that is pushing us around when it comes to the fishery? Fundamentally I do not think the Government can justify the tax increase on ordinary Canadians by $1,500 over the last three years. I do not think the Government can justify that, given the priorities it has established on spending and given the fact that the Government wants to use so much of this money to purchase nuclear submarines. I believe the majority of Canadians would reject this nuclear program out of hand. It is a program about which Canadians have not been consulted in any effective way. If they were, I am sure they would say no to it. The Government is wasting money when it comes to expenditures. Money could be saved and the Government could take a more modest and yet effective approach to them.

The Government is allowing revenues to go uncollected. The Government is allowing a whole series of tax write-offs to continue to exist for which there is no documentation. Billions of dollars of revenues are flowing away. A recent study was done by an economist from, I believe, Newfoundland in which he indicated that for every dollar of tax revenue that is given up only 21 cents of new investment is generated. That raises the question of the effectiveness of tax write-offs when only 21 cents of investment is generated each time a dollar is spent. That does not sound like a very economical approach to me because every time you go down that road you lose money.

The legislation before the House today to amend the Excise Tax Act is a series of tax increases. It is from a number of Budgets, a couple of which have been called tax reform papers, but when it comes down to it what tax reform means to Tories is tax increases. The burden on the ordinary Canadian family has increased over the last few years since the Conservative Government has taken office and this legislation is implementing that policy. There is no way you can justify tax increases without first indicating that everyone is paying his or her fair share. We know that profitable corporations in Canada are getting away with paying no taxes. Corporations that make profits and pay no taxes end up getting tax credits and are walking away with the money of ordinary Canadian families. That is unfair. It has to stop and the way to do it is to throw those chaps on that side of the House out of office. That will happen in short order, just as soon as the Prime Minister gets up enough courage to call the next election.

• (1550)

I wish that the Conservative Government would own up to the fact that when it says tax reform, it means tax increases. At least then it would have the virtue of honesty and frankness. It should back away from the policy and give some tax relief to ordinary Canadian families.

Mr. Shields: Madam Speaker, I wonder if I could pose a short question to my hon. friend. He railed on about taxes and tax increases. Yet his Party, in supporting the National Energy Program, supported the biggest tax transfer from western Canada to Ottawa ever perpetrated on any region of this country in the history of Canada. I wonder how he can square that.

Mr. Keeper: Madam Speaker, my understanding of the facts is that we voted against the National Energy Program. The Hon. Member should acknowledge that rather than try to lay on the New Democratic Party the sins of the Liberal Party.

At the same time, I want to challenge the Hon. Member to live with today rather than with the past. Will he explain to the House how he can justify the fact that his Government has increased the tax burden on ordinary Canadian families at the same time as it leaves profitable corporations paying no taxes whatsoever? How can he justify those tax increases while giving a free ride to profitable corporations?

Mr. Shields: Madam Speaker, it is true that the NDP did vote against the National Energy Program, but I would refer my hon. friend to House of Commons *Debates* of October 23, 1981, when the Hon. Member for Vancouver—Kingsway (Mr. Waddell) who was the energy critic for the NDP said:

> Today I want to begin the debate on the Canadianization parts of Bill C-48. These clauses of the bill lie at the heart of the National Energy Program. They are the ones under a barrage of unparalleled criticism from our American friends.
>
> I want to tell the government on behalf of our party, and indirectly the United States government, that the objectives of the National Energy Program will get our support, and I think public support, provided the legislation is tightened up to fully reflect that . . .
>
> I regret to say there has been evidence in the last few days that the Canadian government is backing off the National Energy Program and its objectives under American pressure.

It is obvious that although the NDP did vote against the National Energy Program, it was not because NDP Members disagreed with it but because the Liberal Government, they said, was not going far enough. How does he square that or what does he mean by that?

Mr. Keeper: Madam Speaker, I am glad that my hon. colleague acknowledged the fact that this Party voted against the National Energy Program. After he did that, my hon. colleague engaged in a time-honoured parliamentary ploy which is to take a speech from many years ago, find a quote and seek to embarrass someone. We see that going on in the House every day. Someone on this side reads a statement of a Minister on that side made when he or she was in Opposition, someone on that side reads what the Leader of the Opposition (Mr. Turner) said when he was in such and such a position. This goes on all the time.

While the Hon. Member is engaging in this game, I will point out one thing about the quote that he read to me, and that is, that the quote was qualified. There was a specific reference to the phrase "provided that". Obviously when my hon. colleague was speaking at that time, there were some conditions attached to what he was saying. I do not claim to

know the contents of all of the speeches of all of my colleagues back throughout history.

I would like my hon. friend across the way to deal with the fact that his Government has increased the tax burden on ordinary Canadians over the last three years by some $1,500. How could he do that at the same time that he allows profitable corporations to get away with paying no taxes whatsoever?

Mr. Nunziata: Madam Speaker, while one cannot expect the Hon. Member to remember all the speeches given by his colleagues, surely Canadians should be able to expect that members of the NDP remain consistent in every regard with regard to their national policy. I do not want to get into another battle with members of the NDP and their inconsistencies and hypocrisies. I want to ask the Hon. Member a question.

I listened to the Hon. Member's speech very carefully. I wonder if he could comment on the smoke and mirrors used by the Minister of Finance (Mr. Wilson) and the accounting trickery used by the Conservative Government with regard to the deficit. The Government likes to boast about the fact that the deficit has decreased over the last several years, but I am sure the Hon. Member will agree with me when I say that, to a large extent, it is all smoke and mirrors. It has all been done very surreptitiously, using accounting tricks.

One such trick is the acceleration of employer remittances. As the Hon. Member knows, up until this pseudo-Government came to office, employers were required to remit income tax, UIC and CPP payments once a month. As a result of an accounting trick and in order to reduce the deficit by over $1 billion, the Government has required employers to make those remittances, first, every two weeks and, I understand, now weekly, to give the impression that the deficit has been reduced when in fact it is all tricks and smoke and mirrors. The deficit really is not reduced by the figure $1.6 billion; it is just reduced for a period of a week or two weeks in order to make the Minister of Finance look good. In so doing, the Government is affecting the cash flow of many small businesses. I wonder if the Hon. Member has any thoughts on that.

Mr. Keeper: Madam Speaker, I find it interesting that my hon. colleague from the Liberal Party applies a moral standard to the NDP that of course no one would even try to apply to the Liberal Party, and that is consistency. If there is any Canadian who believes that Liberals hold consistency to be the highest principle, then I will seek to answer the question the Hon. Member asked about consistency.

Clearly the Government is engaged in smoke and mirrors with the deficit, but it is also engaged in something else. It is pursuing a policy that was started by the previous Liberal Government, in particular a policy that was started by the Hon. Member who is now the Leader of the Liberal Party (Mr. Turner), and that is the policy of giving a free ride to profitable corporations.

If the Conservative Government and the previous Liberal Government had required profitable corporations to pay taxes, then there would be revenues so that the books could be balanced. There would be a way to reduce the deficit significantly and at the same time provide tax relief for ordinary Canadian families.

The Acting Speaker (Mrs. Champagne): Resuming debate.

Ms. Sheila Copps (Hamilton East): Madam Speaker, I am most happy to be able to speak to this issue. I cannot believe the statements coming from the mouths of NDP Members in the House of Commons today. We hear the Hon. Member talking about tax burdens and corporate tax rip-offs. When members of the NDP saw the effectiveness of the flow-through shares that were introduced by the previous Liberal Government, that so-called tax loophole, they did a quicker flip-flop on that issue than we have seen in a very long time. They do not mind standing up and preaching "no tax loopholes" except when it is a tax loophole that happens to be working.

• (1600)

Mr. de Jong: That makes sense.

Ms. Copps: We do not mind people on either side of the House saying they are going to close off all tax loopholes, but please do not try to have it both ways. The NDP House Leader was actually wearing a button which said "save the flow" at the same time as the NDP finance critic was standing up in the House blasting away at corporate tax exemptions.

Mr. Nunziata: What hypocrisy.

Ms. Copps: I think the NDP owes this House an explanation. I hope for goodness' sake that when they talk about consistency they do not follow the pattern of their socialist colleagues in New Zealand who were the first in the western world to impose a tax on food. The socialist Government of New Zealand imposed a tax on food, and that was defended in this House. I am glad the Hon. Member for Ottawa Centre (Mr. Cassidy) is here because he will recall that when I asked him whether his Party, if it were the Government, would follow the example of the Government of New Zealand, he defended that socialist Government and its imposition of a tax on food.

Mr. Cassidy: I did not defend the tax on food and would not do it now.

Ms. Copps: As a matter of fact, if the Hon. Member with thin skin will look it up in *Hansard*, he will find that I asked him what he thought of this move by the socialist Government of New Zealand. He thought that Government had its own political agenda, and he was not prepared to criticize, God forbid, that socialist Government.

That is not what we are dealing with in this legislation but I think it has to be dealt with in the over-all context of tax reform because it is very easy for the NDP to stand up and rail

away at what past Liberal Governments have done and the general tax propositions of the current Government. However, it is also transparently obvious to taxpayers that the NDP wants to have it both ways. They cannot because they have to be consistent in their tax policy.

Also on the question of consistency, there is one inconsistent spokesperson for the Government whose public statements boggle the mind. I refer to the Prime Minister (Mr. Mulroney). On November 29, 1984, he said that Canadians pay a good deal of money for government services and feel they are already paying quite enough. Both he and the Minister of Finance (Mr. Wilson) campaigned on a promise that they would not raise taxes. Here is a direct quote from the Minister of Finance on March 6, 1984: "We will reduce spending. We will refrain from increasing taxes which are already too high." Instead, we have a Government which has increased taxes in probably the largest amount of any government in the history of Canada.

In January, 1988, the Government imposed a 10 per cent tax on telecommunication services, that is, the telephone. We have already heard the very articulate Member for Glengarry—Prescott—Russell (Mr. Boudria) point out how inconsistent that tax measure is because it penalizes in particular those Canadians who must, by virtue of where they live, use long-distance to communicate with family, friends, doctors and others. It is basically their lifeline to the community. Yet the Government implements a 10 per cent tax on telecommunication services.

We had an increase on tax on telecommunication programming services; an increase in the sales tax on paint and wallpaper products, and acceleration of federal sales and excise tax remittances, a scam which was just referred to by my colleague, the Hon. Member for York South—Weston (Mr. Nunziata).

The Minister of Finance stands in his place and says the Government is paying down the deficit. What it is doing is robbing the cash flow of small Canadian companies already living on the edge, scratching by their fingernails for mere existence. Instead of being able to collect their receivables and pay their payables, in many cases they have to pay the Government before they even receive it themselves. This accelerated payment is actually costing hundreds of millions of dollars in lost cash flow for small Canadian businesses, which are the life-blood of this country. It is not the large corporations which have created jobs in the 1980s. It has been the small businesses, in particular those started by women. Those businesses are being gouged by a Minister of Finance who claims he is paying down the deficit when in fact he is merely speeding up the collection process which robs the cash flow which is so crucial to the life of many small businesses.

We also see further increases in excise taxes on tobacco products, beer, spirits and wine. There is an air transportation levy. That tax discriminates against northerners and those who, by virtue of their distance from major centres, have to use air transportation to visit hospitals or doctors. There is an increase in the excise tax on gasoline and aviation fuel.

The amount of money the Government has raised in tax measures over its years in office is unbelievable. There has been a 46 per cent tax increase from 1984 to 1989. If you take into account personal income tax increases amounting to 55 per cent, a 77 per cent increase in sales and excise taxes which the Minister stated were job killers, and an increase of 16 per cent in other taxes, the total increase is 46 per cent from a Government which promised no tax increases.

Who is paying these taxes? Is it wealthy Canadians who are in the best position to pay? My Leader pointed out only a few days ago in the House that the only group who seemed to be getting a break by way of a reduction in tax burden are those earning over $100,000 a year. The Minister of Finance wants to slap a tax on people earning $15,000 a year and less, but he does not mind giving out $500,000 in capital gains exemptions. That was reduced finally to $100,000 in the last Budget, but it is an indication of government priorities. He is prepared to tell a single parent earning $15,000 a year that he or she should pay taxes, yet if you happen to be in the top 2 per cent of income earners you can have a $500,000 capital gains exemption. Most people in my riding do not even know what a capital gain is. Yet the top 2 per cent are getting a $500,000 tax write-off from a Government which claims it is not going to increase taxes. Well, it did not increase taxes for that group, but for most Canadians the effect of the Government's tax policies has been a double whammy.

The 77 per cent increase in sales and excise taxes in particular is damaging to those with low and moderate incomes. That is obvious. If I happen to be earning $70,000 a year and a waitress in my community happens to be earning $17,000 a year and we both decide to wallpaper our living room, the cost in excess taxes to that person is going to be the same as it is for me. Is that fair?

• (1610)

I submit that when the Minister of Finance said that sales and excise taxes were the silent killers of jobs, he was in fact speaking the truth and that, unfortunately, in his quest to help wealthy Canadians get richer by applying the capital gains exemptions, in his quest to show on paper that he is reducing the deficit, he has decided to penalize Canadians who are in the weakest position to fight back, those being, in particular, low and middle-income Canadians.

Many people in my own riding who have just filed their income tax were shocked and have written to me. They did not realize that over the tenure of the Government, the last four years, the Government has been silently chipping away at their earning power. They were surprised and shocked, when the time came to pay their income tax, to find that their tax bill was up to $1500 more than what it had been under previous Liberal Governments.

Look at the tax grab of major tax increases for individuals introduced by the Conservative Government. It picked up $1 billion in 1984 with a 1 per cent increase in sales tax. That was the first whammy. It picked up another $1 billion with the second increase of 1 per cent in sales tax in 1986. A third increase in 1986 picked up another $1 billion.

A two cent a litre increase in gas resulted in $930 million in excess revenue to the Queen's coffers. The second increase on gas earned $450 million, and the third in 1987 earned $450 million, for a grand total of $1.830 billion in gas tax increases alone.

The equalization of sales tax on unleaded and leaded gasoline in 1987 resulted in an extra $30 million coming into the federal coffers. The kiddy tax on candies and soft drinks and the sales tax on pet food earned $400 million. The extension of sales tax on snack foods earned $60 million.

The first increase in cigarette and tobacco taxes earned $320 million. The second increase in the so-called sin taxes resulted in a $150 million increase in tobacco and alcohol taxes. The third increase in 1987 amounted to $70 million.

The elimination of the RHOSP has to take the cake. I congratulate the Member from Toronto who is decrying the cost of housing in Toronto and would like to see a Toronto based Registered Home Ownership Savings Plan launched. Where was the Member when, in the Government's first Budget, it eliminated the Registered Home Ownership Savings Plan and the Liberal Party in Opposition demanded that the Government reinstate it? Where was he when the Canada Mortgage and Housing Corporation doubled the cost of guaranteeing the purchase of a home, which effectively added $800 to the price of a new home anywhere in Canada?

Where was the voice from Toronto when the Government decided to pay down the deficit on paper on the backs of working Canadian men and women who are trying to be in a position to own their own homes?

Where was he when his own Finance Minister, from his beloved City of Toronto, the same city that does not warrant designation as a financial centre, increased the tax on building supplies and materials, which added a further $400 to $800 to the average cost of a home anywhere in Canada? The RHOSP would have potentially given tax breaks of $1,000 per year per person, $2,000 per year per family which, over 20 years, amounts to a tax break of $20,000.

Now that they are going to have some kind of international economic summit in Toronto the Member jumps on the bandwagon and claims to be fighting for working men and women in the City of Toronto when he sat in his seat silent for three and one-half years while the federal Government did everything it could to try to increase the cost to the Canada Mortgage and Housing Corporation by eliminating the RHOSP, by increasing building supply materials, and by standing back and allowing the burden and responsibility for a national housing strategy to fall back on the shoulders of provincial Governments.

The elimination of RHOSP was another $105 million benefit to the federal coffers. The deindexation of the tax system earned $635 million. The elimination of the federal tax reduction amounted to another $650 million. Changes to marital exemptions saved the federal coffers $20 million. The general 3 per cent surtax of 1986 amounted to $1.2 million. The general temporary 5 per cent and 10 per cent surtaxes of 1986 amounted to another $500 million. The 10 per cent tax on long-distance calls of 1988 earned $945 million. Increases on other sales taxes amounted to $370 million. This list, long and complete though it may be, does not include the new federal sales tax imposed on June 18, 1987.

As soon as the Prime Minister got elected on a platform of no tax increases, on a platform of protection of senior citizens, on a platform of protection of universality, he immediately waged a campaign to increase taxes, to cut back on senior citizens' pensions and to damage and destroy universality.

Is it any wonder that the Canadian taxpayer is getting a little bit cynical about governments? Is it any wonder that when the Prime Minister stands up to give a speech, people ask themselves whether this man can be trusted to keep his word? He campaigned in 1984 on a simple promise that he was not going to increase taxes. Yet he has increased taxes more quickly and more unjustly than any Prime Minister since Confederation.

[*Translation*]

I do not believe, Madam Speaker, that Canadians can trust a Prime Minister who during the election campaign claimed that he hated tax increases, whether on personal income or on direct taxes like the sales tax, because we can see very clearly that even before the election, he was claiming that there would be no tax increases, but once he was elected, since his Government took power, we have had specific tax increases: a 55 per cent increase on personal income, a 28 per cent increase on corporate income, a 77 per cent increase of sales taxes, Madam Speaker, between 1984 and 1989, and a 16 per cent increase on other income, for a total average tax increase of 46 per cent; this from a Government that claims it does not want to increase taxes for Canadians.

Furthermore, Madam Speaker, we must consider the fact that the most affected, those who suffer most from tax increases are the least wealthy because, if one looks at the figures, the greatest tax increase is for the sales tax and the excise tax that we are now discussing; the poorest are the hardest hit. For example, someone who needs to buy something to repair his house pays the same tax, whether he is a millionaire or poor. That is why the Minister of Finance claimed that the sales tax kills jobs. Indeed it does. But why did the Government and the Prime Minister take office promising Canadians that they would not increase taxes? But since they have been in power, Canadians have had the biggest tax increases since Confederation. People are wondering, Madam

Speaker, and I think that Canadians will reject this Government once the Prime Minister has the courage to call an election.

[*English*]

Mr. Redway: Madam Speaker, I was fascinated by the Hon. Member's comments, particularly as they refer to myself. I was particularly interested because I was not aware that the Hon. Member even knew that I was in the House these days. However, I seem to have hit a nerve. As a result of that, I would like to pose a question or two to the Hon. Member.

• (1620)

The Hon. Member referred to a number of items in her comments. She knows that Canada faces a lot of problems, many of which were created by her Party when it formed the Government.

One of those problems in particular is the deficit. Many of the comments she made obviously referred to efforts of the Government to deal with the deficit, which would be approaching some $40 billion a year at the present time if action had not been taken by this Government. The deficit has been reduced by some $10 billion a year.

Does the Hon. Member and her Party want to see the national annual spending deficit of Canada reduced? If so, is it her position and the position of the Liberal Party that that deficit should not be reduced by raising taxes? Is she prepared to say now that the Liberal Party would not raise taxes if it formed the Government?

In conjunction with that, is she prepared to say specifically what expenditures would be cut back by the Liberal Party—if in fact it is interested in reducing the deficit—in order to reduce the deficit by $10 billion as it has been reduced on an annual basis in the last three and a half years?

Will the Hon. Member answer those questions? Does she and her Party support deficit reduction? If so, will she give us a commitment today that if and when her Party forms a government again in this country they will not raise taxes, unlike her provincial colleagues in Ontario where she served previously? Will she also tell us specifically what government expenditures would be cut by the Liberal Party in order to reduce the deficit by some $10 billion a year?

Ms. Copps: Madam Speaker, herein lies the difference between the Conservative and Liberal Parties. The Liberal Party is not prepared to make promises that it cannot keep.

Some Hon. Members: Oh, oh!

Ms. Copps: During the 1984 election, the Leader of the Liberal Party, who has integrity and is accepted as an honest person across Canada, did not travel from St. John's, Newfoundland, to Chilliwack, British Columbia and tell people that he would keep taxes down and reduce the deficit at the same time.

The person who made that promise was the Leader of the Conservative Party. He tried to talk out of both sides of his mouth.

In fact, the Leader of the Liberal Party said quite bluntly that if the deficit is going to be reduced, he cannot make the promise that taxes will not be increased.

Consider the situation in the City of Toronto from the point of view of the Minister of Finance. The Government is telling Canadians that it is introducing fairness in tax measures. Yet for the first time it is slapping a tax on a single mother living in the Jane Finch area who is earning $15,000 a year. She is paying tax for the first time, while those wealthy enough to be in the top two per cent of the population and can accrue $500,000 in capital gains can get a tax holiday. Most of my constituents do not even know what a capital gain is.

The Government talks about tax fairness. Where is the fairness in a policy that offers a write-off to someone in the top 2 per cent of the population while telling a mother in the Jane Finch area that she must pay taxes?

The Member stood up in response to my direct challenge to him, but he did not answer my question. While I say, more power to the Member for calling for reintroduction of the Registered Home Ownership Savings Plan just in advance of the economic summit, and only in the City of Toronto, where was he when the opposition Parties were in the trenches fighting the Government's decision to withdraw the RHOSP? Where was the Member when the Government doubled the guarantees that were forced on home owners who want to get CMHC insurance? The Government introduced successive Budgets in the interest of so-called deficit reduction, which did not translate into actual dollars. Where was the Member when the Government increased the sales tax on building materials that directly translates into increased cost of housing in Toronto?

The Hon. Member was standing on the sidelines, telling the Minister to go ahead and reduce the deficit on the backs of poor Canadians so that wealthy Canadians can get a half a million dollar capital gains write-off.

If the Member is serious about his intent to see a reintroduction of the RHOSP, he should throw off that Conservative yoke and join a real Party that will fight for working people, instead of the hypocrisy of the Conservative tax policy.

Mr. Orlikow: Madam Speaker, the Hon. member criticized the Conservative Government for the increase in taxes it has imposed on most Canadians. There are two groups of Canadians whose taxes have not been touched.

One group is that of wealthy individuals. There are over 5,000 wealthy Canadians who earned more than $50,000 last year and paid no income tax. There are 250 Canadians who had incomes of over $250,000 and paid no income tax. Is that not the same situation as existed in all the years the Liberals formed the Government?

We know that some of the largest corporations in Canada paid no corporation tax, including Alcan Aluminum, Brascan, Hees International, Power Financial, Xerox, Wardair and Union Carbide. They paid no corporation income tax in 1986 and in 1987, neither did the Hudson's Bay Company, Bramalea and Cadillac-Fairview.

Is that not the same situation as existed in all the years the Liberal Government was in office? In fact, the biggest giveaways were instituted when the present Leader of the Official Opposition was Minister of Finance.

Why should Canadians believe the Liberal Party now when it criticizes the Conservatives for doing exactly what the Liberals did for so many years when they were in government?

Ms. Copps: Madam Speaker, I cannot believe what I am hearing. The Member talks about what the Leader of the Liberal Party did as Minister of Finance. The senior citizens of Canada will be very surprised to hear that the New Democratic Party does not support the indexation of senior citizens' pensions.

Mr. Orlikow: Who said anything about that?

Ms. Copps: The NDP should be aware of the fact that the then Minister of Finance, the Member for Vancouver Quadra (Mr. Turner), introduced indexing because the Liberal Party believed that the poorest of the poor should have a quarterly increase in their income which was equal to the Consumer Price Index.

It was the introduction of Conservative policies which cut back on that indexation.

Mr. Orlikow: Answer the question. Talk about the corporate hand-outs.

Ms. Copps: The Member says that I am avoiding the question. The Member wanted to talk about what our Liberal Leader did when he was Minister of Finance. He introduced a policy to protect the incomes of the poorest people in our society. I am very sorry that the NDP is opposed to that policy. I am very surprised that the NDP does not believe that senior citizens' pensions should be indexed.

The ultimate in hypocrisy is when the Member talks about corporate taxes and corporate write-offs. The absolute hypocritical flip-flop of the New Democratic Party on the flow-through shares issue is an indication of how phoney it is.

• (1630)

Mr. Orlikow: Why don't you answer the question?

Ms. Copps: I suppose the Hon. Member has not heard of the flow-through shares. The flow-through shares are that corporate tax rip-off which the New Democratic Party is supporting by wearing buttons in the House, and is supporting because those Members recognize, through representations by the mining industry and by other industries, that flow-through shares was a corporate tax loophole which was supported not only by the Liberals, obviously not totally by the Conservatives since they have cut it back, but by the New Democratic Party.

The NDP House Leader was wearing a button in the House supporting this corporate loophole. So could the Member explain to me which loopholes he is in favour of now and which ones he is against? Is he in favour of the loopholes when people visit him? When the NDP received a visit from the Canadian Mining Association, it did an absolute about-face. The week before it was against flow-through shares. After the industry showed it that flow-through shares have resulted in exploration of young and new mines and the creation of jobs in northern Canada, the NDP changed its position completely. Could those Members give me a list of which corporate loopholes they are against and which they favour?

Mr. Prud'homme: We are waiting for the answer.

The Acting Speaker (Mrs. Champagne): The questions and comments period is now over. The Hon. Member for Regina East (Mr. de Jong) on debate.

Mr. Simon de Jong (Regina East): Madam Speaker, it was with interest I heard the Hon. Member for Hamilton East (Ms. Copps) expounding on the virtues of the Liberal Party and its history when it comes to tax reform. One Liberal attempt at tax reform in response to the Carter report was quite quickly shot down. I must say in all honesty that I think it was shot down because the Conservatives at that time, representing the vested interests, led quite a concerted attack against Carter's proposals, and the Government did back down.

Then we had the 10-year period when the Right Hon. Leader of the Opposition (Mr. Turner) was Minister of Finance in the Liberal Government. In fact, there was quite a turn-around in government policy during the rest of the 1970s. Many of the tax loopholes which now exist in the Income Tax Act, particularly those affecting the large corporations, were introduced at that time.

The Hon. Member for Hamilton East asked us what sort of loopholes we would close. I could mention to her that we would certainly have closed the loopholes that existed in 1982 which allowed the Royal Bank of Canada—and it was not the only one—to rack up some $360 million in profits and not pay one cent of tax, in fact, receive a tax credit of some $20 million. A woman working as a teller for the Royal Bank in 1982 would have actually paid more in taxes than the Royal Bank of Canada. That was in 1982. It was a result of the Liberal tax policies which allowed the Royal Bank to make a profit of over $360 million and not pay one cent of tax.

We would have closed down or never introduced the type of loophole that the Hon. Marc Lalonde introduced in 1983 to encourage research and development. That resulted in a loss of public revenues of close to $2.5 billion in less than six or seven months. That loophole became such a sham that when the Tories came to power, they recognized the type of abuse that

was occurring and attempted to shut it down in October of 1984. However, in shutting it down they left the door open for those schemes that had been thought out, and so they introduced a grandfathering clause, and about one-third of the $2.5 billion lost in public revenues were lost in the period of time the Tories were in government.

Finally, the Tories themselves recognized they had not shut down this loophole tight enough, and in May of 1985 they shut it down completely. Of course, they should have done that in October of 1984 and would have saved the public Treasury well over $1 billion. That is the history of tax reform in this country. Unfortunately, we have never had proper tax reform. We have never accepted the notion that a buck is a buck, which was presented by the Carter Commission on Tax Reform. We continue to see inequities in the tax system which allow large and very profitable corporations not to pay any income tax whatsoever. We see inequities that allow high income wage earners in Canada to pay little, if any, tax, and inequities that see middle and lower income wage earners increasingly carrying the tax burden. That is true whether under a Liberal Government or under a Conservative Government.

The tax burden has increasingly fallen on middle and low-Canadian income earners. I think it is fair to say that in the 1950s, roughly half of public revenues came from the corporate side and half came from the individual taxpayers. Now, through successive Liberal and Conservative Governments, we find the proportion roughly to be 20 per cent, 25 per cent being paid by the corporate sector and some 75 per cent or 80 per cent being paid by individual Canadian taxpayers. That is the imbalance that has occurred over the years. Certainly, when we deal with the present legislation, Bill C-117, we can see it is just one more step in the road to extending the tax burden on ordinary Canadians.

This Bill brings together various budget proposals we have had placed in front of us in the last number of years. In fact, it seems that every time the Minister of Finance (Mr. Wilson) stands up to make an economic statement, present a White Paper or introduce a Budget, there is invariably an increase in sales tax. Either the base is broadened, meaning that new items are now being taxed, or the rate has increased.

We can go down the list of all the various items the Government has introduced which increases the tax load on ordinary Canadians. There are such items as the 10 per cent tax on long-distance telephone calls and on paid television services. This will net the Government some $870 million a year. There is a sales tax on paint and wallpaper products, which has increased from 8 per cent to 12 per cent. It is estimated that this will bring the Government in an extra $60 million a year. Then there are taxes on beer, spirits, wine and tobacco products, which were previously announced, but not all in this Bill, which will bring the Government some extra revenue of $240 million a year.

One of the major increases the Minister of Finance, particularly, this Government, seems to like, is to increase the sales tax on gasoline. Since the Government has been in power it has raised the price of gasoline by some 23 cents a gallon. That is over and above what the Canadian taxpayers were paying before the Conservatives were elected. That is 23 cents a gallon extra going to the Federal Treasury.

We can discuss at some length the merits of the sales tax as opposed to other ways of gathering government revenues. I am certain there will be differences of opinion among all Members of the House as to whether the Government should raise its revenues more directly through the income tax and the corporate tax or whether it should do it through things like the sales tax. There are arguments in favour of having a sales tax. Most industrialized countries in fact do have a sales tax. It ensures that those individuals who pay little, if any, income tax, and I am referring to those higher income Canadians, at least pay some tax. In other words, the tax man stands in front of your pocket as the money leaves your pocket rather than as in the case of income tax which is taken before the money comes into your pocket.

Certainly, having a sales tax ensures that all those who spend money will be paying some tax. There are, of course, arguments against the sales tax. One of the major arguments is that it is regressive. That means that we are being taxed not on our ability to pay tax but on our needs. A person who has an income of $8,000, $10,000, $12,000 or $15,000 a year still needs to buy a gallon of milk and a loaf of bread. He must use the telephone. Perhaps he has a television set and is hooked into a cable company. He has to buy shoes and clothes for his kids. He has to buy a house or rent an apartment. He has to have a car. On all these items there will be, in some form or another, sales tax. He or she is being taxed at the same rate as the person who has an income of $100,000 or $1 million. Of course, those earning $100,000 or $1 million will be spending more and therefore will be paying more tax. However, on the basic necessities very often the low-income Canadian person will be paying the same amount of tax as the higher income Canadian person. That is not fair. It is regressive. It is one of the aspects of the sales tax that I find unacceptable.

• (1640)

The Government has said, and points out with some pride, that it has introduced the sales tax credit. It is supposed to compensate those with low incomes the money they have spent on sales taxes. But of course the sales tax credit is nowhere near what people are paying in sales taxes. The sales tax credit introduced by the Government does not touch the increases in the sales taxes that people will be paying because of various Tory Budgets. As with most other Canadians, they are paying more in tax but they are getting a little bit of it back now.

As well, the Government has failed to make a commitment that the sales tax credit will be indexed to inflation. That is something that the Government has to do as it increases its revenues from sales taxes. It has to guarantee to lower and

middle-income Canadians that as the sales tax increases, either through increasing the rate, the base or through inflation, low-income and middle-income Canadians will not be hurt any more, and that the sales tax credit will be indexed to ensure that they will get back the increases in taxes that they will be paying. Unfortunately, the Government has failed to move in that area.

There are some thorny issues dealing with sales tax in Canada. We have one of the most antiquated sales tax regimes in the world. I think everyone will admit that the present system is not a good one. I will now outline some of the various problems that we have.

One area with which we have difficulty in terms of the present sales tax regime concerns the difference in sales tax burden. The federal sales tax is levied on the manufacturers' selling price. However, the selling price may vary for the same product depending on whether the manufacturer sells it to a wholesaler or to a retailer. Selling to a retailer brings to it a higher relative tax burden. When a manufacturer sells his or her product to a retail outlet, higher costs will be incurred than if the product were sold to the retailer. In other words, what the present sales tax system does is to create distortions within the market-place. Therefore, some manufacturers who have set up their operations to sell directly to retailers will be paying one level of taxes, or taxes on a certain number of activities, whereas in another system of operating the business where the manufacturer sells to the wholesaler and the wholesaler sells to the retailer, one saves a significant amount on taxes.

In 1977, it was estimated that fully 44 per cent of taxable manufacturers' sales were directly to retailers. To reduce this discrimination there is now an extensive list of what are called notionable values which are used to discount the price at which a manufacturer sells a product to the retailer to the price that would have been paid by the wholesaler. But introducing notional value creates a lot of distortions within the system. The Federal Court has found that using notional value is discriminatory. It means that the Department of Revenue is able to place notional value on some goods. It is arbitrary. The court has found this to be unconstitutional. I would tend to say rightly so. That is one of the problems that we have with the present sales tax regime.

The other problem that we have is that the Government taxes the production of goods. In other words, those who produce capital goods have to pay the sales tax. There is no other country in the world that really taxes its capital goods. When purchasing intermediate goods to be used in the production process, the manufacturer inevitably ends up paying hidden sales taxes on some goods. It was estimated recently that 42 per cent of federal tax revenues were collected on intermediate and capital goods. What is particularly harmful about this is that in those industries that export their goods part of the export price includes the sales tax on the capital costs. No other country in the world puts a sales tax either directly or indirectly on the goods that they manufacture for export. But in good old Canada we do. There is something quite dumb about this.

Another area with which we have difficulty in our present sales tax regime is that it gives an advantage to importers. In other words, while we are taxing our exporters, we are giving advantages to importers. Canada does not include the cost of transporting goods to Canada as part of the cost base for the calculation of federal sales tax. Consequently, those imports competing with domestically produced goods often pay less tax than goods produced in Canada. Again, it does not really make much sense.

Another area with which we have concern is with respect to the complexity of the sales taxes. The licensing requirements on manufacturers and the documentation that this entails, the special exemptions for certain goods, the system of notional values, all tend to make the federal sales tax administratively very burdensome and unnecessarily complex. As a member of the Finance Committee I can say that we have been dealing with the Government's attempt to fix the present tax regime and some of the anomalies in it. There is a recognition on the part of the Government that taxing our exporters and giving advantage to the importers is something that the Government has to deal with.

As we have been going through the proposals and meeting with the manufacturers and the producers of many goods and services, we hear over and over again that what the Government is producing is even further complexity. As well, it is making the unfairness even more so. The difference between the imports and the exports and the unfairness there will be extended further with the proposed legislation that the Government is introducing. Again, it seems clear to us that the Government has no precise notion of what it wants to do with some of the inequities and some of the problems that exist in the sales tax regime.

One can go on as well about the extent to which the Government has relied upon the sales tax. As I mentioned before, the sale tax is essentially a regressive tax. It is unfair to low-income Canadians. However, it is also unfair to people living in remote communities. In fact, I would say it is unfair to those in all rural communities.

I see that the Hon. Member for Winnipeg—Assiniboine (Mr. McKenzie) is in the House. He represents a district of many small rural communities. He surely must be concerned on their behalf at the type of increases in the sales tax. For example, there is the 10 per cent tax on communications. He knows and I know that when those people use their telephone it is often for a long-distance call.

I note that you are indicating to me, Madam Speaker, that my time is up. I wonder if I could just complete my thought on this and then there might be some questions that Hon. Members might wish to pose.

The point I want to make is that all of us who represent wholly or in part rural districts must be concerned with increasing sales taxes because they have such a negative effect on rural communities. People in rural communities use long-distance telephone calls much more than city dwellers. A doctor may be in the next town. A cousin, mother or aunt perhaps lives down the highway and to call him or her requires a long-distance telephone call. People in rural communities are being taxed, not city dwellers.

• (1650)

The increase in the cost of gasoline means that if one is driving to the next town, more gasoline is being used. The cost of bringing in foodstuffs to the local store will be higher because of the increase in the gasoline prices that a trucker will have to pay. Sales taxes discriminate against those people living in rural and in remote communities.

Therefore, I urge those Conservative Members who represent districts with many rural areas to oppose this legislation.

Mr. Redway: In his remarks, the Hon. Member spent a good deal of time dealing with the unfairness of sales tax. I am aware, and I know the Hon. Member is aware that socialist Governments representing the same philosophy as the NDP, for example, the Government in New Zealand, imposed a sales tax on food and groceries. In Sweden, the socialist Government with the same philosophy as the NDP also imposed a sales tax on groceries and food products. I am not aware of the rate of tax in New Zealand, but I am aware that there are different rates of sales tax in Sweden, and that groceries are taxed at the highest rate.

In the event that the Hon. Member and his Party ever formed a Government, or if he and his Party had the balance of power in a minority government, would the NDP Members in Canada, like their colleagues whom they support regularly in Sweden and New Zealand, impose a sales tax on food?

Mr. de Jong: That is a fair and honest question. I was with the Finance Committee when we visited New Zealand, and saw the operation of its sales tax. When the Labour Government in New Zealand introduced tax reform, it did it quite differently than tax reform in Canada. First, changes were introduced to the sales tax, to the income tax, and to the corporate tax. That Government also increased its subsidies or programs to help middle and low-income families. This was done at the same time, as opposed to what the Minister of Finance is doing and stretching it out.

When socialist democratic governments throughout the world introduce a sales tax on all goods and services, they guarantee that low and middle-income citizens are fully compensated. One might make a theoretical argument in favour of having a universal sales tax, but that can only be done when there is a full guarantee that low and middle-income citizens are fully compensated. For that, citizens have to be able to trust their government to do that. The problem that I have is that I do not trust the Government.

After promising senior citizens that they would not have their pensions deindexed, the Government attempted to deindex their pensions. The Government deindexed family allowances and many social support systems. If there is not full indexation on the sales tax credit, then low-income Canadians will eventually lose. There can be a sales tax credit to fully compensate them this year, but if it is not fully indexed, next year it would be a little less, and the year after that a little less.

In part, Madam Speaker, it is a question of trust. Do you trust the Government to index fully the compensation that low-income people will receive? I do not trust the Government to do that. Therefore, I would be opposed to the Government imposing a tax on food and other basic necessities.

The Acting Speaker (Mrs. Champagne): Is the House ready for the question? The question is as follows: Mr. Wilson (Etobicoke Centre), seconded by Mr. Jelinek, moved that Bill C-117, an Act to amend the Excise Tax Act and the Excise Act, be now read the third time and passed, and the amendment thereto of Mr. Clinch, seconded by Mr. Hawkes:

That this question be now put.

The question is on the amendment. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Yes.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the amendment will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion, the yeas have it.

And more than five Members having risen:

The Acting Speaker (Mrs. Champagne): Call in the Members.

[*Translation*]

And the ringing of the bells having stopped:

The Acting Speaker (Mrs. Champagne): As requested by the whip of the official Opposition, the vote is deferred until 6 p.m. today and shall be held following the other vote deferred yesterday until the same time.

It being five o'clock p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

FINANCIAL ADMINISTRATION ACT

SUGGESTED REPEAL OF SECTION 17

Mr. Alan Redway (York East) moved:

That, in the opinion of this House, the government should consider the advisability of repealing Section 17 of the Financial Administration Act and require that all remissions of taxes, fees or penalties be submitted, each year, to Parliament for approval.

He said: Madam Speaker, I appreciate the opportunity of speaking in support of this motion which you have read calling upon the House to consider the advisability of asking the Government to repeal Section 17 of the Financial Administration Act, and to require that all remissions of taxes, fees or penalties be submitted to Parliament for approval each year.

The basic principle underlying all tax law is that it will apply equally and fairly to all Canadians regardless of who they are, where they live, or who they know; whether they be rich or poor, whether they be famous or notorious. The basic principle is that these laws should apply to everyone equally and absolutely. I would hope that that principle means, and I believe that it does, that each tax law will apply the same way to my neighbour next door, my neighbour across the street, or my neighbour in another part of the country in the same manner as it applies to me, and that I can expect that there will not be any favouritism offered to one person or another person.

• (1700)

That begs the question in my mind, and I hope in the minds of everyone in this House, as to whether the tax laws in Canada not only are supposed to apply that way equally to all but they actually do. In that respect I suggest, Mr. Speaker, that you should take a close look at Section 17 of the Financial Administration Act of Canada. That Act has a number of provisions which cause me concern. I would suspect it would cause you, other Members of this House and all Canadians concern.

Section 17(1) of the Financial Administration Act states:

The Governor in Council, on the recommendation of the Treasury Board, whenever he considers it in the public interest, may remit any tax, fee or penalty.

That means he can forgive it, he can make a gift of it, he can make sure that it is not paid, that is if he considers it in the public interest. I am not certain as to how this process actually works in Parliament. I would assume that if a member of the bureaucracy draws up a list and provides on that list all of the people who are taxpayers who should have their taxes wiped out, then that list is submitted to the Governor in Council and the Governor in Council puts a stamp of approval on it and it is done. I do not know who is on that list particularly, Mr. Speaker. I do not know whether you know who is on that list, but apparently from time to time each year and every year the Governor in Council, through some process like that, forgives some people their taxes. Of course, other people in exactly the same circumstances may actually still be having to pay taxes. I would not suggest that it happens that way. There is the availability and there is the possibility in Section 17 of the Financial Administration Act for that sort of abuse, the kind of abuse where somehow or another, as a result of who you know or what you know, you may have your taxes forgiven and I may not, even though we are in the same circumstances or, for that matter, I may have my taxes forgiven and you may not, Mr. Speaker. I think this is a matter of serious concern and should be to you and all Canadians.

Subsection (3) of Section 17 of the Financial Administration Act goes into some detail as to how the Governor in Council can go through this forgiveness of taxes, or remission of taxes as it is called. It talks about not proceeding with a suit to recover those taxes. The Governor in Council might levy the tax but then decide not to pursue the recovery of it. He could delay or discontinue any proceedings to recover those taxes that are already commenced on the part of the Government. He could not enforce, or abandon any effort to collect those taxes, which is another provision in Section 17. Another one is to just write in the books that the tax has been paid, that it has been satisfied and that there is nothing owing on that particular tax. Another provision is to pay back money that is already paid. If somebody paid his taxes to the Government, to the Receiver General, there is the right in Section 17 of the Financial Administration Act to take the money and send it back saying "Thanks anyway. We don't need your money. Forget about it. We are sending it back". This is the sort of thing that Section 17 provides for.

I wonder how many people in this House and across Canada realize that there is in Section 17 of the Financial Administration Act, the authority to forgive somebody's taxes and not have to seek the approval of Parliament first in order to do it. In other words, Parliament has already given the Governor in Council that authority not to do it once in a particular case but to do it time and time again, day after day, month after month, year after year. That is what Section 17 has the effect of doing.

Does the Government ever act on this authority in Section 17 of the Financial Administration Act? It certainly does. But it has been very difficult to know about the action which the Government has been taking. You may know, Mr. Speaker, that every year in the fall the Government publishes something called the Public Accounts of Canada. It comes out not as a single volume book but it is in four separate volumes at the moment. I suppose that as the complexity grows there may be five and six volumes, whatever number, but it is a lot of paper. I am not sure how many people ever sit down and read through it all.

I tried to find the material on tax remissions in the Public Accounts of Canada a few months ago and had to seek assistance from the Library of Parliament because I could not find it in the Public Accounts when I looked. The reason I

could not find it is that it is in Volume II, Part 2 of the Public Accounts of Canada under something called Additional Information and Analysis. Section 3 in the middle says "Supplementary Information Required by the Financial Administration Act". Section 3 is 36 pages of tax remissions or tax forgiveness of one sort or another. It is 36 pages of the Public Accounts of Canada hidden under the title Supplementary Information Required by the Financial Administration Act.

You would not only have to get a Philadelphia lawyer or a parliamentary expert, you would have to be the Auditor General to figure out where this information is in the Public Accounts of Canada. There are 36 pages in the last Public Accounts which were for the fiscal year 1986-87. Another financial year has gone by now and we do not know how many taxes have been given away under Section 17 of the Financial Administration Act since that time. But in the 1986-87 fiscal year there was almost $1 billion worth of taxes remitted under the authority of sections like Section 17 of the Financial Administration Act. An amount of $914,278,119 was given away, tax money that was levied under the tax laws of Canada. Everybody is supposed to be treated equally under those laws, but $1 billion was given back to people who were supposed to be paying taxes under those provisions. That is just for the fiscal year 1986-87.

Back in 1986, the Public Accounts Committee of this House took a look at one particular tax remission. It dealt with Hudson's Bay Oil and Gas Company Limited and Dome Petroleum Limited. It was found that a remission order had been issued pursuant to Section 17 of the Financial Administration Act in February, 1985, to Hudson's Bay Oil and Gas, a subsidiary of Dome Petroleum Limited. Over a 10-year period Hudson's Bay was authorized to deduct for income tax purposes the financing costs that Dome incurred in acquiring it. This is actually the cost of one company acquiring another. This was forgiven under one of these provisions of Section 17 of the Financial Administration Act. The value of that remission order was considered and estimated at the date of this report back in 1986 at some $400 million. This $400 million was given back under the provisions of Section 17 of the Financial Administration Act. Parliament's permission was not required.

These tax laws would have applied the same way to other companies, but other companies would not have got a tax gift of $400 million. Hudson's Bay Oil and Gas Company, however, got this tax benefit. This expenditure never came to Parliament for consideration or approval whatsoever.

• (1710)

In the report of the Public Accounts Committee dealing with that one tax remission, the Public Accounts Committee suggested that the Government should give consideration to amending the Financial Administration Act to require: first, the tabling in Parliament of all income tax remission orders; second, the preparation of an explanatory note to accompany each remission order so tabled outlining why the remission order is in the public interest; third, the reference of all remission orders so tabled to the appropriate Standing Committee; and finally, the prior approval by Parliament of all income tax remission orders exceeding $20 million in value.

The thrust of my motion is not just that tax remissions exceeding $20 million should be approved by Parliament, but in fact that all tax remissions should be approved by Parliament. I am not suggesting that we should spend the entire parliamentary year debating tax remissions. It may be that the vast majority of them, and maybe all of them, flow from rational and understandable decisions on the part of the Government. If the facts were placed before the House, perhaps we would all agree to them without question.

My suggestion is merely that we devote some limited time of the House to allow a little debate each year and to actually pass an approval motion so that it just does not happen behind curtains, behind closed doors or under the veil of secrecy where the Privacy Act and the Access to Information Act do not apply. We should be getting these things right out on the floor, making sure that we understand and know why these tax remissions are taking place, and not only those for $20 million but all tax remissions. If it makes sense, sure, we will approve them in short order, and that will be the end of it.

The Minister of Finance (Mr. Wilson) responded to the report of the Public Accounts Committee in a letter addressed to the Chairman of the committee on March 9, 1987. I would like to quote certain portions of the letter. The Minister of Finance wrote:

> Before dealing in turn with the specific recommendations in the report I should note that I share some of the committee's concerns respecting the remission order process. My responses to some of your recommendations reflect my commitment to improving the process.

The Minister of Finance went on to say:

> As you know most remission orders are currently published in the Canada Gazette within 23 days from their passage by the Governor in Council.
>
> In response to your recommendation that all income tax remission orders be tabled in Parliament, I propose that they all be published in the Canada Gazette and that the orders above a $20 million threshold be tabled in Parliament on a regular and timely basis. Secondly, I propose to present to Parliament periodic reports of all remission orders. These periodic reports will contain all information that is currently available in the annual public accounts reports, namely the registration number, date, nature and amount of remission (where an amount is available).
>
> These reports would also contain information that is not currently required for public accounts purposes. In keeping with your recommendation 7b and 17, the proposed reports would include an explanatory note setting out the reasons for the order and, where an amount is not specified in the order, an estimate of the amount to be remitted where an estimate is practicable.
>
> Your Committee's principal recommendation is that all income tax remission orders should be approved by Parliament.

That was not really the thrust of the recommendation. It was only that those over $20 million be approved. The thrust of my motion, however, is that all of them be approved by Parliament. The Minister went on to say:

> While I recognize that Parliament needs to be fully informed with respect to remission orders, I believe that the power to grant remission orders was given to government for valid reasons that continue to exist. Indeed, it is desirable to maintain the capacity to respond swiftly, effectively and unequivocally where it is necessary to rectify anomalies, unintended results and injustices in the tax system. To require Parliamentary approval of all or some remission orders could seriously impair the effectiveness and timeliness of remission orders and would limit considerably the flexibility of our tax system.

The Minister went on to say:

> One recent example was the remission order granting withholding tax relief for interest on government and long-term corporate debt pending the necessary changes in tax law. Thus, my response to this recommendation is the same as my response of the Eighth Report of the Joint Standing Committee on regulations and other statutory instruments concerning the use of general remission orders. That is, while I have and will continue to avoid the use of remission orders to implement government policy I believe that such orders are an appropriate method for the government to use to grant timely relief.

In effect, the Minister said two things. He said first that he thinks Parliament should have more information about these tax gifts, but he said as well that he does not think that Parliament should have the right to approve them because it is more expeditious for the Government to deal with them.

In fairness to the Minister, just a few days ago, I received a report to Parliament on remission orders approved in the six-month period ending March 31, 1988, and that indicates that it is in response to the recommendations of the Public Accounts Committee in connection with remission orders. It indicates as well that the Minister has decided to table semi-annual reports in Parliament on these tax gifts and that such reports will be for a six-month period ending March 31 and September 30 each year. We will get one of these reports and it will set out some explanations about what it is all about and how much the tax gifts have been and that sort of thing.

In fairness to the Minister, he has proceeded with that, but in my view, the Minister misses the point, which is, that it is not necessarily necessary to curtail the authority of the Government to make tax remissions for these wonderful purposes that he outlines here, including correcting anomalies and injustices. It is not necessary to curtail that, but surely it should be necessary for us as a Parliament to approve them, to have this information before us and to be able to ask questions about whether or not everyone is being treated fairly, and to be assured that they are before we actually approve them and enshrine them, whether retroactively or before the fact.

One of the things that bothers me is something that was reported in today's *Globe and Mail*. One of our colleagues, the Hon. Member for Etobicoke—Lakeshore (Mr. Boyer), raised the question of tax remissions to the Goodyear Tire and Rubber Co. There was a report in *The Globe and Mail* today, as reported in *Quorum*, dealing with this issue. Part of the end of the article reads:

> Gerald Wright, senior policy adviser to Mr. Hockin, said it has not been decided whether Ottawa will help Goodyear Canada. Any federal aid would be extended through a duty remission program for tire manufacturers.

That certainly was not the purpose of Section 17 of the Financial Administration Act, but that in effect is what it is being used for. Surely Parliament should have the right to approve these tax gifts and giveaways to ensure that every Canadian is being treated exactly the same way and to provide that because of something that goes on behind closed doors, one may not be getting a break that no one else gets.

I hope that the House will approve this motion and that we can get on with repealing Section 17 and getting financial control back in the hands of Parliament and out of the hands of the bureaucracy.

• (1720)

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am pleased to participate in the debate on the Hon. Member's suggestion to repeal Section 17 of the Financial Administration Act and "require that all remissions of taxes, fees or penalties be submitted, each year, to Parliament for approval."

This is a motion, not a Bill, and so the language is not perhaps the same as it would be in a Bill.

Mr. Belsher: No doubt in my mind.

Mr. Boudria: There is in mine. The phrase about submitting "each year to Parliament for approval" means to me that it would have to be submitted for approval prior to the remission actually taking place. If that were not the case, it would not be approval per se.

If that is what the Hon. Member intends, I have some difficulty with it. Remission of penalties, fines, fees of all kinds sometimes has to be done simply because they were collected erroneously to start with. Of course, that is the reason that it is sometimes necessary to remit taxes, fees and penalties to the person who paid them in the first place.

The Hon. Member referred to these remissions as tax gifts to Canadians. That could very well be true in a number of cases. However, not all remissions are tax gifts. If an amount were erroneously collected, then it is not a gift, it is simply reimbursement.

[*Translation*]

I would however like to commend the Hon. Member for having brought to our attention this matter of some importance since it is obvious, as he has noted, that when these policies on tax remissions were established, when the House, by way of Section 17 of the Financial Administration Act, empowered government to make such tax remissions, it was not the legislator's intention to grant Government the power to use the back door to hand out grants. And this is indeed happening in certain cases.

My colleague has just given us a concrete example, that of Goodyear, where federal Government officials, speaking for the Minister of State (Finance), have indicated that if a grant was to be made, it would be made by way of tariff remissions.

In that case, Madam Speaker, I have to agree with the Hon. Member that when a remission is in fact used in lieu of a

grant, then Parliament certainly has the right, and the duty as I see it, to have a say on the establishment of the program.

[*English*]

However, we should note that the Standing Committee on Public Accounts did not ask for exactly what the Hon. Member is suggesting today. I think he recognized that when he said a little earlier that he was going beyond the request made by that committee, of which he is a member.

The committee asked that all income tax remission orders be tabled in Parliament. It said nothing about remission orders other than those dealing with income tax. The committee asked also for a preparation of an explanatory note to accompany each remission order in order to explain to legislators why the amount was remitted to start with. That is entirely reasonable. The committee also requested that there be a reference of all remission orders tabled in that way. In other words, the remission orders relating to income tax would be referred to the standing committee. That did not apply to duties or penalties or anything else, just those related to income tax.

As well, the committee asked that there be prior approval by Parliament of income tax remission orders exceeding $20 million. In other words, with respect to amounts less than $20 million, the remission orders would be tabled in the House, but not to obtain approval. We could review them as we review Order in Council appointments, perhaps. However, the House would have a say on whether or not amounts in excess of $20 million would be remitted. That is far narrower, as I understand it, than what the Hon. Member has suggested today.

When the committee made this recommendation to the Government, the Minister of Finance (Mr. Wilson) replied that the committee's principal recommendation is that all income tax remission orders should be approved by Parliament. Obviously he misunderstood what was in the committee's report. The committee said it wanted all income tax remission orders to be tabled in Parliament, but that only those involving amounts greater than $20 million would require approval. I do not think the Minister's reply was adequate, but that was so because he did not seem to have understood what the committee was asking. In any case, the Minister made his response and concluded with several remarks to the Chairman of the committee. Basically we are not very much further ahead than that today, except that certain documents are now being tabled in the House.

We have a request made by a committee of Parliament which was misunderstood by the Minister. He of course then arrived at the wrong conclusion. On the other hand, we have a Member asking that we go well beyond what the committee requested and that we seek parliamentary approval of all remission orders.

There are questions that beg to be asked. I do not know whether it was the intent of the Member to go this far, probably not, but I pose the following question. Under the suggestion he has brought to our attention, would the gasoline tax which is remitted to farmers have to be tabled in the House prior to being remitted? As I read his motion I would come to that conclusion. I do not think that is what he wants because it is a remission of taxes—

Mr. Redway: There is legislation authorizing it.

Mr. Boudria: That is true, but I read here, "All remissions of taxes, fees or penalties"—

Mr. Redway: Under Section 17.

Mr. Boudria: He now says "Under Section 17". Of course that narrows it down. The motion is to repeal Section 17 and says that all remission of taxes globally, not only those collected under Section 17, be approved by Parliament. I hear the Member saying now that that is not really what he wants. This would create something a little onerous, even with the further explanation now offered by the Hon. Member. I have some difficulty supporting this proposition.

• (1730)

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to the Minister of Finance): Madam Speaker, I welcome the opportunity to respond to the proposal in this motion to change the existing procedure for granting remissions of taxes and tariffs.

Madam Speaker, I think it is fair to say that there is a rather low level of public understanding of the workings of the tax and tariff remission system. Therefore I hope that this debate can shed some light on the subject and focus attention on the important issues that are involved, and that my colleague from Glengarry—Prescott—Russell (Mr. Boudria) will be able to follow the debate and fully appreciate the nature of the problem.

As the House is aware, the Standing Committee on Public Accounts has concerned itself with the question of tax and tariff remissions. The Hon. Member for York East (Mr. Redway), sponsor of the motion before the House, has taken an active role in the committee's discussions. Madam Speaker, the motion deals with one of the issues that were discussed in the committee—that of the approval process for granting remissions. But the committee was also very much concerned with other remission issues, and notably the need for greater accountability and openness by government in advising Parliament about remission orders that have been made. I would like to deal with that aspect of the matter in my opening remarks because of its importance.

The accountability of government to Parliament for its actions is of foremost concern to all of us. In the area of tax and tariff remissions, I submit that this Government has made a major advance in ensuring a high degree of openness and accountability for its actions. In March of last year, in response to concerns expressed by the Public Accounts

Committee, the Minister of Finance took three major commitments: first, to publish all income tax remission orders in the Gazette; second, to table all income tax remission orders involving more than $20 million; and third, to implement a new reporting process to Parliament covering all new remission orders.

In carrying out his undertaking, the Minister is taking steps even beyond those commitments. All remission orders, and not just those for income tax remissions, will be Gazetted. Similarly, the promise to table in Parliament orders involving more than $20 million will also apply to tariff remissions as well as those for income tax. These steps have already been implemented. The third step—to put in place a timely and practical process of reporting to Parliament all new remission orders—will be implemented in the very near future. This will involve a report after every six months on orders issued during that period. It will provide all of the information now given in the annual Public Accounts, and also set out the concise reasons for making the order and, where possible, the amount of tax or tariff being forgone or an estimate of the cost to the Treasury.

These measures will be a large improvement on the former practice. Most orders have in the past been listed in the Gazette although some were not—those affecting an individual or orders not of a continuing nature. Now all orders will be published. Moreover, publication in the Gazette did not provide very easy accessibility to Members. Nor did it provide important information that Members should know. The new system demonstrates the real concern of the Minister of Finance in bringing greater transparency to the remission process and creating the basis for real accountability by governement for its actions in this area.

Madam Speaker, I should add that this new reporting system is only part of a much broader approach by the Minister to opening up the process of budget making and tax reform. In his first budget in 1985 the Minister issued a paper setting out proposals for improving the budget process. That process has involved very broad consultation with the public on potential new tax measures prior to every budget since then. The consultation process showed its value particularly in developing the important measures of tax reform which were announced last year. The widest possible range of interested individuals, groups and associations were consulted and had an opportunity to make their views known. The Standing Committee on Finance and Economic Affairs also made important contributions in the process of consultation.

So what is being done in relation to tax and tariff remission orders is in keeping with the government's overall approach to greater openness and accountability.

The Public Accounts Committee and the Auditor-General were also concerned about the need for evaluating remission orders and ensuring that they do in fact achieve their purposes. Here too the Government has taken action. A new Tax Measures Evaluation Division has been set up in the Department of Finance. Its purpose is to evaluate not only tax measures but also the more significant tax and tariff remission programs. This new division was itself a response to one of the concerns of the Public Accounts Committee.

So it is very clear, Madam Speaker, that the Minister of Finance shares many of the concerns of the Public Accounts Committee and has been responsive to them. He has not, however, supported the kind of approach proposed in the motion by the Hon. Member for York East (Mr. Redway). There are good and valid reasons for the position taken by the Minister.

First, however, I should comment on the specific proposal that is embodied in this motion. It would do away with the remission process provided under section 17 of the Financial Administration Act. In its place, it proposes an annual submission to Parliament, for its approval, of all requests for remissions of taxes, fees or penalties.

I should note that the Financial Administration Act remission system applies only to tax remissions. Since January, tariff remissions have been provided under the Customs Tariff and thus would be outside the scope of this motion. The House should know that about 95 per cent of the amount of all remissions involve tariffs.

In considering this motion, however, the important point is whether it would serve the public interest. I submit that it would not, Madam Speaker. And one has only to look at the nature of the great majority of remission orders to realize that a system that requires prior Parliamentary approval would be quite inappropriate.

The large majority of remission orders, for either income tax or tariffs, are granted for reasons of equity—cases, for example, where there has been over-payment of taxes and duties and the letter of the law does not permit a refund or other relief. There are plenty of examples in the remission orders that have been made public. Cases like that of a mother with a claim for $654 in tax refund in respect of child tax credits for 1979. Because she had not filed her claim within the deadline required by law, as you would know, Madam Speaker, there was no way legally to pay the refundable child tax credit which she very much needed. The only recourse was through a remission order.

Another example involved a fairly new product on the market—beer coolers—and the Government decision to remit the excise tax payable on wine that is blended with beer in a brewery. Without that remission there would have been double taxation: the excise tax paid on wine purchased by the brewery to make its beer cooler, and a further excise duty paid on the end product shipped from the brewery. A remission order was the only, the quickest and most direct way of correcting this inequity created by the advent of a new product. The brewery needed relief from a double tax situation that could not have been foreseen when the excise tax and duty legislation was

written. Of course, the legislation could be amended, and this no doubt will be done if the situation persists.

But as Members know, changing legislation is a time-consuming and costly process. And in the meantime it could not help the brewer who wants to develop a market for this product now, not in six months or a year.

This requirement for prompt relieving action is a common thread running through most remission cases. The Public Accounts Committee has also been concerned that relief in remission cases should not be delayed.

The Government's position was well summarized by the Minister of Finance in a letter dated March 8, 1987 to the Public Accounts Committee in response to a committee report. Allow me to quote from that letter: "While I recognize that Parliament needs to be fully informed with respect to remission orders, I believe that the power to grant remission orders was given to government for valid reasons that continue to exist. Indeed it is desirable to maintain the capacity to respond swiftly, effectively and unequivocally where it is necessary to rectify anomalies, unintended results and injustices in the tax system. To require parliamentary approval of all or some remission orders could seriously impair the effectiveness and timeliness of remission orders and would limit considerably the flexibility of our tax system."

Madam Speaker, the Minister was referring to the great majority of remission cases which involve situations of inequity, hardships and injustices. And I am convinced, Madam Speaker, that my colleague from Saint-Denis (Mr. Prud'homme) would not condone unfair taxation.

Mr. Prud'homme: Yet this is what you are doing.

Mr. Vincent: In addition, as Members know—and I hope they know, Madam Speaker—there are a relatively small number of tariff remission cases, usually involving quite substantial amount, which are more in the nature of industrial programs. They are usually conditional on the industry carrying out specific undertakings or performances such as major investments.

Under the tax system, such cases will be reported promptly to Parliament. And like any government action they will be open to questioning and challenge. That is the essence of government accountability, which is fully supported by the Minister. This Government will not be making any remission orders that it is not fully prepared to explain and defend in Parliament.

Members should be aware, however, that the number of such so-called duty remission programs will substantially decline. That is because of the Canada-U.S. Free Trade Agreement. The Agreement specifically provides that no new or expanded tariff relief provisions which include performance requirements by an industry shall be introduced after next June 30 or after congressional approval of the agreement. Such remission programs that are now in effect are to be terminated before the end of the 10-year term of the agreement January 1, 1998.

In conclusion, Madam Speaker, I submit that we should not adopt the major change to our remission system proposed in the motion before us. The present system is a good and workable one, improved as it has been with the recent changes ensuring much greater openness and answerability to Parliament by the Government for its remission orders.

• (1740)

[*English*]

Mr. Mike Cassidy (Ottawa Centre): Madam Speaker, I am glad the Member for York East (Mr. Redway) has raised this particular issue. While I have reservations about the specifics of his proposal, his effort to bring greater openness, open government, and accountability on the question of tax remissions is very desirable.

I respect the kind of quixotic way in which he continues within the Conservative Party to carry on this campaign. However, after three and a half years in the House, I think he should have realized that the Conservative Party, like the Liberals before it, is beyond repair, and he should either join his colleagues on the independent benches on this side or come over to the New Democratic Party.

I believe the whole question of openness is fundamental to many Canadians in terms of their sense of whether or not the tax system is really fair. The Hon. Member for York East cited the case of Dome and the remission order of Hudson's Bay Gas which involved the forgiveness of some $400 million.

The Government is saying that in the future, remissions that have a value exceeding $20 million will be reported in some way or another to the House of Commons. I suppose that represents some progress. I am unaware of the mechanism to be established and, as finance spokesperson for my Party, I have yet to see any of these reports about how taxpayers' money is being spent through remissions under Section 17 of the Financial Administration Act.

There are several questions with which we must deal. For example, should Section 17 be repealed? Section 17 is exceedingly broad. I will read a couple of paragraphs into the record. Section 17(1) states:

> The Governor in Council, on the recommendation of the Treasury Board, whenever he considers it in the public interest, may remit any tax, fee or penalty.

For example, if the Cabinet decrees that returning all the income tax to people who are registered members of the Rhinoceros Party or other political Party is in the public interest, it can do so. While there may be some criticism from the public, it has that power.

Those orders are rather frequently gazetted in the *The Canada Gazette* which is a publication of mind-stupefying complexity and opacity. It is very difficult to understand in order to know what is happening.

The Canada Gazette in February, 1988, contained a lengthy amendment order under Section 17 of the Financial Administration Act, dealing with commercial vehicles. It is apparently justified because of the need to ensure consistency with the new customs tariff. Perhaps there is no specific value to that because the new order has the same value as the old order. However, the point is that, apart from gazetting, the House of Commons was not consulted or informed.

On the other hand, in 1973 and 1974, a number of trade union members on the Victoria *Colonist* were on strike and set up a union paper during the period of the strike which I believe was known as the Victoria Express. They were compelled to pay tax and, for various reasons which are not spelled out, the current Government decided to remit the tax that was either owing or had been paid by those trade union members. Patricia Turnbull is gazetted as receiving $1.14 for tax paid for the fiscal year 1973 and $40.60 for 1974.

I believe the Hon. Member for York East would agree that a few tens of thousands of dollars in taxes remitted in this particular case is somewhat small for the House of Commons to deal with by means of a vote or legislation. On the other hand, I think he would also agree that stating that only those remissions worth more than $20 million would be studied is a little too large an amount.

For example, I do not know the value of the remission cited by the Parliamentary Secretary, which he said was to avoid double taxing, where wines are used for wine coolers and are mixed in various ways with beer. That is something I would welcome right now. That is not a relevant comment, but it may be appropriate at the end of the day.

Mr. Dorin: A point of order.

Mr. Cassidy: There are no vineyards in Alberta, Madam Speaker.

Mr. Dorin: Madam Speaker, I rise on a point of order. The Hon. Member continues to suggest that this information and these various amounts are not available. In fact, all of these amounts, not simply $20 million, are listed and published in a report provided by the Minister of Finance (Mr. Wilson) and the House of Commons every six months. The latest report is one ending March 31, 1988, to which all Members have access. It gives an indication of the scope and reason for the order.

The Acting Speaker (Mrs. Champagne): That is not a point of order. I am sure the Hon. Member realizes that it is debate. There are three minutes left to the Hon. Member for Ottawa Centre (Mr. Cassidy).

Mr. Cassidy: Madam Speaker, I think you will agree that the intervention by my colleague on the Finance Committee, while totally out of order, was in fact a helpful intervention. I am glad to learn about that. It illustrates the complexity of the issue.

Should Parliament have the right to review major remissions? In my opinion, the answer is yes. I believe we must go beyond that and look at the whole question of tax expenditures, which include these remissions and far beyond.

• (1750)

The Auditor General pointed out in his 1984 report that the federal Government now spends about 30 cents to 50 cents through the tax system for every $1 of government spending. The Nielsen Task Force in 1983 estimated that 1983 tax expenditures totalled $36 billion compared to direct expenditures of $57 billion. So if we are now getting a report every six months from the Minister of Finance (Mr. Wilson) of the value of all remission orders, that is just a very small start to the kind of openness I believe we should be looking at.

In the minority report which my colleague from Regina and I submitted on the question of tax reform, we urged that every tax expenditure should be reviewed first by the relevant Department, so it could be looked at with respect to alternative policy instruments. Then there should be an appropriate tax expenditure analysis presented annually, along with the spending Estimates in the budget of the Public Accounts, and tax expenditures of all kinds—and we are talking about $40 billion or $50 billion a year—should be integrated with the spending envelope system and, therefore, subject to cabinet committee control. Finally, they should be subject to the approval of Parliament.

I note, and this is a sign of the kind of weakness of the system, that the Nielsen Task Force, which my Party criticized because of the way it handled this question of public spending, was looking at the trees and not at the forest and in fact spent a total of about 3 per cent or 4 per cent of the number of pages they produced in commenting on government expenditures, commenting on tax expenditures, which amount to some 30 per cent or 40 per cent of tax expenditures. It would certainly amount to far more than that when one looks at program expenditures.

While I have questions about eliminating Section 17 of the Financial Administration Act, I believe that the thrust of the argument of my friend from York East is an appropriate one. If he will join with us in bringing about greater accountability and openness, if he will go beyond this question of the remission orders under Section 17 of the Financial Administration Act to the whole question of tax expenditures in general, and if he will join us in trying to ensure that all tax expenditures are voted upon every year, then regardless of whether or not he joins the NDP caucus, I know on this issue we can work solidly and very positively together.

Hon. Bob Layton (Lachine): Madam Speaker, the Government welcomes this chance to consider remission orders in the context of the Bill presented by the Hon. Member for York East (Mr. Redway). It has been, and continues to be, this Government's objective to increase openness and accountability in the tax and tariff system. Let us look first at the budget

process. Members will know of the steps we have taken specifically to open up the budget process as far as possible and to have widespread consultation and examination of potential tax measures. In line with these objectives, in our very first Budget in 1985 we presented a paper entitled *The Canadian Budget Process: Proposals for Improvement.*

Our approach was also illustrated in the tax reform process. Before undertaking reforms, the Minister of Finance (Mr. Wilson) made himself and officials available to a large number of groups covering most social interest groups, the business community, volunteer organizations, economists, representatives of small and medium-sized businesses, unions and so on. After the proposals were published in the White Paper, the Minister again undertook to meet representatives from affected sectors who had things to say and representations to make.

Next, the proposals in the White Paper were examined in the Standing Committee on Finance and Economic Affairs, which was chaired by the Hon. Member for Mississauga South (Mr. Blenkarn), the committee on which I am happy to serve. This committee traversed the country and held hearings. Almost every imaginable group was heard from. The report of the committee contained 81 recommendations, to which the Minister of Finance in turn responded.

We have said that this process of tax reform has been one of the most open in the history of the federal Government. All affected individuals, taxpayers and citizens had several opportunities to speak with decision-makers. The process followed on tax reform also is a good example of how the Government's policy of widespread consultation interacts with the wider powers given to committees of this House.

With respect to remission orders, the Public Accounts Committee in its first report was extremely critical of the remission's process in an income tax order concerning the acquisition of Hudson's Bay Oil and Gas by Dome. This was an order passed by a previous Government. In responding to the committee on behalf of the Government, the Minister of Finance indicated that he also had concerns about accountability in the remission process. The Government immediately took steps to open up the process and make it more accountable. It specifically undertook to publish all income tax orders in *The Gazette*, to table in Parliament all income tax orders over $20 million, and to report periodically to Parliament on all new income tax remission orders and to give as much information as possible on their costs and rationale.

As my colleague, the Hon. Member for Edmonton West (Mr. Dorin) reported to the House a few moments ago, one of these six month reports to Parliament on remission orders is available to all Members of Parliament. It was specifically in response to the recommendations of the Public Accounts Committee.

In the course of carrying out these commitments, it was realized that any report on income tax remissions would be a pretty slim report. A review by the Office of the Comptroller General indicated that income tax orders, for instance, comprised less than 5 per cent of the value of all remission orders. It was also hard to see why other remission orders should not get the same open treatment as income tax orders. The Government, therefore, decided to table all remission orders worth $20 million or more in the House, to publish all remission orders in *The Gazette* and to issue a six-monthly report on all new remission orders to the House.

Let me say in conclusion on this point that the Government can claim credit for making the remission process more accountable, for promptly responding to concerns expressed about this process in a committee of this House and, indeed, for going much further than its original commitment to Parliament to make the remission process more accountable. Instead of just having an open process for income tax remission orders, all remission orders, including tariff, excise and sales tax orders, are now included in a more accountable process.

Placing the remission order process in a wider context, this is only one of the steps the Government has taken to increase accountability and openness in the tax and tariff system. Other steps include increased and wider consultation and the increased role of committees of the House.

It is important not only to be accountable but to be seen to be accountable. In the latter respect, the Government has also been increasing its efforts to make information on remissions accessible to Members. I have already remarked on some of these efforts such as the six-monthly report on new remission orders and the tabling in Parliament of all orders over $20 million. At the same time, efforts have been made to increase the usefulness of information in the annual Public Accounts.

For instance, these accounts will now give the annual amounts remitted under an order for the duration of its life. Some information will also be excluded to make the accounts more meaningful. Thus, a recent order remitted some $60,000 of tax paid on strike benefits to 298 members of a union. Previously, the Public Accounts would have listed all these individuals and the amounts they received. This information will still be available at Revenue Canada for any member of the public who wants to inquire about the order, but the Public Accounts will not list the individual beneficiaries of this order over several pages.

In conclusion, emphasis has also been put on increasing the meaningfulness of information in the Public Accounts without sacrificing public access to information.

The Acting Speaker (Mrs. Champagne): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 36(2), the order is dropped to the bottom of the list of the order of precedence on the Order Paper.

• (1800)

GOVERNMENT ORDERS

[*Translation*]

AIR CANADA PUBLIC PARTICIPATION ACT

MEASURE TO ENACT

The House resumed from Wednesday, May 25, consideration of the motion of Mr. Mazankowski that Bill C-129, an Act to provide for the continuance of Air Canada under the Canada Business Corporations Act and for the issuance and sale of shares thereof to the public, be read the second time and referred to a legislative committee.

And the amendment thereto by Ms. Copps:

That the motion be amended by striking out all the words following the word "that" and substituting the following therefor:

Bill C-129, an Act to provide for the continuance of Air Canada under the Canada Business Corporations Act and for the issuance and sale of shares thereof to the public, be not now read a second time, but be read a second time six months hence."

The Acting Speaker (Mrs. Champagne): It being six o'clock, pursuant to Standing Order 13(4)(*a*), the House will now proceed with the deferred division vote on Ms. Copps's amendment to Bill C-129, an Act to provide for the continuance of Air Canada under the Canada Business Corporations Act and for the issuance and sale of shares thereof to the public.

Call in the Members.

The House divided on the motion (Ms. Copps), which was negatived on the following division.

(*Division No. 368*)

YEAS

Members

Allmand	Epp	Orlikow
Althouse	(Thunder Bay—Nipigon)	Ouellet
Angus	Fulton	Parry
Axworthy	Gagliano	Penner
Blaikie	Gauthier	Prud'homme
Boudria	Hopkins	Rodriguez
Cassidy	Hovdebo	Skelly
Copps	Keeper	Young—26
de Jong	Murphy	
	Nystrom	

NAYS

Members

Belsher	Collins	Gustafson
Bertrand	Cooper	Halliday
Blais	Crosbie	Hamilton
Bosley	(St. John's West)	Hawkes
Bradley	Darling	Hockin
Cadieux	Dorin	Horner
Cardiff	Fennell	James
Clinch	Girard	Joncas

Kempling	McDougall	Sparrow
Kilgour	(St. Paul's)	Thacker
Kindy	McMillan	Towers
Landry	Nicholson	Vankoughnet
Layton	(Niagara Falls)	Vézina
Lesick	Nickerson	Vincent
Lewis	Nowlan	Warner
MacKay	Ravis	Weiner
Martin	Redway	Wilson
Mayer	Reid	(Etobicoke
Mazankowski	Scott	Centre)—56
McCrossan	(Hamilton—Wentworth)	
McDermid	Scowen	
	Shields	

The Acting Speaker (Mrs. Champagne): I declare the amendment lost.

* * *

[*English*]

EXCISE TAX ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-117, an Act to amend the Excise Tax Act and the Excise Act, be read the third time and passed, and the motion of Mr. Clinch (p. 15788).

The Acting Speaker (Mrs. Champagne): Pursuant to Standing Order 13(4)(a) the House will now proceed to the taking of the deferred division on the motion of the Hon. Member for Gloucester (Mr. Clinch), in relation to Bill C-117. Shall I dispense with the ringing of the bells?

Some Hon. Members: Dispense.

The Acting Speaker (Mrs. Champagne): Accordingly the question is as follows—

Some Hon. Members: Dispense.

The Acting Speaker (Mrs. Champagne): Shall I dispense?

Some Hon. Members: Agreed.

Mr. Gauthier: Madam Speaker, I rise on a point of order. I think if you ask, you will find there is unanimous consent to apply the results of the previous vote to this one.

Some Hon. Members: In reverse.

Mr. Gauthier: In reverse, of course.

Some Hon. Members: Oh, oh!

Mr. Gauthier: I apologize, in reverse.

The Acting Speaker (Mrs. Champagne): Is there unanimous consent to apply the result of the preceding vote in reverse to this question?

Some Hon. Members: Agreed.

Excise Tax Act

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

(*Division No. 369*)

YEAS

Members

Belsher	James	Ravis
Bertrand	Joncas	Redway
Blais	Kempling	Reid
Bosley	Kilgour	Scott
Bradley	Kindy	(Hamilton—Wentworth)
Cadieux	Landry	Scowen
Cardiff	Layton	Shields
Clinch	Lesick	Sparrow
Collins	Lewis	Thacker
Cooper	MacKay	Towers
Crosbie	Martin	Vankoughnet
(St. John's West)	Mayer	Vézina
Darling	Mazankowski	Vincent
Dorin	McCrossan	Warner
Fennell	McDermid	Weiner
Girard	McDougall	Wilson
Gustafson	(St. Paul's)	(Etobicoke
Halliday	McMillan	Centre)—56
Hamilton	Nicholson	
Hawkes	(Niagara Falls)	
Hockin	Nickerson	
Horner	Nowlan	

NAYS

Members

Allmand	Epp	Orlikow
Althouse	(Thunder Bay—	Ouellet
Angus	Nipigon)	Parry
Axworthy	Fulton	Penner
Blaikie	Gagliano	Prud'homme
Boudria	Gauthier	Rodriguez
Cassidy	Hopkins	Skelly
Copps	Hovdebo	Young—26
de Jong	Keeper	
	Murphy	
	Nystrom	

The Acting Speaker (Mrs. Champagne): I declare the motion carried.

The next question is on the main motion. Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion, the yeas have it.

And more than five Members having risen:

The Acting Speaker (Mrs. Champagne): Shall I dispense with the ringing of the bells?

Some Hon. Members: Dispense.

Mr. Lewis: Madam Speaker, I think you might find agreement in the House to apply the same vote to the main motion as on the amendment.

The Acting Speaker (Mrs. Champagne): The House has heard the suggestion by the Hon. Minister of State (Mr. Lewis). Is there unanimous consent?

Some Hon. Members: Agreed.

The House divided on the motion (Mr. Wilson, Etobicoke Centre), which was agreed to on the following division:

(*Division No. 370*)

YEAS

Members

Belsher	James	Ravis
Bertrand	Joncas	Redway
Blais	Kempling	Reid
Bosley	Kilgour	Scott
Bradley	Kindy	(Hamilton—Wentworth)
Cadieux	Landry	Scowen
Cardiff	Layton	Shields
Clinch	Lesick	Sparrow
Collins	Lewis	Thacker
Cooper	MacKay	Towers
Crosbie	Martin	Vankoughnet
(St. John's West)	Mayer	Vézina
Darling	Mazankowski	Vincent
Dorin	McCrossan	Warner
Fennell	McDermid	Weiner
Girard	McDougall	Wilson
Gustafson	(St. Paul's)	(Etobicoke
Halliday	McMillan	Centre)—56
Hamilton	Nicholson	
Hawkes	(Niagara Falls)	
Hockin	Nickerson	
Horner	Nowlan	

NAYS

Members

Allmand	Epp	Orlikow
Althouse	(Thunder Bay—	Ouellet
Angus	Nipigon)	Parry
Axworthy	Fulton	Penner
Blaikie	Gagliano	Prud'homme
Boudria	Gauthier	Rodriguez
Cassidy	Hopkins	Skelly
Copps	Hovdebo	Young—26
de Jong	Keeper	
	Murphy	
	Nystrom	

The Acting Speaker (Mrs. Champagne): I declare the motion carried.

Bill read the third time and passed.

[*Translation*]

The Acting Speaker (Mrs. Champagne): It being 6.26 p.m., the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.26 p.m.

HOUSE OF COMMONS

Friday, May 27, 1988

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

BRETTON WOODS AND RELATED AGREEMENTS ACT

MEASURE TO AMEND

The House resumed from Wednesday, May 25, consideration of the motion of Mr. Hockin that Bill C-126, an Act to amend the Bretton Woods and Related Agreements Act, be read the second time and referred to a legislative committee, and the amendment of Mr. Skelly:

> That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:
>
> "Bill C-126, An Act to amend the Bretton Woods and Related Agreements Act, be not now read a second time but that it be read a second time this day six months hence."

The Acting Speaker (Mrs. Champagne): When the House rose on Wednesday, May 25, 1988 there were nine minutes remaining in the question and comment period following the speech of the Hon. Member for Comox—Powell River (Mr. Skelly). I see that the Hon. Member is not present. Resuming debate. The Hon. Member for Skeena (Mr. Fulton).

Mr. Jim Fulton (Skeena): Madam Speaker, the Bill before us today, Bill C-126, is an Act to amend the Bretton Woods and Related Agreements Act. It provides for two amounts, one of $550 million and one of $250 million. The terms of the loans are favourable but will be used mainly to service existing debts. Third World debt, as many Canadians know, is over $1 trillion and rising. In 1987 Third World countries paid the IMF $5.9 billion more than they received and commercial banks now take more than they lend, a situation that has been going on for some time. Development assistance is drying up and, despite what our Secretary of State for External Affairs (Mr. Clark) promised, which was to reach .7 per cent of our Gross National Product by 1990, that goal was moved to 1995 and has now been moved on into the 21st century, a promise which the Government of Canada should clearly have met. Stephen Lewis, our Ambassador to the United Nations, said in an interview with the *Vancouver Sun* on May 9:

> The West is betraying the African continent.

The debts of sub-Sahara and African countries are not as large in absolute numbers as those of, say, Brazil or Mexico, but when expressed as a percentage of their Gross National Product or their debt service to export ratio, the debts are devastating. The IMF imposes structural reforms on these nations, and as one official put it, "cheaper money for stricter policies". These social costs of adjustment are borne most heavily by the very poor. The policies that were passed by my Party at its most recent convention deal directly with the social problems that were created by the coercion of the IMF and of developed nations on Third World nations. Our Convention Policy, B.3.2, reads in part:

• (1010)

> . . . The IMF, in pursuit of monetarist objectives has imposed conditions upon Third World countries which have led to drastic devaluation of currencies, reduction of already low wage levels, elimination of food subsidies and cut-backs in social services. Enforcement of these unpopular policies has required repressive internal security measures which are directly counter to development . . .

It goes on to call upon the Canadian Government to respond positively to Third World proposals for immediate debt relief such as the repayment of a rate equal to a ceiling of 10 per cent of export earnings proposed by Peruvian President, Alan Garcia.

Specifically, we oppose tying a debt to domestic export development. What developing countries need most is a commitment from countries like Canada to long-term infrastructural development assistance of the kind that will allow a broad based and self-sustainable economic and social development in the recipient countries. That was put on the record some time ago, in fact on September 10 of last year, by our House Leader from Kamloops—Shuswap.

The IMF is not a neutral economic instrument, benevolently assisting Third World nations in a disinterested fashion. Voting on the IMF executive board is weighted by size of contribution, meaning that the United States has a predominant influence, and hence the emphasis on structural reform meaning a tax on social programs, on local self-development and so on. This Government has not opposed the use of the international banking system for right wing purposes, as we saw with the refusal of loans to Nicaragua.

It is time to develop a new system of international credit. The Bretton Woods agreement no longer works. It was developed in 1944 under very different economic conditions. The United States was the mainstay of that system. It had a commitment to multilateralism and the U.S. dollar was the

unassailable basis of world currency. However, the U.S. no longer operates on a truly multilateral basis. Instead, multilateral institutions are seen under the Reagan administration as an extension of domestic policy. The U.S. dollar no longer serves to stabilize and facilitate the world economy. The current function of the market system serves to drive down world commodity prices, worsening Third World Governments' balance of payment problems.

An example is one of the areas hardest hit, as pointed out by Stephen Lewis, and that is the sub-Sahara of Africa and certainly the whole of the continent of Africa. We have seen a fall in commodity prices there. They fell from a base of 100 in 1980 to 61.1 by 1986, and the fall continues. The solution of export-driven development simply serves to increase problems.

The Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly), who has done a great deal of work in relation to CIDA and Third World problems for our Party, has said:

> When prices drop for Third World countries they often respond by producing more. Our whole economic system is based on the fact that in order to compete people have to produce more.
>
> When everybody produces more it creates a glut on the market and, as a result, commodity prices fall further.

The Bill before us today, Bill C-126, provides funds in two different ways to a particular section of the IMF with which I will deal in a moment. Canada's record is not good in this area. As I said, the Secretary of State for External Affairs has not been able to get the assistance of his Cabinet colleagues on the Treasury Board to move forward with a more substantive role in dealing with the debts of the Third World. While our record in that area is not good, it is still better than that of most industrialized countries. There is clearly a need for a new international economic order, and I am saddened that this Government and this country have not taken more seriously, either in terms of within Canada—

The Acting Speaker (Mrs. Champagne): I am sure that the discussion that is taking place on the floor is very important, but it is getting a bit noisy, and the Chair wishes to hear the Hon. Member who has the floor.

Mr. Fulton: Thank you, Madam Speaker. That was very helpful.

Many Canadians were hoping that the Government would take more seriously the recommendations of the World Commission on the Environment chaired by Prime Minister Brundtland which brought forward in a very real way the problems of the globe as a whole and why we need to move more vigorously toward the concept of sustainable development, not only within Canada but around the world. One of the problems faced on the African continent and in other Third World countries is the fact that the nature of the IMF loan process does not allow for or promote the concept of sustainable development.

Bill C-126 provides a loan base up to $550 million to the Enhanced Structural Adjustment Facility, known as the ESAF, of the International Monetary Fund. ESAF was initiated at the 1987 Venice Summit of the G-7. It called for an increase to $10 billion, more than double the amount that was sought in 1986.

Second, Bill C-126 provides for a grant of up to $250 million to the same body. The $550 million in the first part of the Bill is a loan that can be made through the ESAF at market interest rates and then the money is loaned by the IMF on concessional terms. This money is for the highly indebted and poor countries, largely in the south Sahara of Africa. The money is used to support structural adjustment programs aimed at restoring the balance of payments and promoting economic growth.

It is good to provide help, but often the structural adjustment programs are too stringent or promote developments that are overly export oriented and not sustainable and provide little if any real benefit to local populations. As we have noted in many countries around the world, the local populations in fact have to give up wages, housing conditions and even food in order to meet the structural adjustment programs imposed upon them by the IMF.

Canada's expense in relation to the Bill is the difference between the loan rates of, say, .5 per cent in terms of the loan to a Third World country and what would have been received commercially, and that will work out to about $30 million per year to be added to our $2.7 billion foreign aid programs.

I would like to spend a moment dealing with what some of those so-called foreign aid programs are. They are often raised by my constituents, and I know in the past, they have been raised by Members of the House. Canadians generally support very strongly the provision of assistance, whether through funds like the one before us today or through our foreign aid programs.

On November 10, 1987, I received a letter from the Secretary of State for External Affairs, which reads:

> Dear Jim:
>
> Thank you for your letter of October 15, 1987 requesting a complete summary of all federal government funding to forest and/or mining ventures outside Canada from September 1984 to September 1987.
>
> I am enclosing a list of Export Development Corporation, CIDA and PEMD financial projects. I hope you find this information helpful.

I am sure Hon. Members will find it helpful, because I think many know what was supposed to occur within Canada. I see that the Minister of State for Science and Technology (Mr. Oberle) is here. He was one of the great promoters of a full Ministry of Forests in Canada. Forestry is our largest industry. More than one million Canadians are directly or indirectly employed in the forest sector. I think it is worth taking a look at what kind of assistance the Government is providing outside Canada that it refuses to provide inside Canada.

Let me deal first with the funding provided for mining. Funding is going to Chile, to the Chuquicamata copper mine. A very substantial amount of money is going there. Funds are

going to New Guinea, again to Chile and to Brazil. Under the CIDA projects, there is funding going to Botswana for mining, Botswana for training of diamond drillers, Ivory Coast and Ghana for gold mining.

There has been a fair amount of coverage in Canada and in North America generally about the problems that are being found in Brazil through this particular kind of funding, funding provided for small-scale gold exploration and for the training in mineral exploration by the Government of Canada to Brazil. There has been rather notorious coverage given to the fact that there is wholesale slaughter and murder of the indigenous populations in Brazil in the midst of the gold rush in that country. In fact, experts on the impact of these kinds of projects on the forests and on the indigenous people were here in Ottawa just a few weeks ago, pointing out how terrible the impact is on the indigenous and aboriginal populations in South America of some of the kinds of so-called booms that are going on. It is extremely short-sighted of Canada to be involved in funding projects which are part of the murderous slaughter of aboriginal people in South America.

• (1020)

Many Canadians would also be interested to know that the Government of Canada is funding a geochemical survey and various forms of technical assistance in Jamaica on the impoundment of bauxite tailings and metallic mineral surveys. Many, if not most, Canadians know that Alcan and others are the principal beneficiaries of bauxite mining in Jamaica. The Government of Canada, through so-called foreign aid, is doing what Alcan and others would like to see done in terms of such developments.

With regard to the problems which Third World countries are having in meeting their loan payments, as I said, Third World countries paid the IMF $5.9 billion more than they received last year with commercial banks taking more than they loaned. Let us look at the kinds of projects Canada has been funding in some of these countries.

In the Asian region, on forest projects alone, Canada has supplied $98.766 million in funding, a very substantial amount of money. Some of the funded projects are good and I think all Canadians would support them. For example, $46.250 million was spent in India on social forestry.

The harvesting of wood and the over-consumption of plants by various ungulates, whether goats, cattle, or whatever, has created a serious problem of desertification in many areas of the world. I am sure all Canadians support programs which lead toward soil conservation, the redevelopment of forest bases, and all that comes with them in terms of genetic diversity and so on.

Many Canadians scratch their heads when they realize the level of funding being provided by the Government for programs for the training of forest industry workers outside of Canada, which programs are also needed in Canada but are not available here. Let me give some examples of that. In Indonesia we fund a forest industry vocational school as well as programs in fire management, forest management, and rural development and forestry. As I said the funding for that amounts to over $98 million at the present time. In Anglo Africa, Canada is providing $19.4 million for forest equipment credit, agriforestry nursery and extension in the Sudan, and institutional buildings and training in Rwanda.

In Francophone Africa the region total is $139.45 million. In the Cameroun, for example, we provide a forest equipment credit of $12 million. In Zaire we fund charcoal production technology as well as professional forestry training at $3.2 million. Institutional buildings are being constructed in Niger at a cost of $12.1 million.

It is quite proper that we are providing this program funding to Third World countries which require this assistance, but it is amazing that in our country our largest industry does not have a national Minister of Forests. In fact, the Minister of Forests has been delegated responsibilities for mining, and the Canadian Forest Service has been much downgraded since the Government took office.

Funding in the Americas and the Caribbean total $68.365 million. An example which drew my attention is the funding going to St. Lucia, an area about one-tenth the size of South Moresby. This year, $5.5 million is being provided for management and conservation of forests there. That is an interesting expenditure when various regions of British Columbia have been asking for program funds for post-secondary institutional training for forest workers and cannot get it. We have been looking for funding for dealing more extensively with what is known as the not satisfactorily restocked backlog and cannot get additional funding for that.

Nine of the ten federal-provincial agreements are coming up for renegotiation. It appears that the Government is not planning to carry on that A-base funding for five-year commitments to reforestation in Canada but seems to be able to find hundreds of millions for outside of Canada.

In Honduras $12.3 million is being provided this year for tropical forest development and management. In Peru $3.85 million is being provided for forestry university buildings. Peru is being given an equipment line of credit of $26 million and $6.1 million for forestry technical schools.

It is interesting that the Government provides funding to institutions outside of Canada for post-doctoral studies in forestry and does not provide it to a single university or college in Canada. It is a very interesting concept that many kinds of post-secondary educational development is fully funded by Canada outside our country but is not provided to Canadians unless they want to leave Canada.

I think Canadians would be interested in hearing about EDC financing. Let us keep in mind that the Secretary of State for External Affairs and others in the Government of Canada cite $2.7 billion as financing for foreign aid programs in Third World countries.

As an example, $19 million is going to Compania de Carbones of Chile for the construction of an open-pit mine and a bulk loading marine coal terminal. In addition, they are getting $874,000 for coal handling and ship loading, $79,000 for six 120-D and seven 35-D rear dump trucks. Millions of dollars are being spent on electrostatic precipitators, hydraulic rock breakers, mobile rock breakers, coal mining equipment, traction thickeners, flotation mechanisms, and two sag mills with liners. The list goes on and on. Seventy-six million dollars is being spent on mining equipment for the BAO coal project in China.

We must keep in mind that this funding is called foreign aid. Which Canadian companies are getting the foreign aid? Spar Aerospace is getting $765,000 to put in satellite ground station equipment in China. De Havilland is getting $1.6 million for Twin Otter aircraft and spares to go to China. Euclid is getting foreign aid which is going to the United Mizrahi Bank in Israel to acquire seven 100 ton rear-haul dump trucks. The Bank Hapoalim, again in Israel, is getting funding for wire screening line. The lists go on and on. Millions and millions of dollars are going to all kinds of Canadian companies to assist the borrower to buy equipment which will quite often, particularly in the mining sector, go into direct competition with Canadian operations.

Another example is Timberjack which is getting funding to provide seven Model-380 Timberjack log skidders to Chile. That is interesting in light of the human rights allegations our own Secretary of State of State for External Affairs has made against Chile.

I will conclude with just one more example. I know that the Minister of Science and Technology is interested in this because he used very similar information in boondoggling the Liberals in British Columbia prior to the last election. I will just remind the Minister that $900 million of the record profits two years in a row of MacMillan Bloedel is going to Tasmania to open a pulp mill.

The Government is putting no new money into reforestation, silviculture, post-secondary education or anything else in British Columbia. Where are the great promises of the Government to provide at least the the kinds of programs and assistance to post-secondary education within Canada which it provides so glowingly to countries outside of Canada?

Mr. Kilgour: Madam Speaker, while listening to the Member's remarks I wondered whether there is any limit on irresponsibility or unfairness for Members in this House. The Member and I went to the same school together many years ago, although he is much older than I. To hear that kind of piffle makes me wonder whether he even read the Brundtland report. I put it to him that based on his remarks it is very doubtful that he has. If he had, the nonsense and irresponsible extremism that he was muttering in this House would not have been muttered. Can a Member get up and say anything with no sense of responsibility or knowledge and no sense of the developing world? As a westerner it makes me wince to think that he would get up as a western Member and utter the kind of gibberish he was uttering.

• (1030)

To take one example of his nonsensical speech, he seems to criticize CIDA for giving aid to Zaire. Maybe he does not like projects going to French-speaking Africa, maybe that is the root of his problem. However, I would point out to him that one project CIDA is funding, which I had occasion to visit, is creating jobs for between five and six hundred citizens of that country. We are providing schooling for children in northern Zaire. What that, may I say it, idiotic Member is suggesting is that Canada should not be giving aid to any part of the world.

I put it to him, and hope he will have something sensible to say in reply, that he should just give a little bit of thought before he gets up and sounds like a cannon going off in the atmosphere of this House.

Mr. Fulton: Madam Speaker, I guess we have just heard from John Turner's brother-in-law.

Mr. Prud'homme: Don't—

Mr. Fulton: That is the kind of idiocy we have come to expect from that Member.

Mr. McDermid: Get out of here!

Mr. Fulton: I challenge the Hon. Member to get up and say that he has read the Brundtland report from cover to cover, because I have.

Mr. Kilgour: Point of order, Madam Speaker. I did a review of the report and I assure the Hon. Member it is not very easy reading. His Grade 8 mentality would find it even harder. I did a review for a Foreign Service officers publication called *Bout De Papier.*

Mr. McDermid: Have you read it, Jim?

Mr. Prud'homme: Madam Speaker, I would just like to kindly ask my friend to leave family matters aside when we debate issues of major importance.

Some Hon. Members: Hear, hear!

Mrs. Mailly: Typical NDP.

The Acting Speaker (Mrs. Champagne): Shall we return to debating whatever is at hand here? The Hon. Member for Skeena (Mr. Fulton) wanted to continue his answer.

Mr. Fulton: Madam Speaker, the Hon. Member for Edmonton—Strathcona (Mr. Kilgour) has proven once again to be a rather foul-mouthed and narrow little person.

Some Hon. Members: Oh, oh!

Mr. Fulton: Oh, oh! Unlike the Hon. Member, I have read the Brundtland report. In fact, just a few weeks ago I sat on a panel at the University of British Columbia—

Mrs. Mailly: You sat on it all right.

Mr. Fulton: —with a Member from Vancouver who happens to be quite knowledgeable about it. I would be interested in knowing why the Government of which the Hon. Member from Edmonton is a member has done nothing to implement the Brundtland report in Canada. It has been publicly endorsed but there is no funding and no movement toward implementing sustainable development. The tone of my remarks was in relation to the fact that if we are going to move toward the very thoughtful, important and globally required recommendations of the Brundtland Commission, we need to have some kind of realistic and sustainable funding. The Government, albeit it speaks glowingly of the marvellous Brundtland report, does not put forward any funding or any kind of institutional development to actually implement it.

The reason I made the remarks I did in relation to what the Secretary of State for External Affairs provided to me was because the Hon. Member's own colleagues during the last election campaign made wide use of the very same sort of information. I think it is important that accurate information be put on the record as to exactly what the levels of funding are, what projects are good, and what kinds of problems Third World countries, particularly those in the sub-Sahara, are finding with some of the strict requirements placed on them by the IMF where they have to give up all kinds of existing operations, even those that provide them with food.

One example that I gave was in relation to Brazil. If the Hon. Member had read the Brundtland report, he would know about the very good example provided in that report which dealt with the forest management planning going on in Brazil. The tropical forests are being cut down and palm-oil plantations are planted. As the Brundtland report pointed out, a particular vine that grows naturally in the tropical rain forest can and does provide a better quality oil in larger quantities per hectare in its natural growing state than you get after you harvest those same hectares and plant palm-oil trees.

Many of the assistance programs offered through the IMF and from a country such as Canada have proven to have had a negative and deleterious effect not only on the forests of Brazil and other countries, but in particular on the economies of those indigenous people who have made use of those areas for so long.

The Hon. Member would like to paint my remarks as somehow being against the provision of funds for certain projects in Zaire and so on. Nothing could be further from the truth. He certainly did not sustain any kind of argument. He just popped up out of his seat and said the Hon. Member for Skeena is opposed to funding in Zaire. What hypocrisy. The facts of the matter are that his Government has not moved realistically to establish even the very limited target put forward by the Secretary of State for External Affairs of .7 per cent of GNP. Now that Minister says maybe sometime in the 21st century we will start to approach .7 per cent of GNP. Push it off five years. Push it off 10 years. Push it off 15 years.

I think what Stephen Lewis had to say, that the West is betraying the African Continent, is true. I would like to hear the Hon. Member get up and sustain some kind of logical and harmonious debate in this House about why his Government has done nothing about Brundtland. It has not been able to achieve even .7 per cent of the GNP. It has not been able, either through CIDA or EDC or any of the other forums that we participate in, to actually get some movement on sustainable development. I think the Member got up and shot off a bunch of hot air without knowing what he is talking about.

The Acting Speaker (Mrs. Champagne): Further questions or comments? Resuming debate.

Mr. Simon de Jong (Regina East): Madam Speaker, we are discussing an Act to amend the Bretton Woods and Related Agreements Act. The contribution I would like to make to the debate concerns the effect the arms race has on economic policies and conditions in both developed and underdeveloped countries. It is important to point out, particularly to Canadians who feel they do not contribute very much to the arms race, that that is not true. We are almost like prisoners of war because of the arms race. Our standard of living has been reduced because of the arms race.

The world spends well over $1 trillion a year on arms. It is estimated that in the U.S. over $500 million a day is spent on arms production. You cannot take $1 trillion out of the world's economy without reducing everyone's standard of living. Let me illustrate how we in Canada pay for the arms race and because we do we are economic prisoners of war.

Normally interest rates are generally one or two points above inflation. We now have an inflation rate of approximately 4 per cent and interest rates should be around 6 per cent. Indeed, a 6 per cent interest rate on mortgages, government debt, and farm debt, would alleviate much of the hardship that working men and women, including farmers, in Canada experience. Certainly a 6 per cent interest rate would make mortgages much less expensive. Today, families often require two income earners in order to provide the basic necessity of a roof over one's head, when only one income earner was needed in previous generations.

• (1040)

Why are interest rates so high? I maintain that it is because of the arms race. The deficit in the United States is so large that interest on that deficit requires 90 per cent of total U.S. savings, including individuals, corporations and businesses, just to service that debt. The United States must have a strong American dollar to provide for its capital needs and therefore must have high interest rates to attract international capital. Of course, Canada's interest rate is directly tied to the American interest rate. We also need a higher interest rate to

maintain capital at home and attract capital from abroad. For that reason, our interest rate is substantially more than the 2 per cent or 3 per cent over the inflation rate. That is the way in which Canadians pay for the arms race. If it was not for the arms race, our mortgage payments would be less, debt payments for farmers would be less, and the debt payments of the Government would be less. It is estimated that for every one percentage drop in interest rates the public treasury in Canada saves $1 billion. The arms race affects us all because it costs money and reduces our standard of living.

We live in an age of unprecedented abundance, with a technological ability to produce that is unparalleled in the history of the human race. Yet we live in an age of scarcity, when there is not enough money to provide decent housing, medical attention, educational facilities, and old age facilities for our society. We cannot afford to provide decent health care or decent housing for our old and our infirm. We cannot look after our mentally disabled because the Government says it does not have the resources in an age of cut-backs and restrictions. The poor and disabled of society are the ones who suffer the most. Why do we live in an age of scarcity when we should be enjoying the benefits of abundance? Again, it is because of the arms race. The arms race sucks wealth from every country and channels it into the most useless form of production—arms production—at the expense of our farmers, home owners, our sick, young and disabled.

One hopeful result of the stock market crash last year is that perhaps the superpowers began to realize the economic limits to the arms race. That crash occurred because the arms race caused the United States to become the greatest debtor nation in the world. It could no longer continue to borrow money without international lenders realizing there was a limit.

The crisis of that stock market crash has not been resolved and the world economy stands on the brink of a major recession, if not a depression. It is more than a question of confidence, it is a question of how much longer the superpowers can continue spending so much money on arms production. I believe they have reached the limit. Certainly the Soviet Union has realized it has reached that limit. The Soviet Union spends about as much on arms production as the United States but has half the gross domestic product. It can even less afford the arms build-up.

I suggest that if we are really interested in arms reduction and disarmament agreements, rather than send generals and diplomats to the negotiations, we should send officials from the Department of Finance and Treasury Board to determine how to reduce arms expenditures. I think people from the Finance Department and Treasury Board could find ways to reduce the arms expenditures that generals and diplomats have difficulty determining.

The Government has taken another step in human folly and stupidity with its venture into the big league by ordering nuclear submarines. When the world is beginning to realize the economic limits to the arms race, the Government believes it can afford $11 billion or $12 billion for nuclear submarines to patrol our Arctic. That is insanity.

I appreciate this opportunity to link the arms race to the problems not only in Third World countries but in western industrialized countries as well. I appreciate this opportunity to talk about the cut-backs and restrictions that are taking place during this age of abundance. I realize the road to disarmament will be long and rough. Yet perhaps it is economic necessity that will force us down that road and I believe that once we take that step there will be some very hopeful signs for the human race.

We have the potential to produce enough for every man, woman and child so that we can provide clean water, decent health facilities and decent housing. We have the potential to overcome pestilence, disease and hunger. We only need to redirect that wealth away from the death machine and its production of armaments into what I call the human machine, the human race stands on the brink of a marvellous future.

I sincerely hope that this Parliament and Canada will play its part in helping humankind find a new and better direction.

Mr. Ouellet: Madam Speaker, I want to compliment the Hon. Member on his speech. He referred to the Government's plan to buy nuclear submarines. Clearly, this is a very ill-advised policy and many questions must be asked in relation to this unbelievable project. Will the Hon. Member comment a little further on this policy? Can we afford them, and more important, why do we need these submarines?

As the Hon. Member knows, the Conservative Government is taking a very sharp turn from the traditional direction of the Canadian Government in this regard. Therefore, will these submarines undermine Canada's stance against the threat of nuclear arms? How can the Government justify such an action at this time when the world is talking about disarmament? We see the President of the United States and Secretary General Gorbachev meeting in an effort to bring peace to the world. How can our Government go in a different direction?

• (1050)

Mr. de Jong: Madam Speaker, I totally agree with my colleague. It is insane. The rest of the world, hopefully, is moving in the direction of disarmament, of lessening the arms race, in large part forced by economic necessity. The deficit in the United States is so high it just cannot continue with the arms build-up. It is, as are the Russians, being forced to sit down and begin negotiations to cut back. Meanwhile we are going way out in some strange field and buying these submarines as if we can afford them.

Every night in the City of Regina there are kids who go to bed hungry. Hospitals are being shut down because there is not enough money to keep them in operation. University programs are being cut back because there is not enough money for them. And we are spending billions of dollars for nuclear submarines. It is obscene. Of course, we cannot afford it. Of

course, our priorities are totally out of kilter. Future generations and civilizations will look back at us and scratch their heads and wonder what our priorities were all about.

Here we are spending billions of dollars on nuclear submarines and on this dangerous technology in order to defend ourselves, yet what we are defending is decaying within because we do not have the resources to feed our hungry, to look after our needy and to do the basic human Christian things which are what a good society is all about. So we are protecting ourselves at the expense of what we feel we are really all about. There is some strange logic in that.

[*Translation*]

Mrs. Mailly: Madam Speaker, I would like to congratulate my colleague from Papineau (Mr. Ouellet) and my colleague from Regina East (Mr. de Jong) for their good acting talents. They speak with much emotion about very complex issues, in a very simplistic way, and it is very easy then to get an audience's attention. But the fact is that a country like ours does not live in a vacuum, all by itself. It is part of the world community and pious wishes cannot solve the problems. We should consider some facts that the Hon. Member for Regina East did not mention; for example, our Government cancelled Third World debt at the Francophone Summit. We finally had a Francophone Summit. We managed to make peace between France and Canada on our role in the French-speaking world and at this second Summit held in Quebec City, we reached an agreement to cancel Third World debt. This is something much more practical and it does much more to ease poverty in the Third World; it also gives an example to the world community of something practical to do, rather than make passionate speeches in the abstract, quite comfortably in this beautiful Chamber. Problems are solved out in the field.

So I find it most unfortunate that on such a major issue of practical importance, Hon. Members choose to play petty politics where the needs are so great.

They talk about poverty as if it were a soap opera. They talk about aid for the Third World; they talk about nuclear submarines as if it were a Rambo movie. It is really regrettable that for the past few minutes, they have lowered the level of this debate on such an important issue by petty politicking. So I would ask my colleague from Regina East (Mr. de Jong) why he forgot to mention in his presentation that we, the Progressive Conservative Government of Canada, took the first step to cancelling the Third World debt. We converted the loans to grants and that is what the Third World was asking us to do, because we believe that we should give people what they want and not what we want to give them.

[*English*]

Mr. de Jong: Madam Speaker, unfortunately, I understand there is a House agreement that very soon the question will be put. Therefore, I do not think I have the full time to answer the concerns expressed by the Hon. Member. Let me just say, however, that if the Hon. Member thought I was dealing with the issue in a petty and partisan way, I apologize, because I really attempted not to do that. I think the issues with which we are dealing today are way beyond partisan or ideological politics.

In my remarks I tried to remain very balanced in terms of the insanity of both the left and the right with respect to the arms build-up. The Member accuses me, perhaps, of being over simplistic. I agree that in many ways these are very complex issues. Yet at some stage we must surely be able to draw some basic, general conclusions and ask the question, is this right or wrong?

We are spending these billions of dollars on nuclear submarines, a technology which is very questionable, and I know in my City of Regina there are kids who are going to bed hungry tonight. Is this right? It might be simplistic, yet I feel I would be remiss if I do not ask that question on behalf of those kids who are going to bed hungry. I think it is a question of priorities. Perhaps is is simplistic, but surely the basic priorities are what set the agenda and, as such, I cannot agree with the government's agenda.

Some Hon. Members: Question.

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Mr. Prud'homme: Madam Speaker, we will have time for the question. Debate. It is not eleven o'clock.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Saint-Denis on debate (Mr. Prud'homme)?

Mr. Fennell: Come on!

Mr. Prud'homme: If you keep talking, you will not get your agreement. You will get your agreement. I wanted to participate in the debate. I regret that the Hon. Member for Gatineau (Mrs. Mailly) took the floor and started the debate again. I will sit down, but I wanted to participate in the debate in a positive way, not to reduce the debate to the level she did earlier. I wanted to enhance the debate, to participate, and to follow the good agreement that took place.

I will follow the rules. We agreed to vote before eleven o'clock. We will vote before eleven o'clock. But I want to be on record that I disagree with the second-last intervention of the Hon. Member for Gatineau who reduced the level of this debate that we wanted to enhance.

Some Hon. Members: Question.

The Acting Speaker (Mrs. Champagne): The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): On division?

S. O. 21

Some Hon. Members: On division.

The Acting Speaker (Mrs. Champagne): Carried on division.

Mr. Hawkes: Point of order?

The Acting Speaker (Mrs. Champagne): The amendment was negatived on division.

Amendment (Mr. Skelly) negatived.

• (1100)

The Acting Speaker (Mrs. Champagne): The question is on the main motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and referred to a legislative committee.

The Acting Speaker (Mrs. Champagne): It being 11 a.m., pursuant to Standing Order 19(4) the House will now proceed to Statements by Members pursuant to Standing Order 21.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

HISTORIC EVENTS

ANNIVERSARY OF ESTABLISHMENT OF REPUBLIC OF ARMENIA

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, tomorrow is May 28, the day that marks the seventieth anniversary of the establishment of the Republic of Armenia. This will be a day of celebration for a nation whose resilience and cohesiveness endure in spite of the tragedies which it has encountered.

I thank Hon. Members of the House in all Parties who attended a meeting yesterday with members of the Armenian community of Canada. It was the best attended meeting we have ever had over the years. I was asked by members of the Armenian community to thank Hon. Members for having attended their meeting and to remind them that tomorrow will be the seventieth anniversary of the celebration.

I also wish to remind Canadians that we are very proud to have among us in Canada close to 50,000 Canadians of Armenian origin who have helped us to build a new country in which everyone feels secure and equal,

[*Translation*]

where in a Canada that is growing and developing, we can show the rest of the world what all of us together, belonging to different races, groups and nationalities, are able to do.

[*English*]

NATIONAL ENVIRONMENT WEEK

PROGRAM OF EVENTS

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, next week is National Environment Week, a chance for Canadians to reaffirm their commitment to "our common future", a chance to explore our natural heritage and work together to conserve and protect the environment.

In Parkdale—High Park, National Environment Week provides a focus for concerns over the water quality of Lake Ontario and the Humber River, pollution of the Western Beaches, and environmental safety in the Junction Triangle, while underscoring our commitment to a comprehensive clean-up.

Across Canada hundreds of activities are planned from St. John's, Newfoundland, to Dawson City, Yukon. Canadians will plant trees, clean up litter, attend films and lectures, meet fellow environmentalists, and take the time to enjoy nature—by bicycle, boat, or on foot.

National Environment Week provides a chance for everyone to take an active role. It is up to all of us—federal, provincial, municipal Governments, and concerned citizens—to work together to preserve and conserve our environment.

* * *

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—CONTENT OF IMPLEMENTING LEGISLATION

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, just when it was safe for Canadians to go to bed again, just when we were beginning to feel safe about walking the streets again, it happened. Canadians were just beginning to relax, content in the security of the Prime Minister's (Mr. Mulroney) promise that our country would not be sold out to the Americans, that we would not become the fifty-first State. Then it happened. The legislation was tabled.

I was going to send a copy of the legislation to some of my constituents who are particularly interested in this matter. Thus I was browsing through it the other night to make sure that there was nothing that would disturb them unduly. And then I saw it, page 99: "every reference in those provisions to Canadian shall be read and construed as a reference to American." I could not believe it so I read on: "every reference to—Canadian-controlled shall be read—as American-controlled." The Prime Minister's promise began to dim.

It went on: "the reference to Canada shall be read and construed as a reference to the United States." The real purpose of the trade deal began to crystallize.

Then, finally: "Where two persons, one being a Canadian and the other being an American, own equally all of the voting shares of a corporation, the corporation is deemed to be American-controlled."

I finally understood what the Americans had accomplished with this trade deal. It is summed up in the old adage: What's yours is mine, and what's mine is my own.

* * *

RESEARCH AND DEVELOPMENT

CENTRES OF EXCELLENCE—ASSISTANCE FOR UNIVERSITIES

Mr. Bill Tupper (Nepean—Carleton): Mr. Speaker, I am pleased that the federal Government will be spending an additional half a billion dollars over the next five years to nurture and enhance research and development in Canadian universities.

The Minister of Regional Industrial Expansion (Mr. de Cotret) and the Minister of State for Science and Technology (Mr. Oberle) announced Wednesday a $240 million program to establish Centres of Excellence, and a $200 million increase in the base budgets of the university research granting councils.

The Centres of Excellence will encourage a partnership between the universities, industry, and government, a partnership in world-class research and Canadian competitiveness, a partnership in progress.

New federal funding for the Natural Sciences and Engineering Research Council, the Medical Research Council, and the Social Sciences and Humanities Research Council is welcome support for research and training in Canadian universities.

These two new federal government initiatives are good for the universities, and good for Canada, for it is in our Canadian universities where new ideas are developed and where the skills of young Canadians are honed.

* * *

[*Translation*]

EXTERNAL AFFAIRS

AFGHANISTAN—LESSONS OF HISTORY

Hon. André Ouellet (Papineau): Mr. Speaker, it is a great relief to see that Soviet soldiers have finally started to leave Afghanistan. For too long, the Soviet Union tried to support the Communist regime in Kabul.

As in the case of U.S. intervention in South East Asia during the sixties and seventies, the Soviets became involved in a brutal, senseless war.

After tens of thousands of Soviet soldiers were wounded or killed, it finally became clear the situation could not go on.

A captain in the Soviet army recently wondered why this had to happen. The question may never be answered, not in Vietnam and not in Afghanistan.

Secretary General Gorbachev is to be commended for his decision to withdraw from Afghanistan, and we hope the Soviet authorities have learned a lesson from this unfortunate experience.

Yesterday Vietnam, today Afghanistan. Let us hope the superpowers will understand they should influence the peoples of this world through their outstanding achievements in science, medicine and the arts, not with bayonets.

* * *

[*English*]

RESEARCH AND DEVELOPMENT

CENTRES OF EXCELLENCE—ASSISTANCE FOR UNIVERSITIES

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, the Government of Canada now provides over half a billion dollars annually to the university research granting councils.

The day before yesterday the Minister of Regional Industrial Expansion (Mr. de Cotret) and the Minister of State for Science and Technology (Mr. Oberle) announced a $200 million increase in the base budgets for these councils. Moreover, they also announced the details of a $240 million program for the establishment of the National Network of Centres of Excellence. These centres will promote university-industry partnership to enhance world-class research, and to support Canada's long-term international competitiveness.

When it comes to supporting Canadian research and development, the Government is deadly serious. It is backing its commitment with hard cash.

* * *

NATIONAL PARKS

RIDING MOUNTAIN NATIONAL PARK—LACK OF STAFF TO CONDUCT SCHOOL TOURS

Mr. Rod Murphy (Churchill): Mr. Speaker, I was phoned by some school children from my riding who live in the community of The Pas. Two groups of 75 children wanted to drive the six-hour trip from The Pas to Riding Mountain National Park.

They asked Parks Canada officials if they could have a staff person to travel with them and to guide them through the park, a service which used to be provided. However, the regional office told us that as a result of cutbacks the regional

office told us that the Government has taken away all the staff previously available to do school tours.

I call upon the Minister of the Environment (Mr. McMillan) to look into the situation and to ensure that in our national parks across the land our school children can get a guided tour. I think that is very reasonable in this country.

* * *

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—EFFECT ON WESTERN CANADA

Mr. Don Ravis (Saskatoon East): Mr. Speaker, most analysts agree that the free trade agreement will benefit western Canada. For the past four years the Canada West Foundation, a non-profit western based research institute, has done extensive research on the free trade issue. Its study confirms what others have said, that is, the free trade agreement is good for western Canada.

The study indicates that 15.3 per cent of the labour force will benefit directly from the free trade agreement. However, the importance of this is shown by the fact that these sectors represent 25 per cent of the combined output of the Gross Domestic Product of the four western provinces. Only 1 per cent of the sectors are negatively affected.

The biggest winners will be agriculture and energy. Livestock producers in western Canada are regarded as the clear winners. In energy, oil, gas, and electricity, producers support the enhanced access to and secure market of the U.S. Easing National Energy Board export regulations under the free trade agreement is a positive development for the western Canadian economy.

• (1110)

In my own province of Saskatchewan sectors directly benefiting from the free trade agreement account for 20 per cent of the provincial Gross Domestic Product, and only 1 per cent of the industries will be adversely affected.

I urge people of western Canada to get a copy of this report and read it. It is very informative, and I think it spells out the major advantages of what the free trade agreement will accomplish for us in the West.

[*Translation*]

EMPLOYMENT

GOVERNMENT PLACEMENT OFFICERS ON CAMPUS—REQUEST FOR MAINTENANCE OF SERVICES

Mr. Gilles Grondin (Saint-Maurice): Mr. Speaker, I would like to know whether, the Government, through the Minister of State (Youth) (Mr. Charest), will finally impose a moratorium, so that Quebec campuses and CEGEPS can expect placement officers with Canada Employment Centres will continue to provide the same service.

So far, representations have been made and a reassessment of the service is planned, and I agree with that reassessment, except that I don't want this to lead to a decline in the quality of service.

In recent years, placement officers have spent less time on campuses and in the CEGEPS, so that this year, I wish the Government would impose a moratorium to prevent a further decline in service.

* * *

[*English*]

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—IMPACT ON BRITISH COLUMBIA

Mrs. Mary Collins (Capilano): Mr. Speaker, we in British Columbia often like to ask the federal Government: "What have you done for us lately?" I am proud to reply: "The Canada-U.S. Free Trade Agreement".

This has recently been confirmed by the prestigious Canada West Foundation's report on the impact of the free trade agreement on the West. In that report, the Foundation found that in British Columbia the sectors directly benefiting from the free trade agreement account for 18 per cent of the province's gross domestic product, while those which might be adversely affected account for only 2.4 per cent.

In that report it is also pointed out that secure access to U.S. markets should facilitate investment, production, and job growth in forestry products, natural gas, minerals, precious metals, and in other sectors.

While all regions of the province will benefit, Vancouver can particularly expect to gain as a result of its proximity to the large U.S. Pacific markets and its excellent range of transportation services for exporters.

I have not even talked about the potential new capital investment that will be attracted from the Pacific Rim. What it all adds up to is that this free trade agreement creates the prospects for British Columbia to fulfil, not only its natural resource potential, but the resource of its people.

What is my advice? Go West, young men and women.

AGRICULTURE

DROUGHT IN SOUTHERN PRAIRIES—NEED FOR GOVERNMENT ASSISTANCE

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, it has been another dry week on most of the southern prairies. According to a PFRA water supply update, conditions are so severe that the South Saskatchewan River at Medicine Hat, Alberta, is flowing at a rate of 31 cubic metres a second. Historically it moves at a minimum of 133 cubic feet a second and up to 435 cubic feet per second.

Shallow wells are going dry in southwest Saskatchewan and southeast Alberta. On-farm water supplies are low. Shallow wells generally provide the best drinking water; towns and villages are watching these sources disappear.

The situation is particularly crucial for ranchers who are having to truck water and feed to livestock. Cattlemen in the British Columbia interior are also affected.

The area was hit by a drought in 1981, 1984, 1985, and again this year. After the 1985 drought the federal Government gave $150 million to producers of grain and forage, plus $48 million to livestock producers. Given the odds, Canada will have to find at least another $200 million this year to provide assistance with water and feed.

* * *

THE STANLEY CUP

EDMONTON OILERS' SECOND CONSECUTIVE CHAMPIONSHIP

Mr. William G. Lesick (Edmonton East): Mr. Speaker, on occasion an Hon. Member will stand in the House and extol the virtues of one or more of his or her constituents. Since the Northlands Coliseum is in my riding of Edmonton East, I would like to say a word about 20 of my own constituents who work at Northlands. Of course I am referring to the Edmonton Oilers, who last night captured their second consecutive Stanley Cup, and what a feat!

I could go on and on about Sather, Gretzky, Messier, Fuhr, and the rest of the boys. Instead, I would like to say a few words about Edmonton, the City of Champions.

I suppose that Edmontonians can no longer claim that we are not getting our "fair share". Along with the Oilers' four Stanley Cups in the past five years, the Edmonton Eskimos have long been a CFL powerhouse, and their 1987 Grey Cup win over Toronto proved that Canadian football is as exciting and viable as any sport anywhere.

Let us not forget Edmonton's Pat Ryan, whose rink last year captured the Canadian Brier, Canada's National Men's Curling Championship.

I trust that Canadians will not begrudge Edmonton for commandeering so many of our treasured national sports titles.

I hope that they recognize the Alberta capital for what it consistently is—the City of Champions!

* * *

NATIONAL DEFENCE

OPPOSITION TO PURCHASE OF NUCLEAR POWERED SUBMARINES

Mr. Jim Fulton (Skeena): Mr. Speaker, more than two-thirds of Canadians are opposed to the Mulroney plan to purchase nuclear submarines for Canada. The price tag will run to at least $16 billion and Canadians oppose both the purposes and the price.

On Wednesday of this week we learned of the fact that on at least 63 occasions warships and submarines carrying nuclear weapons visited Canada. Federal government records show 18 such visits at Halifax during 1987, 11 visits at Nanoose on Vancouver Island, 10 visits at Vancouver, and 24 at Esquimalt.

The United States is violating Canada's sovereignty in our ports, and it is violating the spirit of Canada's position of not having nuclear weapons on our territory, by bringing nuclear weapons into the downtown areas of some of our major cities.

The nuclear arms race at sea is accelerating. By the end of 1987, 1,101 ships and submarines, and more than 3,250 aircraft could fire, transport, or service nuclear weapons.

Do Canadians want to join in the race to Armageddon or to peace? Two-thirds of Canadians think that the purchase of nuclear submarines is wrong. Canada's Arctic, and all of the Arctic, must become demilitarized and denuclearized.

Our tax dollars would be better spent on a peace institute and serious moves to disengage constructively from warlike activity and development.

* * *

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—CANADIAN WATER RESOURCES

Mr. John Reimer (Kitchener): Mr. Speaker, apparently the Liberals' policy making agenda is set by whatever they happen to read in the morning newspapers or can dig out of weekly magazines. The latest example of such an approach is the completely unfounded claim that Canada's water resources are a part of the free trade agreement. This unabashed exercise in disinformation and fearmongering cannot go unchallenged.

Canada's water resources are not—repeat not—included in the free trade agreement. Furthermore, the Liberal logic suggests that, since water resources are not explicitly excluded from the free trade agreement, therefore, they are implicitly

included. That is tantamount to arguing that the sun, moon, and stars are also in the free trade agreement.

It is a measure of the bankruptcy of the Liberal Party that, for no other reason that crass political expediency, it will attempt to mislead the Canadian people on a matter so fundamental to this country's socio-economic well-being.

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—DISPUTE SETTLEMENT MECHANISM

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is directed to the Minister for International Trade. The Justice Department in the United States, together with the Chief General Counsel in the U.S. Trade Representative's Office has now concluded that the dispute settlement mechanism as it is constituted in the implementing legislation in the U.S. Congress is unconstitutional and unworkable.

In fact, Miss Judith Bello, the Chief General Counsel in the U.S. Trade Representative's Office, has stated that the first time there is a case before the trade dispute mechanism it will go to the Supreme Court and will lose.

How can this Parliament go ahead and implement the trade legislation, the keystone of which is this proposed dispute settlement mechanism, when the U.S. administration itself considers it to be unworkable and unconstitutional? Does that not simply mean that the entire trade Bill is null and void, and will not do the job that the Government says it will do?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, this is another instance of the hon. gentleman crying wolf. On everything that occurs in the United States, every opinion of any person that could cause any difficulty, he is on his feet trying to spread it around and cause alarm.

• (1120)

The U.S. administration has not said—let us be very clear on this—that the dispute resolution mechanism is unworkable or that it is unconstitutional. I have seen legal opinions from very respected U.S. lawyers of my own—

Some Hon. Members: Oh, oh!

Mr. Crosbie: Not of my own.

Some Hon. Members: Oh, oh!

Mr. Crosbie: I don't own a lawyer by the way, Mr. Speaker. They are too expensive. And they won't stay bought—not only are they too expensive—

Some Hon. Members: Oh, oh!

Mr. Crosbie: I have seen opinions of other eminent lawyers to the exact opposite effect. I suggest to the hon. gentleman that he not be alarmed by this.

Certainly if the U.S. administration advises us of this problem then we hope that administration can find a way to resolve it, because the Americans have entered into an agreement with Canada and we expect them to live up to it.

U.S. LEGAL OFFICER'S OPINION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, the people who are offering these opinions are not some trifling lawyers. Miss Judith Bello, Chief General Counsel to the U.S. Trade Representative's Office, has said specifically that unless the U.S. Congress gives presidential powers of discretion which would totally politicize the whole impact then it will be considered to be unconstitutional and will be struck down by the Supreme Court the same way the Gramm-Rudman Act was struck down.

That is the comment of the chief legal officer of the U.S. Trade Representative's Office. It would seem to me that this Minister should give some countenance to that kind of opinion coming from a senior legal official in the U.S. administration.

What is the Minister going to do about this? What kind of examination, interpretation, investigation will he give to this kind of assertion made by the U.S. administration? Will we be faced with another cave-in by the Government and an agreement that, in the future, the President of the United States will have the power to intervene in the dispute settlement mechanism? Will the Canadian people end up facing a repoliticization of the whole dispute settlement mechanism?

Hon. John C. Crosbie (Minister for International Trade): The hon. gentleman gives an opinion that he has come across of some lawyer in the United States. I have not seen the opinion. It is about U.S. constitutional law and it is about a U.S. problem as to whether the Americans can implement or carry out the Canada-U.S. Free Trade Agreement. That is a matter for the U.S. Government to deal with. The Americans have advised us that the dispute settlement mechanism is in order as far as they are concerned.

The hon. gentleman asks me what am I going to do about this. I am certainly not going to reprimand Miss Bello. Presumably this is her opinion.

I will make an inquiry, of course, of Mr. Yeutter, and tell him that the hon. gentleman is concerned, and is worried that the free trade agreement may be in jeopardy, and that he wants reassurances on this point. I will ask Mr. Yeutter to see if I can calm down the affairs of the hon. gentleman.

Mr. Axworthy: Mr. Speaker, we know the Minister takes orders from Mr. Yeutter. Perhaps while he is getting his daily instructions he might find out a little bit more about this particular matter. It is a terrible admission for a Minister to

make that he sort of jumps to the tune of Mr. Yeutter on a daily basis.

Mr. Crosbie: You asked me to check.

PROCUREMENT REVIEW BOARD—CONTRACTS AWARDED TO ATLANTIC CANADA

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I have a second supplementary question for the Minister. It has to do with the proposed government procurement review board in the legislation. It is clear in reading the Bill that this new government review board will preclude any Canadian Government from using procurement as a tool of regional development.

In September, 1987, the Department of Supply and Services stated its policy on Atlantic development as follows: the Government has set as a target for the Atlantic Opportunities Program to raise its level of contracting in Atlantic Canada by $600 million.

How can the the Government on the one hand make that kind of a claim when it is now introducing legislation that will totally and completely prohibit the Government of Canada from using any preferential contracting or procurement to help Atlantic Canada, northern Ontario, or western Canada? In other words, why are you once again contradicting yourself in your claim that regional development is not touched by this Bill when clearly it is?

Mr. Speaker: I would ask Hon. Members to address each other through the Chair. The Hon. Minister.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, in the first part of the Hon. Member's question I suppose it was, he queried why I would contact Mr. Yeutter. The Hon. Member advises me that a lawyer to Mr. Yeutter in the U.S. Trade Representative's Office has given an opinion and he is alarmed about it. When I said I would contact Mr. Yeutter, the Member tried to make fun of this and that I am somehow beholding to Mr. Yeutter. It is Mr. Yeutter's lawyer about whom the hon. gentleman is concerned. I am not a Yeutter fighter as the hon. gentleman is, so I will inquire of Mr. Yeutter. When I have inquired of Mr. Yeutter, I will advise the hon. gentleman.

With respect to the procurement question, again it is a totally false impression which the hon. gentleman tries to give. The procurement rules are only for procurement of a certain value between certain limits.

It does not apply to the Department of Transport, it does not apply to procurement in Fisheries, it does not apply to Crown corporations. We would prefer to have a much more extensive procurement provision because we would then have the right to compete for U.S. procurement to all of their government agencies, which is what any sensible person would want.

I can assure you, Mr. Speaker, that our policies to favour the regions with respect to procurement still remain in effect. This is a new departure, about which the hon. gentleman did not worry when he was in government a few years ago.

[*Translation*]

BILL C-130—PROTECTION OF OUTLYING REGIONS—MINISTER'S POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I would like to pursue the same matter and ask the Minister whether he is trying to give us the assurance that the Government will still be able to provide support to outlying regions through its procurement policies. Could he explain to the House why Bill C-130 contains provisions that specifically allow U.S. companies to appeal to a Procurement Review Board if they believe they have been denied equal access? The Minister says one thing but the Bill says the exact opposite. Why did he create a board whose specific purpose is to protect American companies, when we want to protect outlying regions?

[*English*]

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the hon. gentleman is asking a question about Bill C-130 which will be debated in the House and will then go to a committee of this House.

The procurement position is that, under the Canada-U.S. Free Trade Agreement, American citizens will have certain rights to attempt to be successful for procurement to certain government Departments here in Canada. We will have the same rights in the United States. There will be an appeal procedure for them. Under the wording of the clauses in the Bill, as I recall it, the same procedures will be available to Canadians so that they can appeal decisions in connection with procurement and have the same kind of opportunities and rights as American citizens will have. I trust that answers the gentleman's question.

Mr. Axworthy: It confirms it.

[*Translation*]

QUERY WHETHER CERTAIN PROVISIONS ARE NOT FAVOURING AMERICAN CORPORATIONS

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, his answer may have been very clever, but the Minister admits that a number of provisions in clauses 9 to 16 in this legislation—there are five or six—give U.S. suppliers the right to appeal to a board that may reverse decisions made in Canada, thus deciding in favour of U.S. companies and giving them access to Canadian markets. Mr. Speaker, I want to ask the Minister to admit he is giving U.S. suppliers special treatment and is putting at risk this country's previous policy aimed at providing support for our developing regions by giving them Government contracts, as the government sees fit.

[*English*]

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the Hon. Members opposite are so one-sided in

their prejudices and in their terrible anxiety to stop the free trade agreement.

Under the Canada-U.S. Free Trade Agreement our Canadian exporters will have the right to compete in American procurement situations to sell their goods and services to agencies of the U.S. Government. In return they are given the right to compete with respect to certain agencies of the Canadian Government. It is too bad that these provisions are not much broader than they are. There are certain limits—I do not have the exact limits here before me today—in value where you can do this.

The legislation will give an aggrieved American supplier the right to go to a procurement appeal board. It also gives an aggrieved Canadian supplier the right to go to the procurement appeal board. Canadians, of course, will have reciprocal rights in the United States of America.

• (1130)

U.S. CONGRESSIONAL COMMITTEES—PLYWOOD ISSUE

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I also have a question for the Minister for International Trade. As the Minister is aware, two congressional committees in the United States have agreed on some items to be in the American implementation legislation. These two congressional committees are calling for a number of changes, and one is about plywood. They want to change the deal as it affects plywood, as the Minister is aware, and I know that the Minister has protested this possible change on behalf of Canada.

What will the Minister do to make sure that the Canadian position is protected? Does the Minister consider this to be a violation of the free trade agreement as drafted?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I think I had already made it clear to the House that the proposal of the Senate Finance Committee with respect to plywood, which I believe the administration is assisting them with, is in our view a violation of the terms of the free trade agreement. We have sent a protest note pointing that out. I have pointed it out myself orally on several occasions to Mr. Yeutter, and it has been pointed out to other persons as well.

Yes, we regard it as being contrary to, inconsistent with, the free trade agreement. I have told the House, and I repeat again, that if Congress persists, and that provision stays in the legislation and is enacted by the U.S. Congress, then we will take the necessary action to counter that ourselves when the free trade agreement goes into effect. We will certainly not accept it, because we think it is inconsistent with the obligations the Americans undertook in the free trade agreement.

The conference between these two committees has just finished. We have not seen their final report yet. The administration will then have to decide what Bill it finally puts to the Congress in June, so until all that occurs we do not know what the final result is.

CULTURAL INDUSTRIES—ENERGY INVESTMENT—CANADIAN POSITION

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, yesterday there were also reports of other items the Americans want changed in the free trade agreement. For example, they want to eliminate the exemption we had negotiated for Canadian cultural industries, and they want to eliminate all kinds of screening possibilities for investment by Americans in the Canadian energy sector.

I want to know whether or not the Minister will admit that the Americans are now putting us on notice that they intend to hammer us in the second round of negotiations. What does he intend to do to stand up for Canada?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the first question one must ask oneself if one wants to take a reasonable approach to the situation is: "what is the alternative to the free trade agreement that we are proposing with the United States of America?" If we adopt the course of the hon. gentleman opposite, we will be defenceless next year before the protectionist sentiments and impulses of individual Senators and Congressmen.

The references the hon. gentleman makes are to individual Congressmen proposing everything under the sun. They want *x*, they want *y*. Why are they doing this? Because they want to go home and get re-elected. That is presumably why the hon. gentleman gets up with this kind of nonsense in the House, because he wants to go home and get re-elected.

GOVERNMENT POLICY

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, with respect, these are not individual Congressmen, these are two very important Congressional committees which form an important part of the American governmental administration. The Minister knows that.

The Minister has now said that there is a violation relating to plywood. They are now calling for the elimination of exemptions for energy and for cultural industries. The Minister of State for External Affairs has also said in the House there has been a violation of the agreement relating to agricultural subsidies and exports to third countries.

What does the Canadian Government intend to do when the Americans violate the trade agreement which has not even been implemented yet? If they continue to violate the trade agreement, what are we going to do about it?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the hon. gentleman finally came to an important point. The Canada-U.S. Free Trade Agreement is not implemented yet, and to be implemented the Congress has to pass legislation which we find to be satisfactory with respect to the U.S. administration carrying out its obligations. This

Parliament has to pass legislation, and then on January 1 it has to be implemented.

If at that time the Americans have violated the provisions of the agreement concerning plywood, we will initiate a dispute. We will start the dispute resolution mechanism going, or we may also take steps ourselves to counter whatever action they take. If they do not reduce the tariffs on plywood, we will take a counter action ourselves.

This is all problematical. This agreement is not in effect yet. Hon. gentlemen opposite are doing everything they can in their frenzy to stop it from going into effect. How can they complain about it already when they do not even want it to go into effect?

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AIR SAFETY

SHORTAGE OF AIR CONTROLLERS

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is for the Acting Prime Minister, whomever that may be. Canadian air travellers were shocked to read this morning that close call incidents in the air have quadrupled since 1983. There were 42 in 1983, and 173 incidents in 1987.

According to the President of the Air Traffic Control Association, this is principally due to increased traffic in the air and a serious shortage of controllers. The President said today that we are 41 controllers short in Toronto, 27 short in Gander, 11 short in the Moncton region, and 21 short in the Montreal region, which makes a shortfall of 30 per cent. This is due to the cuts made by the Minister of Finance in 1985.

For the sake of safety in the air, will the Government order an immediate change in this policy and announce an expanded recruitment and training program for air traffic controllers right now?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, we do not have to announce an expanded program of training for air traffic controllers right now because we announced it months ago, and because the program is already under way. What happened, as the hon. gentleman knows, is that air traffic unexpectedly declined, or did not increase at the rate forecast, for three or four years. He will remember from his Mirabel experience how that affected government policy. It was decided that a certain level of training for air traffic controllers was necessary, because at that time there was a surplus.

Now, unexpectedly, air traffic has increased tremendously in the last two or three years and there is a scramble to catch up again. We are in that process.

With respect to near misses, this is a technical matter—

Ms. Copps: Shut him off.

Mr. Crosbie: This is supposed to be a serious question, and I hear heckling from the Hon. Member for Hamilton East who does not have the good grace to be a little quiet while the subject is being responded to.

NEAR MISS INCIDENTS—PROTECTION OF AIR TRAVELLERS

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, this is what happens when we have a doctrinaire Conservative Government that makes across the board cuts without concern for safety and health.

Just recently, after several years with no training program, the Government introduced a program for 200 air traffic controllers, but it takes from two to three years to train an air traffic controller and the success rate is only 30 per cent. That means that after two years there will only be 60 air traffic controllers when we are short nearly 200 right now.

What will the Government do to protect Canadian air travellers right now in the interim, in these years when the shortage is in place? For the Minister to make light of 173 incidents last year is ridiculous. This is an important and serious matter for Canadians.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, if the hon. gentleman were seriously concerned, he would go to the House of Commons Standing Committee on Transport and have it call in an Assistant Deputy Minister in charge of this whole area and a serious discussion on the facts could be presented, not the alarming position the hon. gentleman tries to take.

With respect to cuts, what about the cut of $1 billion the hon. gentleman's Party was trying to make in the Atlantic Canada Opportunities Agency legislation? You voted against it in the House to save $1 billion. How dare you talk about cuts, you hypocrite.

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CANADA POST CORPORATION

RURAL DIGNITY CAMPAIGN—ATTENDANCE OF MANAGEMENT EMPLOYEES AT MEETINGS

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my question is for the Minister responsible for the Post Office. Yesterday Canada Post, in its hasty retreat from the postal code debacle, said: "We have become a service oriented organization and we are sensitive to our customers". Yet Canada Post continues to tail the Rural Dignity caravan whose sole purpose is to protect rural post offices.

• (1140)

Does this Minister consider this harassment of Rural Dignity by the bully boys of Canada Post to be "sensitive to

our customers"? How much is this program of sending management employees to every meeting of Rural Dignity costing, and would it not be more "sensitive" to use that money to help keep open at least one rural post office?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the Hon. Member talks about Rural Dignity, which is another name for the Postmasters' Union which is sponsoring them. I wonder about the dignity of the untruths and misinformation they are spreading around the country. How do they justify that?

However, the Hon. Member's question gives me an opportunity to make a point about some changes in postal service in rural Manitoba which were opposed by the hon. gentleman's Party, the Postmasters' Union, and so on. Wordsworth Communication Services did a survey of the people affected where changes were made in the rural communities of Blumenort, St. Francois-Xavier, and Aubigny, and found that 85 per cent felt that the service was now better or the same.

The changes are improving the service according to the people affected, which is not what Rural Dignity is claiming. They are just spreading false information. They are telling lies about what the Post Office is intending to do, and Post Office officials are out there talking to the press so the people are not misinformed.

[*Translation*]

ALLEGED HARASSMENT OF RURAL DIGNITY—MINISTER'S POSITION

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, is the Minister prepared to put all the facts on the table?

The Minister did not answer my question about the harassment of Rural Dignity by Canada Post. Is the Minister aware of the fact that Canada Post held up Rural Dignity's mail, not for three days, as I said the other day, but for ten days? Now will the Minister investigate the harassment of Rural Dignity by Canada Post?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the Hon. Member again stands up and says that mail from Rural Dignity was delayed for 10 days. The spokesman for Rural Dignity said it was delayed for 36 hours. That is what the spokesman said, and the Hon. Member stands up and says it was delayed for 10 days. It is that kind of harassment through the lies being told by the Hon. Member and others that is at fault here.

Some Hon. Members: Oh, oh!

Mr. Speaker: I know the Hon. Minister will of course withdraw that last remark.

Mr. Andre: Of course, Mr. Speaker. I recognize that is unparliamentary. There are a number of things in Beauchesne's that I recognize ought to be done with respect to Question Period.

Some Hon. Members: Withdraw!

Mr. Andre: Let me tell the Hon. Member that it is not at all helpful for misinformation to be spread around the country. The harassment that Rural Dignity is engaged in now is contrary to the best interests of Canadians in general.

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AGRICULTURE

SUBSIDIES PAID TO CANADIAN AND EUROPEAN FARMERS

Mr. Don Ravis (Saskatoon East): Mr. Speaker, my question is directed to the Minister of State for the Wheat Board. Over the past two days a number of statements have been made about comments the Prime Minister made regarding support for Canadian farmers in comparison to what highly subsidized European farmers receive for their products.

We in western Canada, indeed farmers across Canada, are under the impression that our assistance does not compare favourably with the Europeans whatsoever. I ask the Minister to clarify the situation.

Hon. Charles Mayer (Minister of State (Grains and Oilseeds)): Mr. Speaker, the Hon. Member raises an important issue. Unfortunately, subsidies have become a major part of agriculture production and trade in the last number of years and this has led to some pretty large surpluses in the European Community. As a result, they have been dumped on world markets.

It is a favourite ploy of the Europeans to talk about numbers and use percentages. People should be aware of the facts and I will just give three examples to the Hon. Member.

A Canadian wheat farmer now receives about $2.91 a bushel. The European farmer receives $7.13 a bushel.

A Canadian farmer receives about $1.10 for a bushel of Canadian Wheat Board barley, although the off-board market is up a little bit. The European producer receives $5.42 a bushel.

Canadian farmers receive almost $7 a bushel for soy-beans, but in Europe it is about three times that amount.

We should look at the real numbers and compare what a European farmer gets as opposed to what a Canadian farmer gets, and get away from percentages and the kind of games the Europeans like to play. If we do that, we realize that the Europeans are being subsidized substantially more than Canadians.

What we really want to do is encourage the Prime Minister to bring about a resolution of this nonsense going on in Europe. That is exactly what he is doing and he deserves credit, and is supported by all farmers in his efforts to do so.

DISASTERS

GANDER AIR CRASH—MINISTER'S LETTER TO CANADIAN AVIATION SAFETY BOARD

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Acting Minister of Transport and pertains again to the Gander air crash which resulted in the deaths of 250 people.

It is now known that we have serious disagreements between members of the Canadian Aviation Safety Board about the causes of the accident. The former chairman of the board resigned over the dispute. The Minister of Transport appointed his own person to take over, and then sent a letter to other members of the board telling them that they were expected to obey the new chairman.

Is it still the position of the Government that the Canadian Aviation Safety Board is an independent, autonomous body, as two Ministers have been saying over the last few days in this House? Or, does the fact that this letter was sent to members of the board not make a mockery of the whole system?

Hon. Flora MacDonald (Acting Prime Minister): Mr. Speaker, the Hon. Member is pursuing his natural bent for distortion and misinformation. It is no secret that among the former members of the board there was a less than harmonious relationship.

When the new Minister was appointed he wrote to members of the board, as is his right, encouraging them to work together. Obviously the Hon. Member does not believe that should happen. However, the letter to which he refers says: "Every effort must be made to ensure the board functions well and co-operatively." Obviously the Hon. Member does not want to see that happen.

The Minister said: "I trust you will support Mr. Thorneycroft and your fellow members in the fulfillment of your important collective responsibility to advance aviation safety in Canada". Obviously the Hon. Member does not want to see the advancement of aviation safety in Canada and I think that is a real shame.

GOVERNMENT POSITION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, the letter says: "As a board member you are expected to give your full and unqualified support to Mr. Thorneycroft". Would such a letter have been sent to a Supreme Court judge working in a similar manner? Is it not obvious that the Government is interfering with the process? Is it also not obvious that the real reason that letter was sent was to stop the dissenting report from coming out? That report of course totally contradicts the information which the Government has permitted to come out publicly thus far.

Hon. Flora MacDonald (Acting Prime Minister): Mr. Speaker, obviously the Hon. Member cannot read or hear very well. I ask him to consult yesterday's *Hansard* where the Minister of State for Transport told him that the report would be made public. It is there. The Hon. Member should listen to what is being said occasionally, and not go off on wild goose chases which do nothing for his reputation or for the House.

* * *

CANADA POST CORPORATION

THOMPSON, MAN.—SERVICE FOR TRAILER COURT RESIDENTS

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Minister responsible for Canada Post, the corporation which describes itself as service oriented and sensitive to its customers.

Some 378 families in Thompson, Manitoba, are being moved from one trailer court to a new one three or four blocks away because the old one is being closed. There has been no increase in staff, no increase in cost, but Canada Post refuses to provide those same people in the same trailers with postal services. Can the Minister explain why they are going to lose their door-to-door postal service?

• (1150)

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, in 1981 when the Canada Post Corporation Act was passed unanimously by this House with all-Party agreement it was on the basis of convincing arguments presented by the unions and representatives of the New Democratic Party that it was a mistake to have political interference in the day-to-day operations of the Post Office.

The Hon. Member now stands up and asks me about what is happening in some trailer court in Thompson, Manitoba, and expects me to respond to that. That is a ridiculous waste of the time of the House.

POSITION OF CORPORATION

Mr. Rod Murphy (Churchill): Mr. Speaker, the Minister should know that Canada Post said the reason it cannot provide this service is because of the government directive to it.

Again I ask the Minister, why is the corporation being too iron-clad, too stubborn, and too insensitive to provide those people, who have been forced to move a few blocks, with daily delivery which they have had for the last 25 years?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, if the Hon. Member does not want to write to Canada Post to ask why this is happening, perhaps he could telephone.

Oral Questions

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—
COMMERCIAL BLOOD BANKS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Minister for International Trade. Throughout the trade sell-out we have heard the Government insist time and again that it has absolutely nothing to do with the social fabric and social customs of Canada. We know, however, that in Canada, until this past year and until this Government arrived, we did not sell blood for profit. Yet in many States in the United States the selling of blood is a commercial enterprise.

If in fact this trade deal has nothing to do with the social fabric of this country, why is blood banking included under commercial operations?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I want to reassure the House that the U.S.-Canada Free Trade Agreement has nothing to do with blood. Whether people wish to sell their blood for profit or not is, I suppose, up to the individual. Some Members here don't even have any blood to sell.

[*Translation*]

MARKETING OF BLOOD—MINISTER'S POSITION

Mrs. Sheila Copps (Hamilton East): Mr. Speaker, my supplementary is directed to the same Minister. It is obvious that we are being sold out to the Americans, when the Minister for International Trade says there is no harm in selling your own blood. That is U.S. policy, it is not this country's policy. It is the policy of the Conservatives who last year in Montreal started the first private Canadian blood bank, where you can buy blood and pay $2,500 to get enough blood for a heart operation. Is that the universality of Canada's health policy?

I would like to ask the Minister why, since he claims blood banks are not involved in the Canada-U.S. FTA, Annex 1408 includes blood banks under the commercial services group. And why is the Minister of National Health and Welfare holding a briefing session at the Chateau Laurier today on the subject of marketing blood under the FTA?

[*English*]

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the Hon. Member is scraping the bottom of the barrel with this kind of nonsense. Let me assure the House that the Canadian Red Cross Society will continue in operation in Canada. There is nothing in the Free Trade Agreement to stop it. There will be free provision of blood for those who need it. The U.S.-Canada Free Trade Agreement has nothing to do with it. No one can force a person to sell or to give their blood. That is a voluntary action.

Ms. Copps: Why is it in the annex?

Mr. Crosbie: Yesterday the killer bees were going to come to Canada; now the vampires and Dracula are coming to Canada. The Hon. Member should find a different vein to try to mine.

* * *

IMMIGRATION

ADMISSION OF FAMILY CLASS IMMIGRANTS

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. The Minister will know that last summer the Government announced changes to the Immigration Act which would expand the family reunification category to include unmarried children over the age of 21, and give 15 bonus points for assisted relatives in the point assessment procedure.

To date these changes have not been implemented, causing considerable confusion, frustration, and anger. Can the Minister tell the House and Canadians why the announced changes have not been implemented and when the Government intends to make these anxiously awaited changes to the Immigration Act?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I am certainly glad the Hon. Member brought that up. Today at noon we will be tabling the new regulations regarding the family class and assisted relative class.

I would like to commend my colleague, the Member for Dollard, who first broached this issue in this Chamber about a year ago. We have now followed up on it after 20 years of Liberal neglect. I was interested to see that *The Globe and Mail* said this morning that they had wanted it for 10 years.

The amendments will make residents of Canada able to sponsor the admission of their never-married sons and daughters over 21 in the family class.

Mr. Speaker: The Hon. Minister, I know, has a certain amount of enthusiasm for extending this answer. However, I really think it is getting into the realm of another procedure.

* * *

CANADA POST CORPORATION

VICKERS HEIGHTS POST OFFICE

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is for the Minister whom the Prime Minister made responsible for Canada Post. In his answer to my colleague earlier he talked about the misinformation which Rural Dignity was providing the people during its tour.

What does he think about Canada Post calling a meeting of the community of Vickers Heights in my riding to review their options with regard to replacing the postmistress when, in fact, it had no desire whatsoever to review the one option which the residents wanted, that is, the continuation of a staffed post office in their village?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the policy in terms of changes in rural Canada is that the local Member of Parliament is to be given at least 90 days' notice and there is to be consultation with the community. This is frequently done by calling a meeting with the community and discussing the options.

The Hon. Member seems to be condemning Canada Post for calling a meeting and having these discussions. If the facts are as he said, the people there were able to communicate their options. That will be examined by Canada Post, and Canada Post will ultimately make the appropriate decision.

REQUEST THAT GOVERNMENT SEEK SERVICE AS PRIORITY

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, the residents did let them know what they thought. They let them know by walking out when it was clear that Canada Post was not prepared to accept the one option which the residents desired, that is, the continuation of a staffed post office in their community.

When will the Minister and the Government take their responsibility, amend their instructions to Canada Post and tell them that they want service as the priority, not cut-backs in service to rural communities?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the Post Office informed me, in terms of Vickers Heights, that in fact it intended to maintain a postal outlet that would be open more hours. The Hon. Member and some of his friends insisted that this be a union position, subject to union rules of so many hours a day. The Post Office said it would be open more hours for the public if it contracted it out through franchising to a private operation. There would be better service.

That offends the unions which pay for the Hon. Member's campaign expenses, but the public will get better service.

Mr. Angus: That is not true.

* * *

NATIONAL DEFENCE

COST OF NUCLEAR POWERED SUBMARINES

Hon. André Ouellet (Papineau): Mr. Speaker, I have a question for the Minister of Finance. Yesterday the Deputy Prime Minister, in answering a question, indicated that the Minister of National Defence "made very clear and precise what figures were allocated to the purchase of the nuclear submarines".

I have here a Canadian Press clipping which indicates that the Minister of Finance told a news conference in London while en route to a meeting in Paris of the OECD, the following: "Although the Government has some general parameters as to what they are going to cost, it would likely be two years before an exact figure is available". Is the Minister of Finance in a position to tell us whether these submarines will cost $8 billion, or $15 billion as the Canadian Centre for Arms Control and Disarmament has tagged it?

• (1200)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, that information was provided initially in the Defence White Paper which was released about a year ago. Further work is being done.

As I indicated in London, much of this work to make sure that we have the precise numbers on the cost of the submarines will be done once we have chosen the country of origin of the submarines. That decision is yet to be taken and that work will flow from that decision.

Mr. Ouellet: I thank the Minister for his honesty in indicating clearly to us that we do not know yet how much it will cost.

ALTERNATIVE ACQUISITION PROPOSAL

Hon. André Ouellet (Papineau): Since the evaluation is that the price of the 12 nuclear submarines could double the earlier price estimate indicated by the Minister of Defence, the Canadian Centre for Arms Control and Disarmament has suggested a much more intelligent alternative. It is a balanced mix of six extra naval frigates and six conventional submarines at a price tag that will be half of what the Canadian Government is ready to spend.

Surely the Minister of Finance should consider this a much more responsible fiscal decision. Why is he not insisting on his Government following this suggestion made by the Centre?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we are now getting into an area of policy that is more the purview of the Minister of National Defence than the Minister of Finance. Obviously there are different approaches and different philosophical attitudes as to how we should conduct our defence efforts. Our approach has been set out very clearly in the Defence White Paper.

The role of nuclear submarines has been clearly identified in the Defence White Paper. I think that probably answers the particular question posed by the Hon. Member.

As an aside, I should indicate that the exaggerated numbers the Hon. Member tried to give in reference to my first answer are not well founded.

Point of Order—Mr. Keeper

Mr. Speaker: This will be the last question of Question Period. The Hon. Member for Ottawa Centre.

* * *

ENVIRONMENTAL AFFAIRS

RIDEAU CANAL—PROPOSED NEW BRIDGE

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is for the Minister of the Environment, of which he has notice. Is the Minister aware that early next week the Ottawa-Carleton Regional Council will be considering the approval in principle of new collector lanes alongside the Queensway in downtown Ottawa as part of its regional official plan? Is the Minister aware that this project entails building a major new road bridge across the Rideau Canal and therefore must have federal government approval in order to proceed?

In view of the environmental impact on the canal and the capital area, what is the Government's position on this proposed encroachment on the NCC parkways and Rideau Canal? Will the Minister advise the region prior to its meeting next week that this project does not have federal approval? Will he recommend that it not be approved in principle to the regional official plan at this time?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I am very familiar with the interest on the part of the regional municipality in the project which the Hon. Member has raised. It will be subject to a rigorous environmental assessment.

I think the Hon. Member knows that my Department administers the Rideau Canal not because we are in the business of transportation routes, utility corridors or any other utilitarian installations, but because of the heritage values at stake concerning the Canal.

If the Rideau Canal is to be encroached upon by municipal expansion or development, it does not make sense to have the Rideau Canal under the administration of the Department of the Environment. With that in mind, I shall be applying the same high standards of environmental scrutiny to this question that we try to apply in every other area of public policy in our domain.

MINISTER'S POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, will the Minister communicate his concerns to the regional municipality before it considers adding these collector lanes to its regional official plan at its meeting earlier next week?

Hon. Tom McMillan (Minister of the Environment): Yes, Mr. Speaker, I think I can. I do not want to prejudice the outcome of the issue because it must be subjected to a non partisan, neutral and objective environmental assessment process.

I can say, however, that the onus will be on the municipality to demonstrate to the Government that the project in question does not violate park principles. It is not the other way around. I shall be so communicating to the regional municipality.

* * *

POINT OF ORDER

TABLING OF DOCUMENT CITED

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, could I have an assurance that the public opinion poll the Minister responsible for the Post Office quoted during Question Period will be tabled in its entirety and made available to the public?

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I will check the "blues". I believe the Minister was referring to notes in his own handwriting, but I will check to see exactly what he said and, if necessary, will get back to the Hon. Member.

* * *

PRIVILEGE

ALLEGED REMARKS DURING QUESTION PERIOD

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, during the exchange in Question Period between myself and the Minister responsible for Canada Post, the Minister used words that would suggest that my motives for fighting on behalf of my constituents were based on financial support from a union. While he did not say "union", based on previous comments in the House the inference was the Rural Postmasters Union.

I would ask you to check the "blues", Mr. Speaker, to see exactly what was said and whether the Minister did impugn motives. If so, I would ask you to direct him accordingly.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I know the Minister very well. I am sure he would never for a minute suggest that any New Democratic Party Member was supported by unions financially or otherwise. This would never enter his mind. However, we will check the "blues" and, if necessary, the Hon. Minister will reattend the House.

Mr. Rod Murphy (Churchill): Mr. Speaker, I regret the attitude that has been taken by the Minister responding. First, we gave the Minister responsible for Canada Post notice that he would be referred to in a question of privilege and a point of order. He said that he could not stay.

He has an obligation to be in the House. He also has a practice in Question Period of being very insulting to Members

of the Opposition who are asking questions on behalf of their constituents. If he is going to take that approach in Question Period, he should have the decency to stay in the Chamber to respond to points of orders and questions of privilege.

Mr. Speaker: It will be of no surprise to Members of the House or the public that Ministers often have to do other things than be in the House, just as do Hon. Members. Second, the matter has been raised and I have heard the interventions. I will look carefully at the "blues" and, if necessary, report back to the House with an appropriate comment.

* * *

POINT OF ORDER

WITHDRAWAL OF COMMENTS DURING QUESTION PERIOD

Mr. Rod Murphy (Churchill): Mr. Speaker, I was wondering whether the Speaker was satisfied with the withdrawal by the same Minister when he said that people were stating lies and the rest of it in the House of Commons. I thought it was a very mealy-mouthed withdrawal on the Minister's part.

Mr. Speaker I can tell the Hon. Member and other Hon. Members that I took it that the Hon. Minister was accepting completely my admonition and was withdrawing the comment. I think we all have heard, at times, withdrawals that may have been less than effusive admissions of guilt. However, I accepted it as a withdrawal and I hope Hon. Members will also accept it as a withdrawal, and a complete one.

ROUTINE PROCEEDINGS

[*English*]

IMMIGRATION

TABLING OF FAMILY REUNIFICATION REGULATIONS

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, pursuant to Standing Order 67(2), I have the honour to table in both official languages the new regulations concerning family reunification.

• (1210)

Mr. Ouellet: Mr. Speaker, I noticed that during Question Period, a government Member asked a question of the Minister in order to give her a chance to elaborate on the document she just tabled. There is a long established practice and, indeed, at the time of the study of the reform of the rules of the House, the McGrath Commission proposed a way to allow and facilitate Ministerial statements. I want to point out to the Government House Leader that in courtesy to all Members of the House of Commons, the Minister today should have availed herself of this opportunity to make a ministerial statement. I regret it very much. I hope in the future members of the Cabinet will know better the rules and use them to the interest of all Members of Parliament.

Mr. Speaker: I thank the Hon. Member for Papineau (Mr. Ouellet) for his comments. I am sure Hon. Ministers will consider his comments in the helpful way in which they were meant.

I also remind Hon. Members that when the Hon. Minister for Employment and Immigration (Mrs. McDougall) was answering the question asked of her, the Chair did interrupt the Hon. Minister because the Chair is conscious of the very point the Hon. Member for Papineau raised. There are, of course, appropriate ways for Ministers to make statements, especially when they have information which they very much wish to extend not only to all Members of the House but, apparently, to the country.

Mr. Lewis: Mr. Speaker, I would just like to inform my hon. colleague of two things, first, I am advised the Hon. Minister did give an advance copy of the regulations to the critics, as is the custom. I wish I had it on my desk. We in the Government have tried very hard to ensure that ministerial statements are made in the House. I think the average versus the last Government, of which my hon. colleague was a member, is about ten to one in our favour. I can provide him with those figures.

Mr. Ouellet: That is not a fair comment.

Mr. Speaker: The Chair is not going to comment on the number of statements made by one Government as opposed to another except, of course, to say that Ministers have, of course, been using extensively the vehicle of Ministers' Statements. The Chair can only say that ought to be encouraged.

Mr. Hawkes: Mr. Speaker, I would like to check the "blues", but in part of your response, I think you dealt with the Question Period itself. I know I have some responsibility for that in relation to our Members. There were words "newspaper stories" this morning, and "on the front pages of the newspapers", about the issue the Hon. Member suggests could have been a ministerial statement. When things break in the public press, they are very frequently the topic of Question Period regardless of what else might follow, including the tabling of regulations and ministerial statements. If there is something in the "blues" which indicates that because they are to be handled in a different way later that day, they are inappropriate for questions, I would like to reserve my right to argue, perhaps.

Mr. Gauthier: Mr. Speaker, I cannot help but comment on the last statement made in the House. Indeed, if the Government leaks documents to the press and uses that to have questions asked in the House by its own Members and, therefore, short circuits the well established method of making statements, which is the result of reform, I remind the House, reform that was adopted unanimously by the House, then, of course, the Government cannot have it both ways. It cannot

leak it to *The Globe and Mail* in the morning or the night before and then have justification for a question being asked on a document that it itself had leaked. Let us be honest. It cannot have it both ways.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I would like to address the same subject. I was ready to give the Government the benefit of the doubt because, in any event, we are supposed to be honourable people in this House and we should take those who inform us at their word.

So I was prepared to take the Government word and give them the benefit of the doubt. But the previous speaker has just confirmed for us that they were very disappointed that we had no questions to ask about this document, which was definitely released to the press in time for the morning news in the hope that we would swallow the bait and ask questions about it. But that is contrary to the rules of the House. If we want the House to be orderly, we must proceed in an orderly manner.

Mr. Speaker, it seems very clear to us that the Hon. Minister, seeing that no question was coming from this side of the House, decided to ask one of his troops to put a question or a half-question.

Mr. Speaker, I think that you should once again tell the Cabinet and the House that such conduct should not be accepted here. Otherwise, order is impossible; it would be a circus! And if people want this to become a circus, I can tell you that I personally do not like taking part in such a free-for-all! And I think that if this were to become the general pattern, we would join in . . . But I warn you that not much would get done in this House.

[*English*]

Mr. Speaker: Hon. Members I think have made their feelings quite clear. I want to respond to the Hon. Parliamentary Secretary. I do not think the Chair was suggesting that just because a question comes from a government Member to a Minister that that in itself is in any way improper, not at all. It may well be that the question is asked with respect to some information that has just very recently been made public. That in itself does not make it improper.

The Chair interrupted the Hon. Minister this morning not because the Hon. Minister was answering the question but because the Hon. Minister was extending that answer with extensive detail in a way which is more appropriate for a Minister to make under the proper rubric of Routine Proceedings for Ministers statements. That, of course, is what the reform exercise was all about.

I want to assure Members on both sides that the Chair, I think, can recognize legitimate questioning when it is there. The Chair can also recognize, and this will come as no surprise to Members on either side of this House who have on other occasions been on a different side, when a question is asked to illicit a statement from a Minister that might very well be more properly put in a different way. So I do ask for the co-operation of all Hon. Members and I know we will receive it.

Presenting Reports from Interparliamentary Delegations—

The Hon. Parliamentary Secretary.

Mr. Hawkes: Tabling of documents.

Mr. Speaker: I want to assure the Parliamentary Secretary that I was trying to get to him.

* * *

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to 18 petitions numbered as follows: 332-4326, 332-4513, 332-4514, 332-4551, 332-4558, 332-4561, 332-4563, 332-4572, 332-4573, 332-4577 to 332-4583 inclusive, 332-4588 and 332-4610.

[*Editor's Note: See today's Votes and Proceedings.*]

[*English*]

Mr. Speaker: I hesitate to go on with Statements by Ministers.

* * *

[*Translation*]

COMMITTEES OF THE HOUSE

MANAGEMENT AND MEMBER'S SERVICES—REPORT OF STANDING COMMITTEE

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, we shall try to end the week on a joyful, optimistic note.

And a chairman is always pleased to be able to table the budget voted by his committee and not rely on the clock, or deadline that implements the budget automatically if the estimates were not voted on in time. It is a very bad principle in the British system . . .

• (1220)

[*English*]

In the British parliamentary system it is very bad to say that if one does not have time to vote one's Estimates, they are automatically voted after a certain date. It is with great pride that I inform the House that the Standing Committee on Management and Members' Services, which I have the honour

to chair, saw fit, Mr. Speaker, to make the House very happy and to get a nice smile from Your Honour by informing the House that we had the honour of voting your Estimates. You are all right, Mr. Speaker, until March 31, 1989.

I have the honour to table, in both official languages, the Estimates of the committee.

Mr. Speaker: The Chair of course would want to express its appreciation to the Hon. Member for Saint Denis (Mr. Prud'homme) and to all members of the committee, and to again thank the committee for its warm and courteous reception just the other day.

ENERGY, MINES AND RESOURCES—NINTH REPORT OF STANDING COMMITTEE

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, I have the honour to present the ninth report of the Standing Committee on Energy, Mines and Resources, in both official languages. The committee has reviewed the Estimates that are under its jurisdiction and has voted them in. It is a pleasure to present this report.

[*Editor's Note: See today's Votes and Proceedings.*]

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HOUSE OF COMMONS

REVISED EDITION OF STANDING ORDERS

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Madam Speaker, I have a motion which has been discussed with the other Party House Leaders. I think Your Honour will find that there is consent to receive the motion and to put it immediately. I move:

> That the Clerk of the House be authorized to re-order and renumber the Standing Orders, and after consultations with and concurrence of a staff member designated by the House Leader of each Party, to print a revised edition of the Standing Orders and to make such changes as may be required to the *Order Paper and Notices*.

[*Translation*]

Mr. Ouellet: What is that?

Mr. Nystrom: The Hon. Member for Papineau said, "What is that?"

[*English*]

What has happened is that there has been a House Leaders' agreement to put the Standing Orders in a more clear fashion in a book. That was agreed to unanimously by the House Leaders, which is what I wanted to say publicly.

The Acting Speaker (Mrs. Champagne): The House has heard the terms of the motion presented by the Minister of State (Mr. Lewis). Is there unanimous consent?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

PETITION

VICKERS HEIGHTS POST OFFICE

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, I have a group of petitions to table this afternoon. They have been certified correct pursuant to Standing Order 106. They represent well over 50 per cent of the residents of the community of Vickers Heights, which is located within the City of Thunder Bay.

These residents signed the petition because of their concern over the future of their small post office. They point out that a meeting called by Canada Post to review the options with the residents of the area was a complete sham, and that Canada Post refused to review the option overwhelmingly supported by the residents, that is, to retain the post office.

They call upon Parliament to demand that Canada Post retain Vickers Heights Post Office as requested by the residents, and that it review all options in its consultation with residents and stop patronizing residents with the arrogant and hypocritical approach it takes at present.

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 323 and 333.

[*Text*]

SANTA CLAUS LETTER WRITING PROGRAM

Question No. 323—**Mr. Daubney:**

> In (*a*) 1984 (*b*) 1985 (*c*) 1986 (*d*) 1987 did volunteer Canada Post employees respond to children's letters written to Santa Claus and, if so, what number of responses was sent out?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): 1. Yes.

2. Prior to 1982, letters from Ole' Saint Nick were ingeniously crafted by a wide cross-section of CPC volunteers from across the country. In 1982, Canada Post Corporation introduced the annual Santa Letter Writing Program which is actively supported by both current and retired employees of Canada Post, senior citizen groups and various community associations. Together this national team of volunteers answers thousands of letters from children in Canada and around the world.

The statistics below clearly indicate the program's growing popularity with children—and their parents: (a) 1984—557,782; (b) 1985—597,000; (c) 1986—664,591; (d) 1987—775,351.

PERCHLORETHYLENE TESTS

Question No. 333—**Mr. Caccia:**

1. Does the Government test olive oil, chocolate and cocoa products for perchlorethylene content and, if so (*a*) with what frequency are such tests conducted (*b*) what are the dates of the three most recent tests (*c*) who conducts such tests?

2. To the knowledge of the Government, is there a permissible level of perchlorethylene, in Canada and the United States, for olive oil, chocolate and cocoa products and, if so (*a*) were such levels ever exceeded and, if so (*i*) when (*ii*) by whom (*b*) what action is taken when permissible levels are exceeded?

Hon. Jake Epp (Minister of National Health and Welfare): 1. (a) (b) and (c) The Health Protection Branch is not testing olive oil, chocolate and cocoa products for perchlorethylene content. Analyses conducted in April, 1988, by the United States Food and Drug Administration, have all been negative. Staff of the Health Protection Branch are regularly in contact with the Food and Drug Administration officials and will be informed if any positive results are found.

2. (a) (i) (ii) and (b) There are no permissible levels for perchlorethylene in food in Canada or in the United States.

[*English*]

The Acting Speaker (Mrs. Champagne): The questions as enumerated by the Parliamentary Secretary have been answered.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURN

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Madam Speaker, if Questions Nos. 273 and 308 could be made Orders for Returns, these returns would be tabled immediately.

The Acting Speaker (Mrs. Champagne): Is it the pleasure of the House that Questions Nos. 273 and 308 be deemed to have been made Orders for Return?

Some Hon. Members: Agreed.

[*Text*]

GRANTS BY DEPARTMENT OF SECRETARY OF STATE

Question No. 273—**Mr. Redway:**

Since September 4, 1984, did the Department of the Secretary of State make grants and/or loans to persons or corporations, non-governmental organizations and governments within Metropolitan Toronto and, if so, to which ones and, in each case, in what amount and for what purpose?

Return tabled.

GRANTS FOR HIGHWAY UPGRADING AND CONSTRUCTION

Question No. 308—**Mr. Epp (Thunder Bay—Nipigon):**

For (*a*) 1980 (*b*) 1981 (*c*) 1982 (*d*) 1983 (*e*) 1984 (*f*) 1985 (*g*) 1986 (*h*) 1987, did the Government spend money on joint projects with provincial Governments for highway upgrading and construction and, if so, by Province, (*i*) on which dates (*ii*) in what amounts?

Return tabled.

[*English*]

Mr. Hawkes: I would ask that the remaining questions be allowed to stand.

The Acting Speaker (Mrs. Champagne): Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

AIR CANADA PUBLIC PARTICIPATION ACT

MEASURE TO ENACT

The House resumed from Thursday, May 26, consideration of the motion of Mr. Mazankowski that Bill C-129, an Act to provide for the continuance of Air Canada under the Canada Business Corporations Act and for the issuance and sale of shares thereof to the public, be read the second time and referred to a legislative committee.

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Madam Speaker, I am pleased to join in this debate for a number of reasons. First, the constituency of Brampton—Georgetown is adjacent to Toronto International Airport. Therefore there are a great many employees from Air Canada who live in my constituency. Over the years these employees have made representations to me, as have various committees that have been formed by the staff and the unions, to discuss the issue of the privatization of Air Canada. Members of the union leadership have been into my office to discuss the privatization of Air Canada. They have expressed concern with respect to it. However, many of the workers who have come in to see me or who have met me on the street in my riding have informed me that in no uncertain terms they are very pleased with the actions of the Government in proceeding with the privatization of Air Canada under Bill C-129 which we are debating today.

I must say that I am very pleased at the action that the Government has taken as well. I think most Members in the House would agree that as Members of Parliament we do a fair amount of travelling and that we have the opportunity to travel on many airlines throughout the world. In my capacity as Parliamentary Secretary to the Minister of Energy, Mines and Resources and now in my capacity as Parliamentary Secretary to the Minister for International Trade I have had the pleasure of representing Canada around the world. I consider it a privilege to be able to travel on many airlines.

I am a great comparison shopper. I am pleased and proud to say that Air Canada competes with the finest airlines in the world. There is no question about it. The quality of service, the staff, the attitude and the leadership in aviation shown by Air Canada are all unquestioned. Thus I am standing with a great deal of confidence in knowing that the management of Air Canada is perfectly capable of competing in the world, in the private sector, in the air transportation business. I believe that management is extremely pleased with this decision as well.

At one time Air Canada served a public policy purpose in Canada. I believe that Canada is one of the toughest countries in the world to govern because of the vast distances between centres of population and because of its vast size. Thus transportation is very important. As the airline industry grew, various airlines in this country grew and matured. At the beginning we had to ensure that good, safe, and competent services were provided for all areas and regions of the country. In the beginning, and for a number of years, Air Canada was the tool that we used to achieve that.

• (1230)

Today the industry has matured tremendously. We as Canadians can be very proud of the various airlines that we have, and Air Canada is one of those. It is time that Air Canada competed on an equal basis with the other airlines in Canada that have developed and matured over the years. Because of the maturity of the organization, the public policy purpose for Air Canada no longer exists. Needless to say, I am very pleased to participate in this debate and support the Bill wholeheartedly.

There is not only great support from the staff of Air Canada, but generally I believe the public is supporting this move. Simply stated, the privatization program of the Government of Canada is if it does not serve a public policy purpose, then it should not be in government hands.

The success stories of those companies that have been privatized are nothing short of spectacular. De Havilland is one such example. For the period of time we debated in the House the privatization of de Havilland, we heard the Liberal Member who represents that area say how disastrous that it was going to be. He stood out in front of the plant and handed out pamphlets that stated that this was the demise of the company, it was going to be terrible, and what a terrible fate was ahead for the group of workers at de Havilland.

As it turned out, I believe there are 1,200 to 1,500 more employees at that plant. The plant has been modernized and streamlined. A few day ago I met with the president and he was excited and enthusiastic about what is going on. They are designing a much larger Dash-8, their sales are tremendous, and the prospects for the future are great. One can look at some 14 other privatizations that have taken place. They are all success stories. I have no doubt whatsoever that Air Canada will also be a success story.

We want to get this debate into committee in order that the committee can examine how the privatization will be carried out, hear representations from the public on their thoughts. Because this is such an important item and because the Government places such a priority on it, and because the Opposition is not very enthusiastic in its opposition, if the truth were known, I think that the Opposition would support this wholeheartedly, especially my friends in the New Democratic Party. If they talked to those ordinary Canadians whom they are always preaching about over there, if they talked to the people who handle the baggage, who take the reservations, the air crew, pilots, and so on, they would find out that the staff is very much in favour of this and looking forward to actively participating in the operation and the share ownership of that company. Because it is so wanted throughout the country, not only by staff but also by the general public, I move:

That the question be now put.

Some Hon. Members: Agreed.

The Acting Speaker (Mrs. Champagne): Mr. McDermid seconded by Mr. James moves that the question be now put. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): On debate, the Hon. Member for Winnipeg North Centre (Mr. Keeper).

Mr. Cyril Keeper (Winnipeg North Centre): Madam Speaker, my colleague wishes to know if I need a minute or two to finish my lunch. I do not feel the least bit embarrassed about that. I am willing to give up my lunch if we can put the brakes on the Government when it comes to the selling out of Air Canada.

Mrs. Sparrow: It is not selling it out.

Mr. Keeper: I hear a little protest over there. I hope that means that the Government will pay close attention to what I have to say, because there are some very important issues that have to be faced in this privatization of Air Canada.

The Hon. Member who has just spoken stated that there was no longer a public policy purpose to having Air Canada owned by Canadians, owned by the public sector, and while it was useful and nice to have Air Canada in the public sector when it was being established and growing that now it is a mature airline, poof, the public policy purpose for having Air Canada has disappeared.

The fundamental question is whether there is a public purpose for having a publicly owned Air Canada or, as the Hon. Member has stated, whether the primary concern has to be with the fairness of the competition between Air Canada and the other airlines in the country. The Hon. Member emphasized the point that now that Air Canada is mature it is time to ensure that Air Canada is competing on a fair basis

with the other airlines. Therefore, the Hon. Member is putting his priority on concern about whether there is fair competition between Air Canada and other airlines, and has set aside the long established concern about why we have an Air Canada and what public purpose it serves. That is now a secondary consideration.

The public policy reasons for the creation of Air Canada still exist today. The fundamental reason why I am raising this question about whether there continues to be a public policy reason for having Air Canada is because we want to ask the question: "Why is the Government selling off Air Canada?" One of the crucial questions is whether the Government is correct when it states that there is no longer a public purpose for having Air Canada owned in the public sector as a public utility.

The original reason for the creation of Air Canada, which is still valid today, is that there was a need for transportation in this country. There was a need to tie and knit this country together. This fundamental purpose and reason applies not only to air transportation and therefore to the existence of Air Canada, but it also applies and has applied throughout Canadian history. It applied when the Trans-Canada Highway was built. When the time came to build the Trans-Canada Highway we did not ask if this could be done by the private sector, or if we build a highway from one coast to another would we be competing unfairly with the private sector railroad by building a highway on which trucks could run? We did not say that. We said that it is important to tie this country together. It is important to have a Canada. One of the ways we can build Canada is by having good transportation and communication systems.

• (1240)

The public purpose for having an Air Canada is to tie this country together, not only the big cities but also the small and remote communities. We want to tie those communities together through modern transportation means, air transport. This reasoning convinced Governments in the past, as it should convinced the Government today.

One of the ways we created Canada was by building a railroad to tie the nation together from coast to coast. Not only did the vast majority of Canadians accept the persuasiveness of the argument that there is a public purpose to having a railroad and a transportation system to knit the country together, but the Conservative Party of the day, the political ancestors of the dinosaurs that we have across the way now accepted that reasoning. In fact, it was Sir John A. Macdonald who articulated the dream and said that we want to give birth to a new country in the northern half of the North American continent. One of the crucial instruments for the building of the nation was a transportation system. In that day it was the railroads, but Sir John A. had the foresight and vision to see that there was a job of nation building to be done and that that job was a job for the public sector. That fundamental reason still exists today. It applies not only to railroads and to highways but to airlines and air transportation.

This Government has embarked on the Americanization of Canada. It is trying to reduce the nation to a market-place, to a bazaar, to a shopping centre, to a pale reflection of the American dream. The Government has abandoned the Canadian dream started by the Conservative Party and by Sir John A. Macdonald. It is not enough to be simply concerned about whether there was fair competition between this airline company and that airline company. That is a legitimate concern. Nobody wants unfair competition, a concern which the Minister expressed. It is also necessary to be concerned about public purpose, about nation building. That is where our Party stands. Our Party is concerned about the building of Canada, about the holding together of the country, about people in small communities who are a part of this nation as well as those who live in Toronto, Montreal and Vancouver. We are concerned about nation building.

We say that Air Canada like the railroad and the Trans-Canada Highway has been a part of the building of this country. This successful public enterprise ought to continue to be a part of that. We should not put a price tag on everything. We should not say that you can only have service if you have enough dollars in your pocket, that your community will be a real part of this country as long as it can pay its way. We are all Canadians. It is reasonable and necessary that we have a national air transportation company that can use some of its profits from the populous areas of the country on the lucrative air transportation routes to subsidize transportation to some of the more remote parts of Canada. All Canadians should share the burdens and costs of providing communications.

The reason for establishing Air Canada was to knit the country together, to play a part in nation building, and that reason continues to exist today. To abandon Air Canada suddenly just because the Conservative Party has abandoned its own philosophical roots and has chosen to go down the route of American conservatism, down the road of worshipping the market-place above all else, is a mistake. The fundamental conclusion we come to is that there is a purpose in nation building for having Air Canada in the public sector. If there is a public purpose for having Air Canada so that air transportation can contribute to the strength of this nation, why is the Government seeking to sell Air Canada? Is it because there is a public demand for it? Have citizens from one coast to the other risen in unison to say "Sell Air Canada"?

The other day the Government managed to dig out of its files some place one public opinion poll which seemed to indicate that the majority of Canadians would favour the sale of Air Canada. Let me point out that I have read numerous public opinion polls reported in the daily press in Canada which indicate that a majority of Canadians favour Air Canada remaining in the public sector. I see no evidence of a public demand for the sale of Air Canada. There is a public purpose for Air Canada to stay in the public sector. There is no clear evidence that Canadians as a whole are beating on the

doors of the Canadian Government saying "Sell Air Canada". Probably a majority of the evidence shows that most Canadians would like Air Canada to stay the way it is as a public utility, as a successful enterprise, which can serve a public purpose rather than being transformed into a purely commercial enterprise whose only purpose can be to make a dollar.

There is nothing wrong with making a dollar, Madam Speaker, but we also have to serve the public purpose and build a nation. We already have airlines in Canada which are dedicated to making a buck and making a profit. We are content to allow that to happen. That is legitimate, but why must all airlines in Canada have as their primary purpose the making of a dollar as their top priority? Why can we not have at least one airline whose purpose it is to knit the country together and help build the nation? I ask again, why is this neo-Conservative Government, this conservative Party which has abandoned the Canadian notion of Conservatism to adopt an American notion of the market-place, selling off Air Canada? Why does the Government insist on selling Air Canada? Is it as a public enterprise unsuccessful? Is it as a public enterprise draining the public purse and not making a profit? The answer is absolutely not. Air Canada over the last couple of decades of operation has made a profit in all but two years. Over-all the profits, if I remember correctly, total something like $300 million.

Air Canada is a successful enterprise that serves the public purpose, helps to build our nation, and most people would like to see it remain as a public utility. It is a successfully run corporation. Why fix something if it is not broken? Why sell it off if it is functioning well as a public enterprise? I have no satisfactory answers to those questions. I would challenge Members opposite to rise to give some rational reasons for selling off Air Canada.

• (1250)

In addition, I want to say something about how the Government is selling off Air Canada. It is not only Members of the New Democratic Party, us of the social democratic persuasion, who are questioning the Government's action. Some business people are questioning it. Sir Colin Marshall has expressed skepticism about the approach the Government is taking to the sale of Air Canada.

I see in today's *Globe and Mail* that Sir Colin Marshall, the Chief Executive of British Airways, has said that he questions the way the Government is privatizing Air Canada. He is essentially saying that it ain't going to work. The Government is partially privatizing Air Canada and Sir Colin Marshall is saying that if the Government of the day is to be successful in its aim, an aim we do not share, then it has to go all the way.

Either this partial privatization effort will be a complete failure and will not raise the moneys the Government hopes it will raise or else the assurances the Government is giving Canadians that it intends to maintain control so that public policy objectives are pursued are false assurances.

Perhaps this is the first step of a two-step process, and the Government is sort of sneaking in full privatization under the blanket of partial privatization.

The Government's action has been criticized by a chief executive officer from the private sector in Britain who has been involved in a privatization scheme that worked, at least from that philosophical perspective. I wonder why the Government is seeking to sell off Air Canada. I have to conclude it is because the Conservative Party has adopted a new American philosophy of conservatism, a philosophy that puts the market-place above all other considerations, that puts making a buck above building a nation and that puts more emphasis on profit than on service.

I think the Government is doing this for ideological reasons rather than for practical, understandable reasons. As I said before, Air Canada works. It provides service and decent employment and it makes a profit. Why not leave it in the public sector?

I want to be a bit parochial for a moment. I would like to shift my concern specifically to Winnipeg and to my riding of Winnipeg North Centre. The people of Winnipeg are concerned about what will happen once Air Canada is privatized and starts to move away from the fleet it presently has to perhaps airbus. They are concerned about whether or not there will still be a place for Winnipeg in the aerospace industry.

Winnipegers have already had the experience of being robbed of our place in the aerospace industry. We are afraid that the pattern will repeat itself. We are afraid that once the airline is privatized, it will be possible and even likely that the Government will reduce the air maintenance work that takes place in Winnipeg. We would like to have some real assurances from the Government that Winnipeg will have a place in the aerospace industry.

I see that you are signalling that my time is almost up, Madam Speaker. Air Canada is making a profit and providing a service. It helps knit Canada together. It also reassures the people of Winnipeg that there will be a role for them in the aerospace industry as long as Air Canada remains in the public sector.

Why is the Government seeking to sell off Air Canada if it is not to reduce the workforce in places like Winnipeg, if it is not to find a way to reduce services to remote communities or if it is not simply to ride its own ideological hobby-horse? Air Canada has played a role in the building of the nation and it ought to remain in the public sector. Saying that Air Canada has lost its public purpose simply takes the narrow view of Air Canada, the view of a commercial enterprise, and forgets about its nation-building role.

Mr. McDermid: Madam Speaker, the Hon. Member spoke about Sir Colin Marshall's criticism of the sale of Air Canada. His criticism was that we should be selling all of Air Canada. He was not criticizing the actual privatization or the philosophy of privatization.

Is the Hon. Member saying that the Government should have privatized the whole thing? If he agrees with Sir Colin Marshall, that must be what he means. Is the Hon. Member aware of the Bill which allows for the partial sale of British Telecom and what a successful issue that was? Why is he criticizing this partial sale? He is in essence comparing apples and oranges.

I thought that Members of the NDP had got away from this, but obviously they have not. After listening to the Hon. Member, I realize that they still think that profit is a four letter word, a dirty word. I gather the Hon. Member is back attacking these terrible companies that earn a profit and saying what a terrible thing it is. That is still the philosophy of the NDP, the type of doctrinaire that NDP Members spout off as we heard the Hon. Member do today.

Mr. Keeper: Madam Speaker, I will deal with the second question first. One of the reasons for our belief that Air Canada ought to remain in the public sector is in fact that it is making a profit. We believe that profit is worth while—

Mr. McDermid: That isn't what you said before.

Mr. Keeper: Well, I see heads shaking. I acknowledged in my speech very clearly that it is important to have airlines that are capable of making a profit. I just said that I did not think that every airline in Canada should have that as its top priority. There ought to be an airline whose purpose it is to knit Canada together, to serve as a communication link and to help to build the nation. There is more to building a country than simply meeting cash register objectives.

Second, I was asked about my comments on Sir Colin Marshall. He is criticizing the Conservative Government's approach to privatization. He is saying, based on his experience with privatization in Britain, that going half way will not do the job. That comment by this gentleman who has some experience in these matters suggests to me that the Government is incompetent and is going to botch the job again. Canadians have seen it botch so many things.

• (1300)

Mr. McDermid: Like de Havilland, Telecom, Canadair, and Canadian Munitions?

Mr. Keeper: Either that, or its assurance to Canadians that it will maintain a hand in Air Canada for public policy purposes is misleading and false. The Government says it is going the partial privatization route and maintaining service to remote communities, but it cannot have it both ways. If it intends to privatize Air Canada, then it will deprive remote communities of service. If the Government really wants to provide assurances of service to those communities, then it ought to leave Air Canada where it is, in the public sector.

Mr. McDermid: Madam Speaker, I do not want to beat this to death, but I think the Hon. Member should be fair to Sir Colin Marshall. He did not say it would not work. Here is the quote:

> You have to be one or the other, and I am for airlines being totally free.

What he is saying to us is that we should privatize the whole thing. He was in Toronto at the time the statement was made, trying to sell shares in British Airways, for heaven's sake. The article says:

> Riding a wave of record profit, Sir Colin Marshall, Chief Executive of British Airways PLC, swept into Toronto as part of a North American blitz of financial analysts to sell the company's shares.

I will quote further from the article in *The Globe and Mail* by Cecil Foster:

> Sir Colin is the latest airline official to indicate an uneasiness with the Canadian Government's decision to sell Air Canada gradually. Ottawa plans to sell a 45 per cent stake by asking Air Canada to issue new shares.

That is what he said, so do not misrepresent the man. His only criticism is that we are doing it gradually. Yet the British have done it gradually, too, with the British Telecom privatization. That involved a partial share issue and it was very successful. So when the Hon. Member gets up, I wish he would be accurate.

Mr. Keeper: Madam Speaker, I guess more than one person can read an article. Sir Colin Marshall, this British entrepreneur with experience in the privatization of airlines, said:

> You have to be one or the other—

In other words, you have to be a public airline or a private airline, and if you try to be both it is not going to work. What I am saying to the Government is that the plan it has announced is a mixed plan, and according to Sir Colin Marshall you cannot be both; you have to be one or the other. That means the Government has announced a plan that will not work. It will not raise the revenue it claims is needed and will not assure people that service will remain in their communities. The shares the Government will hold will not assure a public policy purpose.

If what the Minister is saying is that the plan is the total privatization of Air Canada, then he has to admit that any of the assurances he has given that service will be maintained in remote communities, or that there will be bilingual service, cannot be sustained.

Mr. McDermid: Name a remote community that Air Canada serves now.

Mr. Reimer: Madam Speaker, the Hon. Member for Winnipeg North Centre (Mr. Keeper) was berating the Government for saying that this action is a symbol or sign of the Government operating according to its ideological hobby-horse of privatization.

There is no question that the Conservative Party and the Government clearly believe that wherever the national need or public interest does not require government intervention, it is far better that the private sector do it. If the private sector cannot meet that need or requirement, then of course the

Government has to do it. However, in this case it is obvious that it can be done by the private sector, and perhaps better.

I suggest to the Hon. Member that surely what is sauce for the goose is sauce for the gander. If the Hon. Member wants to say that the Government is on its ideological hobby-horse of privatization, then is it not equally true that the Hon. Member is on his ideological hobby-horse of socialism, government control, and government ownership?

Mr. Keeper: Madam Speaker, I will be frank. I am on a hobby-horse. The hobby-horse is nation building.

Some Hon. Members: Oh, oh!

Mr. Keeper: Air Canada has a purpose, that is, to knit Canada together. It is our transportation and communication network that helps keep this country one. That is a policy objective that was recognized by none other than Sir John A. Macdonald. Therefore, I ask the Hon. Member why his Party has abandoned the principles and vision which originally motivated it? Why has it abandoned the project of nation building? Why, all of a sudden, are they only concerned about whether or not someone makes a profit or whether or not a company can compete against another company?

The Acting Speaker (Mrs. Champagne): Resuming debate.

• (1310)

[*Translation*]

Hon. André Ouellet (Papineau): Madam Speaker, I cannot say that I welcome this opportunity to take part in this debate, because when we consider why this Bill is before the House today, the only answer to that question lies in the ideology of the Conservative Party, of the hardline Tories and of this Government, who want to get rid of this country's Crown corporations at any price.

It is an obsession with this Government. Some of our Crown corporations which have outlived their usefulness can be sold, but when it comes to selling a Crown corporation which has its place in this country and which is absolutely necessary, given the peculiarities of our economy and geography, I think the Government's policy is regrettable.

As I see it, Air Canada is an indispensable adjunct to the economy of this vast country whose population is spread out from the Atlantic to the Pacific. Many outlying areas and small communities would be unable to get certain services or food supplies, and people would not be able to leave their communities without air transportation.

The Government of Canada created a Crown corporation to provide air transportation for all Canadians, wherever they happen to live, and I think the reason was valid at the time and is still valid today and will remain valid and essential for many years to come, because we still have a very low population density in this country.

However, there is another reason why we are considering this Bill today. I am referring to the fact that the Minister of Finance (Mr. Wilson) and his Treasury Board colleagues have refused to guarantee Air Canada the loans it needs and would normally contract in order to proceed with the renewal of its fleet. Previous Governments always helped Air Canada get the best possible terms and financing to achieve its economic goals. Now for the first time, Air Canada is faced with a Government that has put it on a starvation diet by refusing to support its plans for expansion and development. Obviously, the Government cannot let a corporation as popular and as useful as this one go down the drain. The only alternative was to let Air Canada be privatized, thus making it possible for the Corporation to obtain the hundreds of millions of dollars it needs to upgrade its fleet. I think this is very sad, because if we Canadians lose our collective ownership of this corporation, which is our pride and joy, it will be because of the lack of support and the irresponsibility shown by the Canadian Government.

On the fiftieth anniversary of Air Canada, the Liberal Party of Canada issued a press release to emphasize the major role played by the corporation in developing our country. I would like to take this opportunity to quote from that press release, which said: "In response to a persistent rumour that the Conservative Government is about to privatize Air Canada, Liberal Members want to recall the *raison d'être* of our national carrier. From the date on which it was founded, Air Canada has provided passenger transportation services from one end of the country to the other, while reflecting the federal Government's commitment to the principles of bilingualism, employment equity and regional procurement. Once it is privatized, Air Canada will no longer fly to communities on less profitable routes. Thus, providing passenger air transportation services accessible to all, the reason why Trans-Canada Airlines was created in the first place, will no longer be feasible".

I personally wanted to stress that Air Canada has played and should continue to play a major role in connection with the deregulation of the air transportation industry.

Indeed, as the Conservative Government has just passed Bill C-18 that will completely deregulate air transport, we should ask whether it is wise and necessary to privatize Air Canada at this time. On behalf of our Liberal colleagues in this House, we rejected the partial privatization of the company in a press release on April 10, 1987. We said that such a policy would mean that the company would cease to be a Crown corporation under the Financial Administration Act. The power to issue directives, now held by the Governor in Council, would be lost. Now we see that this is exactly what the Government has done.

It carried out a partial privatization, trying to make the Canadian public believe that it would continue to control this Crown corporation which no longer is one; under Canadian corporation laws, it must now be a private company because the majority shareholder does not have the right to make

decisions that would be detrimental to the minority shareholders. The Canadian law protecting minority shareholders says this very clearly. So we will have an absolutely crazy situation where the Government will still own 55 per cent; it will be the largest shareholder, the majority shareholder, but it will have no say and will be powerless to act. The minority shareholders will control the company and most important, the Government will abdicate its power to issue directives to the company to maintain essential services in remote areas or to continue to serve some lines considered important for the national interest.

As the previous speaker was saying, we are wondering why the Government is so determined to undo something that was working so well. You do not take apart what is going well unless you are a Conservative Government. And this is not the first good company that the Government is destroying. We see what it is doing with Canadian National. We see what it has not been able to do despite all the promises to VIA Rail and we wonder what will happen with this hybrid decision that sooner or later may harm Air Canada's viability and efficiency. In reality, if no one buys these shares that will be put on the market, if this half-sale is not successful, Air Canada's whole future is threatened.

For Air Canada's fiftieth anniversary, we wanted to emphasize that it is one of the world's most profitable airlines, that it is very well managed and that it has won international awards. The most recent was the award of excellence for best passenger service given by Air Transport World.

In rejecting the argument that Air Canada must be privatized so that it can renew its fleet of aircraft, we asked the Government then to stop undermining the public's confidence in their national carrier.

We had suggested a much wiser and much more realistic alternative, and that was to change the Air Canada debt to equity and make sure it could secure loans at preferential rates to renew its fleet as was done in the past.

We had also suggested that the Conservative Government should be committed to maintain the unwritten rule whereby, as we did before, Air Canada would be given certain advantages with regard to international and transcontinental routes as compensation for maintaining service to nonprofitable Canadian communities.

Quite clearly the Government chose to ignore this suggestion made by the Official Opposition, by the Liberal Party of Canada. Today we are faced with a Bill which most unions representing Air Canada employees find unacceptable.

Perhaps I might just read this newspaper article, and I quote:

• (1320)

[*English*]

"Three Air Canada unions begin campaign to halt privatization". The article states that unions representing two-thirds of Air Canada's employees have launched a campaign to stop the planned privatization of the Crown owned airline and to defeat the Conservative Government in the next federal election.

"You propose to sell out not only our members but all Canadians in disposing of our national asset", said representatives of the International Association of Machinists, the Canadian Union of Public Employees, and the Canadian Autoworkers Union in a letter which was recently sent to the Prime Minister (Mr. Mulroney).

"We will do our best to educate all Canadians in the true meaning of your duplicity so that you receive your just political reward in the next election", the three-page letter concluded.

[*Translation*]

I think the spokesmen for the employees are justified to use such harsh words about the Prime Minister (Mr. Mulroney). As everyone recalls, not long after the last elections the Prime Minister of Canada went to Montreal to see his close friend Louis Laberge to discuss various issues, particularly the future of Air Canada. At the end of their meeting, union boss Louis Laberge told newsmen in the presence of the Prime Minister who could have denied everything had it not been true: "The Prime Minister has just assured me that Air Canada will not be sold! Air Canada is not for sale! Canada needs a national airline", said the Prime Minister.

Well, like in the case of so many other unkept promises, we realize today that if the Prime Minister says something the contrary is bound to happen.

I see that the Hon. Member for Brampton-Georgetown (Mr. McDermid) is getting all worked up and taking upon himself to tell me that this quote of the Prime Minsiter is not complete.

The Prime Minister and the Deputy Prime Minister have invented remarks to justify the sale of Air Canada. Louis Laberge was not told half of the sentence when he met the press in Montreal following his meeting with the Prime Minister. He did not tell the people: "Half of Air Canada will be sold". He told them: "The Prime Minsiter has assured me that Air Canada is not for sale!". These are the facts and it is not the Hon. Member for Brampton-Georgetown who will convince me that Louis Laberge does not know what he is saying. The reality is that the Prime Minister had said that Air Canada would not be sold. In line with many other promises which the Prime Minister had made and not kept, Air Canada will be sold because of this bill, and the Tory Government will be held fully accountable for that.

Air Canada is a most successfully run corporation which has greatly contributed to the Canadian economy, which has enjoyed record economic growth, which has A-1 employees, very competent officials who administer it in a remarkable fashion and which is second to none as a national airline. Air Canada is one of the best airlines in the world. Because the Tories do not want to finance the loan which this company needs to renew its fleet, they want to sell it off and make it

possible for foreigners, probably Americans, to take over through this minority participation full control of the company. The reality is that this airline of which we were all very proud will eventually become partly the property of foreigners and will probably fall within the next few years in the hands of the major conglomerates which will control the air transport industry in Canada.

Because the situation we are living now is a small scale replica of what is happening in the United States. Ever since the deregulation of the airline industry, we have witnessed an undue concentration of the airline industry in the United States at the expense of workers, at the expense of the services in less profitable areas and, especially to the benefit of a few tycoons who are about to take complete control over the air transport industry in the United States. I can foretell that the deregulation in Canada will bring about the same results.

This whole exercise means that within the next few years, because of the various schemes of this Tory Government, out of our two major national airlines, Air Canada and Canadian Pacific, in addition to five or six major regional carriers operating in the Maritimes, Quebec, Ontario, and Western Canada, only one or two will survive. All of them will end up in the same bag, to the great satisfaction of the Tories and their very affluent friends, who will completely dominate the air transport industry, not in the interest of Canadians or the travelling public, but in the interest of a few friends of the Tory Party.

The Acting Speaker (Mrs. Champagne): Questions and comments. The Hon. Member for Lévis (Mr. Fontaine) has the floor.

Mr. Fontaine: Madam Speaker, when Canadians listen to the Hon. Member for Papineau (Mr. Ouellet), I suggest they remember this is the same Member whose team was involved in the Mirabel question, when any number of scandals came to light and thousands of farmers were expropriated, and now Canadians have to pay for these mistakes.

This is the same Member who poured billions of dollars of taxpayers' money into Canadair. The same Member was involved in the question about de Havilland, a company we decided to sell. These two companies are now making a profit and hiring more workers.

When the Hon. Member for Papineau said the Minister of Finance (Mr. Wilson) didn't want to advance funds to renew Air Canada's fleet, he was right. This Government will not advance any funds to renew Air Canada's fleet because it believes in private enterprise. This is not a socialist government that will soon be part of a coalition. This Government believes in private enterprise and wants to give Air Canada a chance to take advantage of the privatization process and the private sector a chance to purchase Air Canada shares.

The Hon. Member for Papineau doesn't want us to privatize Air Canada, but since he is so knowledgeable about the transportation industry, I would like to ask him today how many airlines in the world are government-owned? I wish he would answer me here in the House. Out of 155 countries, how many have state-owned airlines? Let him explain to Canadians why we should be among the very few to have a national airline.

Finally, Madam Speaker, and I am about to conclude, it is a matter of philosophy. For decades, this Party decided to add to the Government's social and supportive role, letting it substitute for the private sector in 335 different corporations. As a result, Canadians today have a national debt of $262 billion. This means that 30 per cent of our taxes go to paying the interest on loans contracted by the Liberals who, in many cases, were supported by the socialists, because those were the kind of measures they liked.

I wish you would answer this question: How many airlines in the world operate today as Crown corporations?

Mr. Ouellet: Madam Speaker, I would like to tell the Hon. Member for Lévis (Mr. Fontaine), who has notes prepared for him from time to time so that he can say stupid things in this House, that the big national airlines in Europe are state-owned.

Mr. Fontaine: Which ones?

Mr. Ouellet: The French, the German.

Mr. Fontaine: Which companies?

Mr. Ouellet: Madam Speaker, I am telling him that Air France belongs to the French, Lufthansa belongs to the Germans. And if it is good for France and Germany, it is also very good for Canada.

Secondly, I would like to say this about Mirabel. When the Mirabel Airport development project was conceived, officials in the Department of Transport had planned to make this airport the port of entry for international trade to America. The airport of entry would become Mirabel. Today, if you have read a little about air transport, you will realize that Mirabel remains the only airport open 24 hours a day. It is the best port of entry to America for all international traffic from Europe.

The colleague of the Hon. Member for Lévis, who is a Minister and represents the riding next to Mirabel, must be very nervous on hearing the Hon. Member for Lévis call into question the reason for Mirabel's existence. This airport may be too big in the eyes of the Hon. Member for Lévis, but I can say one thing: since the Conservatives took power, they have spent more time doing favours for their friends than building an expressway between Mirabel and Dorval or creating a rapid rail link between Mirabel and Dorval so that travelers arriving in Mirabel can catch a domestic flight in Dorval.

Despite the Conservatives' promises, this Mirabel/Dorval issue that they planned to settle has not yet been settled.

Finally, I would like to say, because he asked me several questions . . .

Mr. Fontaine: Only one is important.

Mr. Ouellet: . . . that the money Canadair cost the Government of Canada was well spent. Hundreds and thousands of jobs remained in Canada because the then Liberal Government had the courage to rescue this company which was on the verge of folding up, and to keep here in Canada the technology and know-how in the field of aeronautics and aviation. Had the Canadian Government failed to intervene at the time, Canadair would no longer exist and with it would have gone the highly paid jobs which keep Montreal among leaders in air transportation. I do not hesitate for a moment to defend the steps taken by the previous Government to save these jobs in Montreal and keep Canadair going. In conclusion I would say to the Hon. Member for Lévis that at any time I am prepared to open a debate with him about the various airlines which operate worldwide. Give me more time and I will continue to tell him about the many countries of the world which have the decency to maintain their own national airlines, at a time when our own Government is about to sell off a chunk of Air Canada to foreigners and friends who can hardly wait to merge it with another company and make sure that this jewel in the sky will disappear for ever.

• (1330)

[*English*]

Mr. McDermid: Madam Speaker, I have two or three points I would like to make. First, I would like to thank the Right Hon. Leader of the Opposition (Mr. Turner) for appointing the Hon. Member co-campaign manager for the next federal campaign. It has brought him to life. We thought we would be writing an obituary on him. In the last three and a half years he has hardly been on his feet at all in the House. Obviously, this has given him a new shot of inspiration, and we are pleased to see him back again. It is certainly going to help us, I can tell him that.

I want to point out to the Hon. Member who is bragging about Lufthansa Airlines. Lufthansa happens to be partially privatized. It is not entirely state owned, just to let the Hon. Member know. The airlines that are totally state owned are Aeroflot which not only has an airline but builds planes. It is a totally integrated company. The New Democratic Party would love that. But its safety record is not one we would envy. The Hon. Member knows that, having been a former Minister of Transport. The Portuguese, Saudia Arabian, Air-India, El Al, Olympic, and Pakistan airlines are state owned.

The following are committed to privatization, and the Hon. Member will be interested in this: Aer Lingos, Air France, Air New Zealand with a socialist Government, Austrian Airlines, Iberia, Thai, Qantas, Australia, with a labour Government.

I would like to draw another point to the Hon. Member's attention. He says a Crown corporation is necessary in order to ensure services in remote areas. Air Canada does not fly anywhere in the territories. In fact, Air Canada serves 28 domestic points. Canadian Airlines, that terrible private sector one—and I know the Liberals do not like this—serves 70 domestic points.

I want to ask the Hon. Member, when he stands here and gives a great "fear" speech about the airline going into foreign hands, Canadians not being good enough to run it, and it being taken over if the Americans want to take over our airlines, why have they not done it by now? It is because Canadians have faith in their own airline companies. Look at CP. CP was foreign owned and Canadians bought it back. Look at what Max Ward has done with his terrific airline, Wardair.

The Hon. Member has no faith in Canadians. Only the Government can do it. That is the Liberal line. That is what we heard in the whole of the Member's speech, that only the Government can do it. Canadians, independent and free of Government, cannot do it. I can tell the Hon. Member that Canadians have proved him wrong over the last three and a half years. The private sector has created 1.2 million new jobs.

When the private sector is freed up to do the job, it will do it, but not under the grip of the Grits. Once the Grits get a hold, they want to intervene and run everything. They want to control everything with their little red-rump sisters over there. That is what happens in this country. Well, Canadians do not want that. Canadians can see, when we let the private sector go, what it can do. It is doing a great job in this country, and it will continue to do so. They are not going to buy the Liberal bunk anymore that only big brother can run Canada.

The Acting Speaker (Mrs. Champagne): The period for questions and comments is over, but I will give the Hon. Member a short time to reply.

[*Translation*]

Mr. Ouellet: Thank you, Madam Speaker. I am not at all impressed by the rhetoric of the Hon. Member for Brampton—Georgetown (Mr. McDermid). He read a list of companies which could be privatized, including Air France, one of the most important in Europe. It is not because they could be privatized that they will. These companies are not privately owned, but state owned. It is not because Canada is about to make a mistake that these other countries will necessarily follow suit.

Also, I suggest to the Hon. Member that praising private companies operating in Canada is not at all inconsistent with our position in favour of Air Canada. Quite the contrary! Our Government had made it possible for private companies to take over a major share of the Canadian market, and the performance of Wardair, Canadian Pacific and other Canadian firms have all flourished under Liberal Governments. Since this Tory Government came into office, like by magic, all these companies have been purchased or merged in only one, and we have witnessed the disappearance of the regional carriers of which our various regions were very proud. The privatization

of Air Canada, therefore, is a step towards the take over and amalgamation in the more or less distant future in one huge air transport company, and I say this is both dangerous and bad.

To conclude, Madam Speaker, I will ask this to the Hon. Member who would like everybody to believe that he is pleased to hear us, the very same Member who has just moved *that the question be put* meaning that he would like this debate to be over as soon as possible: Is he not aware that by moving this motion, he will deny all Hon. Members the right to move amendments to this bill? Which means that on second reading, after the Hon. Member for Georgetown rises to speak, no other Hon. Member will be allowed to move an amendment to this Bill. That is outright hypocrisy on his part!

• (1340)

[*English*]

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, this is certainly turning into an interesting debate. It is a little lively today. My friend from Brampton—Georgetown was beginning to look the colour of what he was describing the New Democratic caucus as being, he was getting so excited about the whole procedure.

First, I would like to comment on the motion that is before us. It is: "That the question be now put". We are roughly into six or seven hours of debate on Bill C-129, and I am only guessing with respect to the time. This is a fairly major piece of legislation. It is part of a trilogy that the Conservative Government has entered into since it came into office in September, 1984, that is, privatization, deregulation, and the trade agreement with the United States.

When we talk about changing the structure, the ownership of an air transportation company that the people of Canada have owned for over 50 years through the House and the Cabinet that have reflected the political make-up of the country, it is a fundamental debate. It is not one about which games should be played. It is not one in which the Government should, as it tried to do the other day, force extended hours so that we would sit well into the evening to disrupt the normal pattern of committee work and responsibilities of Members when they are here in Ottawa.

Today, it chose to put in place a procedure which basically means—and this is for those people who are watching—that the Opposition cannot move any amendments. The next decision that will have to be made will be on "that the question be now put". Of course the Government with its majority, should it decide to vote in favour, would see that happen and then we would have the vote on second reading of Bill C-129.

I just want to point out that we are seeing a Government that is becoming very frustrated, very antsy. It has a number of pieces of legislation on the table.

Mr. Fennell: We have lots of time.

Mr. McDermid: All the time in the world.

Mr. Angus: My colleague across the way says that we have "all the time in the world". Perhaps he would like to withdraw the motion that restricts us in terms of any amendments that we wish to make, not that we had planned that, Madam Speaker. We will get the legislation into committee—

Mr. McDermid: That is where the amendments should be made.

Mr. Angus: Of course the amendments that have been made did not deal with the specific wording of the Bill. The first amendment moved by one of my colleagues was to take the principle of the Bill and send it off to the Standing Committee on Transport, a committee of which I am a member, to study the whole concept of the privatization of Air Canada. The Government did not want that to happen, so it voted it down.

The second amendment was to delay further work on the Bill for six months, a period of time that is normally suggested by Members in this House. I am sure that government Members when they sat in opposition, did the very same thing. It gives the public time to absorb the ramifications of a Bill. It gives members of the public time to prepare briefs and to decide whether or not they agree with it so that when it enters the legislative committee they will be ready. Instead, we have a Government which once again has lost control of its own agenda and is trying to ram things through.

Let me turn to the substance of the Bill. At second reading we are here to talk about the principle of whether or not Air Canada should, initially, partially be sold to the public and then later, at the Government's whim, totally sold. I remind Members of the House that every Canadian man, woman, and child already owns a part of Air Canada, just like they own the CNR. In some provinces they own the telephone company or the hydroelectric company. In some communities such as mine the taxpayers own the telephone company and the hydroelectric distribution company.

Canada has had a history of this type of involvement in the running of our affairs and the provision of services, particularly in the field of transportation. When one looks back at the decisions made many decades ago about what this country was to look like, we see that at that time we had a Government which saw a danger in allowing an intrusion of rail lines from the south. It saw a future for our country disappearing from our grasp, so it arranged to have built a rail line to connect east to west.

Not too many decades ago a number of small railways were in financial difficulty. The Government pulled them together as the Canadian National Railway, totally owned by the taxpayers of Canada.

• (1350)

Over 50 years ago as air transportation developed and was seen as the tool of the future, the Government of Canada, with the support of the people of Canada, became involved in the airline business. It was not the private sector. It was not a

forbear of Canadian Airlines International, or Max Ward, or the Deluce family from northern Ontario. It was the public sector that recognized the need and entered into the business of air travel.

Along the way the private sector finally realized, after Air Canada developed the markets, that perhaps there was a buck to be made and therefore it would get into that business. Also along the way the Government of the day decided that there needed to be rules and regulations that controlled the provision of services. In this public sector-private sector competition the Government of the day saw the danger that, while the public sector airline had a mandate to provide services, the private sector was more flexible and could target itself to the more lucrative routes, skim the cream off the top. We as a nation decided that tests had to be applied.

For example, the test of public convenience and necessity was the key one that stood the test of time for many years, until this Government came along and eliminated it. That test was designed to ensure that as well as servicing those lucrative routes—for example the Toronto to Ottawa to Montreal triangle many Members travel on a frequent basis, which is heavily utilized and very profitable—they would also be used to cross-subsidize the routes to the smaller communities.

The Hon. Member for Brampton—Georgetown (Mr. McDermid) refers to Canadian Airlines International serving somewhere in the neighbourhood of 70 domestic communities. Part of the reason it was doing so was that when the other companies—Pacific Western, Canadian Pacific, or some of the smaller feeder planes that are now partners—were applying to the regulatory agency for permission to travel some of the more profitable routes, they were told: "If we give you this licence here, you have to service these smaller communities". The network was expanded through a mix of public sector airlines, private sector airlines, and regulation to protect services.

Back to the trilogy. The first step in the plan of the Conservative Government for air transportation and for the future of Air Canada was deregulation, taking out that test of public convenience and necessity and turning it over to the marketplace. Therefore, the only test was to obtain a licence and insurance and have trained pilots and mechanics to do the work, and that is now the test, the test of the bottom line. Therefore, we were not surprised when the Prime Minister (Mr. Mulroney) reversed himself and finally indicated, through the Deputy Prime Minister (Mr. Mazankowski), that Air Canada was in fact for sale.

Let me mention some of the specifics of the legislation and the statements that have been made with regard to the decision by the Government to dispose of initially 45 per cent of the shares of Air Canada. The rationale that we have been given is that Air Canada needed money for new fleets and new airplanes. The Government was not going to give it to them, so the only route to go was through some type of public share offering.

The amount of money that Air Canada needs is in the vicinity of $300 million. That may seem like a very large amount of money. If it came out of my pocket, it would be—

Mr. McDermid: You do not have a pocket that big.

Mr. Angus: —or if it came out of the pocket of any of us in this room. When one realizes that the same Government is prepared to spend, at the very least that we know about, $8 billion for some big toys for little boys, the nuclear submarines—

Mr. McDermid: Don't let the Navy hear you call them little boys.

Mr. Angus: Actually, I was referring to the Minister. I was not referring to the Navy. I have great respect for it. It also knows that we do not need nuclear submarines.

We can set aside the issue of whether it should be nuclear submarines, conventional, or whatever. The question is that $8 billion is readily available for that project, and the Government cannot find $300 million to allow Air Canada to provide the fleet additions it needs. That makes one wonder.

The other aspect of this deal that bothers me is that, on the one hand the Government is saying that the initial share offering will be 45 per cent. Of that 45 per cent no more than 25 per cent can be held by non-Canadians. That is consistent with international agreements or treaties to which Canada is a signatory, and the same rule applies in the United States. Because this is an initial share offering, at some point in time the Government could dispose of the remaining 55 per cent. Therefore, 100 per cent of the shares of Air Canada could be owned by other than the Government of Canada, which means that up to one-quarter could be owned by non-Canadians.

Second, there is a restriction that no individual can own more than 10 per cent. That applies to the initial share offering, so we are talking about 4.5 per cent of that 45 per cent. When 100 per cent is sold then we are back up to 10 per cent. Conceivably and eventually those shares could be—and I am not saying that they will be—held by a maximum number of 10 individuals. It probably would not happen right away. However, over time those 10 individuals could also be principals in other airlines, and two or three of them could be non-Canadians. Therefore we have a very dangerous situation for this company that has been owned by all of us and managed very well.

Over the last 10 years Air Canada's pre-tax profit was $379.3 million. I would say that it is a very good record but we are going to get rid of it, sell it off. The final problem is that following the initial offering of 45 per cent the Government will give total control to those who hold 45 per cent. The Deputy Prime Minister indicated very clearly that the Chairman of Air Canada will be instructed by the Government to vote with the majority of the members on the board representing the 45 per cent. In other words, if there are 45 directors—for easy mathematics— and 23 voted to close or

stop serving Thunder Bay, the Government would have to vote with them even though it owned 55 per cent of the shares.

I realize that my time has run out. Let me conclude by saying that it is a bad deal, and there is no way that I can support it.

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

• (1400)

PRIVATE MEMBERS' BUSINESS—BILLS

[*English*]

EXPORT AND IMPORT PERMITS ACT

MEASURE TO AMEND

Mr. Dan Heap (Spadina) moved that Bill C-243, an Act to amend the Export and Import Permits Act (apparel industry), be read the second time and referred to a legislative committee.

He said: Madam Speaker, it gives me unusual pleasure to have an opportunity to speak in moving this Bill because it has been the product of a great deal of study and consideration by the men and women who are most concerned with the garment industry of Canada. I am referring to the companies, to the members of the Canadian Apparel Manufacturers Institute who support this Bill, and to the International Ladies' Garment Workers' Union which represents some tens of thousands of workers in Ontario, some tens of thousands of workers in Quebec, and some tens of thousands of workers in other parts of Canada. Obviously as unions and company employers there are things they sometimes find to disagree about, but on this proposal they agree because they want to defend the existence of the garment manufacturing or apparel manufacturing industry in Canada. It is a proposal which they have put to Parliament. They have sent copies of the proposal to all Members. I hope it will be considered worth while by all here today to vote at the end of this hour to have the Bill referred to committee for further study.

Both the manufacturers and the unions, while they are supporters of this Bill, have pointed out to me that there are some details which need amendment and that they very much wish to come to speak to the appropriate committee of Parliament about this Bill when it is referred.

The purpose of the Bill is, in effect, to regulate the imports of garments, of apparel, into Canada. That is reflected in the explanatory note which says:

> Recognizing that measures to protect the apparel industry will benefit Canada, the purpose of this Bill is to impose quotas on imported apparel to encourage investment by Canadians and non-Canadians that would contribute to economic growth and employment opportunities in Canada.

In other words, this is to strengthen investment and modernization in the apparel manufacturing industry of Canada. Unless we are going to change the climate in Canada for a much warmer one, I think we need to keep a clothing manufacturing industry here.

There are three main proposals as shown in Section 2 in the Bill. One is that new import permits, in excess of those already issued at a certain date to be determined in the law, would not be issued to enterprises whose sole business is importing. The new import permits would be issued to manufacturers and issued to them in proportion as they have increased their production in Canada. When I first heard this, I was puzzled. As it was explained to me, the manufacturers already find it appropriate. A shirt manufacturer may buy some shirts overseas so that he can offer to Eaton, The Bay, Sears, or whoever, a package line, a variety, more than he is able to concentrate on making in Canada. It is proposed, therefore, to establish this practice and to recognize and support it in law to give the benefit of importation to the manufacturers so long as they increase their manufacturing, their production, in Canada accordingly.

There is also a caveat in Section 3 in the Bill that this would not apply to importations from the United States or from the European Economic Community. The reason is very simple. In the past decade or so the garment industry in Canada has found it necessary to seek defence, as has the garment industry in the United States, as has the garment industry in western Europe, against the importation of garments from countries where the wages and working conditions are extremely poor. The concept of competition, even as reflected in the General Agreement on Tariffs and Trade does not allow unlimited injury to go without defence. In other words, when our industry is being injured as it is, the GATT agreements allow us to defend ourselves.

I have a letter from the Canadian Apparel Manufacturers Institute, dated April 20, written to me in support of this Bill. It points out that the industry employs some 113,000 people in such centres as Montreal or Winnipeg and that it is responsible for 18 per cent and 17 per cent respectively of all manufacturing in these cities. The Institute wrote:

> However, we are an industry under considerable pressure from imports. Imports have captured 43 per cent of the Canadian market.

At the beginning of the 1980s imports captured only 31 per cent of the Canadian market but now they capture 43 per cent. That is what we have lost. The industry is asking that the haemorrhage be stopped. The letter continued:

> At present, 90 per cent of imported clothing comes from low-cost sources and the Multi-Fibre Arrangement (under GATT). This international agreement allows the exporting countries to control Canadian quotas within their jurisdictions. The Canadian industry's share of our own market has been steadily eroded. Canadian shipments have been shrinking by an average 5 per cent and considerable employment has been lost over the last decade.

I repeat, we are speaking here of countries which pay extremely low wages, often less than one-tenth of others, and which operate under environmental and labour conditions that

would not be tolerated anywhere in Canada, western Europe, or the United States. The letter continued:

> Canadian manufacturers of apparel are increasingly importing some finished apparel. They use the imports to complement their production. They can rationalize and specialize, making what is best made in Canada and importing the rest to complete their product line; thus enhancing the marketability of the domestic product.

In the letter it is pointed out that this Bill:

> —would effectively bring control of part of the quotas, on low-cost goods, back to Canada.
>
> The Bill would also limit the increases in imports by retailers. For many years CAMI has promoted this type of mechanism under its quota control policies. We have done so because quota controlled in the hands of Canadian manufacturers can be used to increase Canadian production and employment while reducing costs to the consumer through the elimination of overseas quota charges.

There are many facets which would bear further study as to the application of the details. That is why I hope the Bill will be adopted in principle and go to committee.

I want to refer also to a couple of news stories in the same vein. On March 21 from the *Kitchener-Waterloo Record*:

> Large or specialized shirt manufacturers in Kitchener-Waterloo should be able to withstand the loss of a promised duty remission program, but 35,000 jobs could be lost in other segments of the Canadian industry, says the President of the Arrow Co.

I am not debating today the question of the import duties. I am pointing out the danger that is recognized by one of our major shirt manufacturers.

There is another story dated April 2, 1987:

> Women workers displaced by free trade will not be able to take advantage of the new job opportunities created by the pact, a panel discussion on free trade and women was told Thursday.
>
> It is both ludicrous and callous to suggest women—particularly those in the textile and other manufacturing sectors—will be able to make the necessary adjustments, said economist Marjorie Cohen.

• (1410)

I have from the union their brief that was written a couple of years ago but is still up-to-date in which they point out that the General Agreement on Tariffs and Trade "permits importing countries to protect themselves from market disruptions and serious injury as a result of substantial imports. Article 19 of the GATT agreement permits global quotas where there is a serious injury to domestic production."

I want to take up another aspect of this matter which is relevant even though it is hidden. It is hidden in the sense that there is a general myth being put about Canada by certain interests to the effect that the garment industry is weak, inefficient, held up only by subsidies—that is to say, by protective tariffs—and therefore should be allowed to seek its own level, as it were, without any protection, even if that means that some or perhaps all of the garment manufacturing industry disappears from Canada.

I wish to object very strongly to the notion that the garment industry is peculiarly subsidized in Canada. I would point out that the garment industry in fact, along with other light manufacturing industries no doubt, subsidizes the petroleum industry, the mining industry, and the finance industry.

My basis for saying that is that for the years 1976 to 1979—and I do not think it has altered in principle since—the garment industry was taxed at the rate of 34.4 per cent; petroleum and natural gas industry, only 21.8 per cent; the mining industry excluding mineral fuels, 16.4 per cent; and the finance industry, 18.7 per cent. In other words, the garment industry was paying at least half as much tax again as the wealthiest industries in Canada. The women working for $5, $8, or $10 an hour on Spadina Avenue were subsidizing the oil companies, the banks, and the mining companies through their taxes.

I can refer it also to the matter of income tax deferred. During those years the petroleum and natural gas industries deferred over $5 billion worth of taxes; the mining industry, $1.8 billion; the finance industry, $2.5 billion; and the garment industry deferred $17.4 million in the year 1979. In other words, the loans without interest, which is the most modest way of putting this tax deferral, ran in the billions to the petroleum, mining, and finance industries, whereas the garment industry got a measly $17 million in tax deferrals.

I have estimated that between $3 billion and $4 billion would have accrued to the Canadian Government's Treasury if those industries, petroleum, banks and mines, had been taxed effectively at the same rate as the garment manufacturing industry. Therefore, I am asking that the Government take seriously the need for a continuation of the garment industry in Canada and not accept this myth that it is somehow too weak to be worth defending.

In fact, what the garment industry leaders have said, both the employers and the unions, is that they are not asking for financial hand-outs. They are asking to have an assured share, not the whole Canadian market, of the Canadian market so that they will know that they have some hope of recovering their investment as they continue modernizing the industry.

The world market is undoubtedly changing, and there are many proposals being made in Canada to respond to those changes. A country like Thailand has just in the last couple of years entered into the world market for garment manufacturing, and some of its product in the last couple of years have come to Canada, only 2 or 3 per cent. They are not satisfied. They hope to boost that to 10 per cent. But it is one of the countries in which wages are a tenth or less of the wages in Canada, in which young women are brought from the countryside—they are a country of 50 million people, twice the size of Canada in population—and housed in dormitories, in not very free conditions. It is a country in which government and employers have an agreement, a *de facto* understanding with each other, for getting rid of unions by physically eliminating union leaders. It is a country in which there is some amount of the use of child labour, or what would in our country be classified by age as the labour of children.

It is not reasonable to allow those practices which we have outlawed in Canada, in Britain, in western Europe, generations ago, to undermine the employment opportunity or the working conditions and wages of the working men and women of Canada. Certainly it would be unreasonable to decide that Canada should return to child labour simply because a country like Thailand makes use of it.

Another country which has already made inroads into the Canadian market is Mexico and the Maquiladora strip. Two years ago this month, Adidas announced its closing of a factory of 200 employees in Toronto. When I phoned the manager, I asked the reason for it. He said: "Well, our sales are down". When I inquired more widely, I found that sales from that factory had been allowed to decline because they had opened a factory in Mexico where the wages are about one-tenth of what they are in Canada.

Again it is not reasonable, it is not patriotic, it is not socially responsible to allow workers of Canada to be thrown out of work because we are taking advantage of a situation in Mexico or Thailand or whatever in which the workers are economically pressured to work for wages like 50 cents an hour.

What I am asking for is consideration of this Bill by the committee for two purposes. One, immediately to control the extent of injury to the Canadian garment or apparel manufacturing industry. It would not take away the rights of the present importers. It would simply stop the increase of importation by people who are not also manufacturers of clothing in Canada. In other words, it would enable the clothing manufacturers who still survive in Canada to continue their production, to invest further in modernization which has certainly been continuing in the past few years on Spadina, and to maintain a garment manufacturing industry in Canada.

Second, this is a proposal that moves in the direction of an orderly sharing of the world market. Instead of simple dog-eat-dog, this is an attempt to suggest that as new technologies develop, as new producers come on the market, and as new markets come into sight, there should be the development of international arrangements for sharing that market. This is a specific proposal from the employers and the representatives of the workers in one of Canada's large industries, the second largest manufacturing industry in Canada, the largest employer of women in manufacturing. This is their request, that Parliament allow them to come to our committee and work with us on the details of this Bill. I would ask Hon. Members to vote in favour of it today.

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Madam Speaker, I have been sitting here for 20 minutes, and I am confused. I have listened to the Hon. Member from the New Democratic Party introduce his Bill which is before the House for second reading, Bill C-243, to amend the Export and Import Permits Act. He described its purpose as the encouragement of investment by Canadians and non-Canadians in domestic industries by setting limits on imported apparel. According to the Hon. Member, that measure would contribute to economic growth and increased employment in this country. Then, for 10 minutes, he knocked all these Third World countries, their employment record and methods of hiring and firing, their assassination of union leaders, and everything else.

• (1420)

This is where the confusion comes in. Everyone knows that the NDPers have to stick by their policy manual. They are committed to it. In their 1986 policy manual, *Resolutions Reference*, Resolution B.2.4 indicates that they would:

> Take the following measures to facilitate importation of manufactures from less developed countries:
>
> (A) Liberalize the generalized system of preferences;
>
> (B) Ease and eliminate the recent clothing import quotas;
>
> (C) Introduce no new import restrictions beyond the existing tariff levels."

That is Resolution B.2.4 in their 1986 policy manual, *Resolutions Reference*. They are also still committed to Resolution A.1.11 which says the opposite. It says:

> "The NDP will pursue—the immediate protection of jobs in the industry through import restrictions."

You cannot have it both ways.

Mrs. Mailly: They can. They always do.

Mr. McDermid: They try. They always try. The NDP do this all the time. When they are speaking to consumers or those with an interest in Third World countries, they say "Our policy as passed at the convention is to increase the flow of textiles and clothing from Third World countries to Canada. We have to help those Third World countries". Then, when they are speaking to manufacturers and workers, they say: "We will erect barriers to imports".

Mr. Nystrom: Point of order, Madam Speaker. I know the Parliamentary Secretary is a very able debator, and I wonder if he can tell the House from what he is quoting. There was no NDP convention in 1986. Is this one of the provincial sections of the Party? We would like to be enlightened on what section he is looking at.

The Acting Speaker (Mrs. Champagne): That is not a point of order. It is a point that could be debated later on.

Mr. McDermid: Boy, they get nervous over there when you start quoting their policy to them. They get very nervous. I can understand why the Hon. Member is up on his feet interfering all the time.

As I was saying, when they speak to industry they say that they will erect barriers against imports from developing countries and that that is their policy. That is why I am confused.

The Hon. Member better talk to his colleagues who put these policies together at the NDP conventions which they have all the time, where they raise their little cards and

support these things, because the policies are a direct contradiction of each other. Get your act together before you come into this House introducing a Bill to do something about textiles.

I believe the Government's continued commitment to maintaining a viable level of production in these vital industries has been made patently clear on a number of occasions. In the 1986 policy statement for the textile and clothing industries, a government policy statement I might add, the Government announced its plans for a broad trade regime with the primary objective of moderating the pace of clothing import growth to allow orderly adjustment in the Canadian industry.

A number of measures were set out in the statement to achieve this objective. Canada pursued international negotiations in 1986 for an extension to 1991 of the Multi-Fibre Arrangement, the international framework under the General Agreement on Tariffs and Trade which governs trade in the textile and clothing sectors. That is one thing the NDP always forgets. It always thinks Canada can go off and do its own little thing that we are a little island on to ourselves, and that we should never mind the global economy and what is going on around us. In addition, in 1986 and 1987, Canada renegotiated bilateral textile restraint arrangements with some 25 low-cost supplying countries. Those were tough negotiations, but we accomplished it.

To complement Canada's participation in this internationally accepted regime for textile and clothing trade, the Government has taken an innovative approach in introducing other programs to boost the prospects of domestic producers. These programs, while offering major benefits to Canadian clothing industries, will carry with them none of the potential for an international backlash, especially from low-cost countries, as would the Hon. Member's proposed import quotas at roll-back levels. It would cause a major furore throughout the trading world, and it would also conflict with the NDP's policy statement.

One of the programs I am referring to has most recently been the subject of a major announcement by the Minister of Finance (Mr. Wilson), the duty remission package for textile and clothing imports. The solutions offered by duty remission to the problems experienced in the clothing industry, and we do not minimize them, not for one minute, are particularly compelling. They have been under active consideration by this Government from the beginning.

We should remember the July 1984 campaign announcement of the Prime Minister (Mr. Mulroney) in Sherbrooke, Québec. He outlined the Government's agenda for the textile and apparel industry which would provide both stability through fair trade measures and adjustment in those sectors by promoting and reinforcing their strengths. A key area targeted in the announcement was rationalization of Canadian production through the use of duty remission schemes so that Canadian producers could work with instead of against low-cost foreign producers. They would serve to combine Canadian expertise in fashion, marketing, and financial techniques with foreign input to offer a full range of textile and clothing products to both the domestic market and markets around the world.

The desirability of pursuing duty remission programs to increase competitiveness of Canadian manufacturers was reiterated in the Government's 1986 textile and clothing policy. Based on proposals put forward by the industry, a pilot project for duty remission on shirts was introduced at that time to enable domestic shirt producers to import, duty-free, those product lines which would complement their own output. Thus, they were able to focus more on rationalizing their operations to become more competitive. On March 22 of this year the Government announced an enhanced three part program of tariff relief measures to meet the express needs of the textile and clothing industry.

Let me conclude by saying this. The garment industry in Canada is very good. Our designers are world class. I am wearing a suit today, a Warren K. Cook fashion made in Toronto. I give them a plug. They are a Canadian company and do a great job. They can sell around the world. They make quality garments. Our designers are winning international awards. It is interesting to note that the Americans, in their criticism of the free trade agreement, said that their textile and garment industry will lose out to the Canadian industry. That is what they are saying in the U.S.

We in Canada are good. We are very good. Our garment makers are terrific. They are fabulous. They are superb. Our designers are great. We are going to do extremely well with all the programs we have in place for the garment and textile industry. We are going to be able to compete in the areas where we are good. That is what it is all about.

• (1430)

Unfortunately, I must tell my colleague, the Hon. Member for Spadina (Mr. Heap), that the Government must oppose his Private Member's Bill introduced today. However, we are greatly concerned about the future of clothing producers in Canada and have made what we believe is a very progressive move to develop a more streamlined and competitive approach, which will meet and even exceed the challenge of low-cost imports in a healthy and growing market.

Mr. David Berger (Laurier): Mr. Speaker, I too would like to make a short intervention on Private Member's Bill C-243, introduced by the Hon. Member for Spadina (Mr. Heap). At the outset, I have trouble with his proposal. As I understand it, he seeks to tie imports of apparel or clothing to 1983 levels. This would apply to importers of clothing and, as I understand his proposal, imports would be frozen at 1983 levels. There would be no way for importers to increase the imports of clothing.

On the other hand, domestic manufacturers would be entitled to additional imports and these additional imports

would be tied to increases in domestic production. Therefore, those manufacturers that increase their production in Canada would be able to increase imports by an amount equal to their increased domestic production.

My general feeling is that this is too rigid. This is saying that only manufacturers can import, that those who are in the business of selling goods, those in the retail trade for the sake of argument, would not be able to import. I think this could lead to tremendous trafficking in quotas. That probably exists to a certain extent under today's system, but I think it would be seriously aggravated as a result of such a rigid provision.

The Hon. Member said that the Bill was also designed to move to an orderly sharing of the world market. I have trouble with that. I think it is well known that many Third World and developing countries have objected to attempts by industrialized countries to shut them out of their markets. The Multi-Fibre Arrangement is really an attempt by the industrialized countries to limit imports from developing countries.

It is somewhat of an anomaly in the sense that it is called a Multi-Fibre Arrangement because I understand it is imposed by industrialized countries against the will of developing countries which have no choice but to accept it. The Hon. Member talks about an orderly sharing of the world market, and I think there is danger in this proposal of discriminating against developing countries and inhibiting their ability to grow.

These are the kinds of concerns I have with this Bill. On the other hand, I recognize that the Member has raised some legitimate concerns. There are some clothing manufacturers in my constituency. I received a letter from one such manufacturer about a year ago, a manufacturer of sweaters and sporting or active wear. This manufacturer said that as an employer of 175 Quebecers he believes his company and others like his are being adversely affected by the lack of policies of the federal Government toward regulating the import of foreign made garments. He said that significant growth would not occur in his industry unless Canada reduced the indiscriminate quantities of imported goods into Canada.

I suppose that is a legitimate issue, to the extent that there are wide fluctuations and huge increases from year to year in any one category. However, my understanding of the present legislation is that this is not supposed to happen. Perhaps there is a need to enforce better existing legislation rather than pass new legislation.

I acknowledge that the Hon. Member for Spadina stated that another objective of this Bill would be the control of quotas here in Canada. That is a legitimate concern which I have heard expressed in the past. For some reason our present quotas are not controlled by Canadians. They are set by Canadians but, for some reason or another, we seem to have lost control over them. This matter certainly bears attention and study by this House.

I thought that the comments of the Parliamentary Secretary on behalf of the Government were somewhat defensive. He ought to be defensive, given the recent decisions of the Government with respect to the duty remission scheme which was rolled back and is a much less substantial scheme than that which was envisioned by the industry and which the industry was led to believe by the Government would be the case. I see that the Member is shaking his head.

Mr. McDermid: It's what they requested.

Mr. Berger: He says that that is what the industry requested, that they got what they requested.

Mr. McDermid: They didn't get what they requested.

Mr. Berger: I have spoken to a number of manufacturers, and I can only go by what I am told by these people whom I regard to be knowledgeable. They live and work in the industry. They make their living by spending long hours every day at it. They tell me that they did not get what they expected, that they did not get what the Government promised over the course of the past two years. They say that the Government backed down on the promises it made to the industry because of the pressure applied on it by Washington.

Through its actions in the textile and clothing industry with respect to the duty remission scheme, the Government has indicated that our policies are not being made here in Canada by the Parliament of Canada according to the needs and best interests of Canadians but are being made in Washington according to the dictates of U.S. industry.

In conclusion, while I have great difficulty with some of the provisions of this Bill, I certainly believe that the subject matter is worthy of examination. If there were some method by which the subject matter of this Bill could be referred to a parliamentary committee, before which we could invite clothing manufacturers and clothing importers to tell us of their concerns first hand, that would be desirable. That is what I, on behalf of my Party, would support.

• (1440)

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, I want to clear up some confusion that I believe may have inadvertently been left by the Hon. Member for Brampton—Georgetown (Mr. McDermid). He referred to New Democratic Party documents dated 1986, I believe, and pointed to what he felt was a conflicting position within those documents. The reference he used suggests to me that he was really looking at the resolutions that were to be submitted to convention.

Mr. McDermid: No. It was as reaffirmation of a 1977 resolution.

Mr. Angus: Again, not having seen the document referred to by the Hon. Member—

Mr. McDermid: It is your policy book.

Mr. Angus: Perhaps if the Hon. Member would let me finish explaining the process the NDP goes through. In advance of conventions, riding associations as well as some of the affiliated organizations will pass resolutions and send them to convention. At convention, every delegate will get a book of resolutions that have been proposed by the rank and file of the Party for consideration by convention.

We have a resolutions committee that will sift through the proposed resolutions, look at previous resolutions that had been adopted to determine if they are still relevant, and try to weed out any conflicts. We admit that from time to time there have been conflicts, in terms of the wording, which have only been discovered later on.

That committee reports to convention and indicates an order of priority of the resolutions for debate. That is debated as well, because sometimes people would like their particular issue moved up on the agenda.

Ultimately, some resolutions are debated at convention. We never have enough time to debate every resolution in the resolutions book. Hundreds of resolutions are submitted to our federal and provincial conventions.

The other point is that those resolutions which are not dealt with at convention are automatically referred to our federal council for consideration. For example, at our last convention in Montreal in 1987, a resolution that I had drafted and submitted from my riding association had not been dealt with by the floor. It was later referred to the federal council which, in turn, adopted it in a different form. I simply want people to understand the process.

We have provincial conventions that make decisions which are not necessarily binding on the federal Party or caucus until those policies have been adopted by the convention. Resolution No. 5 adopted by the federal council of NDP in 1983, reads:

> The immediate protection of jobs in the industry through import restrictions to ensure Canadian industry at least its present share of the domestic market until the removal of such restrictions is warranted by:
>
> (a) improved productivity and competitiveness of the Canadian economy as a whole; and
>
> (b) proven adherence of competitor nations to recognized standards of human rights and economic justice as adopted by the I.L.O. in the form of Convention and Recommendations.

That is the operative resolution by which we are governed.

I support my colleague, the Hon. Member for Spadina (Mr. Heap), in his ongoing attempt to assist workers in the apparel industry. I know his interest in their ability to keep their jobs, as well as obtain decent pay, and to have some protection from the kind of competition we are seeing from other countries which are paying in a day what we do not consider legal pay for an hour's work.

The Hon. Member for Spadina has proposed in Bill C-243 that as a manufacturer expands his operation and requires additional materials from offshore he be allowed to do so in proportion to the amount of sales and manufacturing. I think that makes a lot of sense.

The Liberal spokesperson suggested that there may be some things wrong with the Bill but the general concept of it was worth pursuing. He hoped that there would be a mechanism to allow the substance of this Bill to be sent to a committee for further consideration.

I believe the Parliamentary Secretary also indicated the importance of this industry and of trying to enhance it. We may disagree on the direction we should take, but perhaps there is a willingness to consider transferring the subject matter to a standing committee. Perhaps members on the Government side will want to consider that option.

In conclusion, I support Bill C-243. I wanted to clarify the process of how the NDP develops its resolutions, and I wanted to caution Members not to mix resolutions proposed with resolutions passed.

Mrs. Barbara Sparrow (Calgary South): Madam Speaker, the speech by the Hon. Member who just spoke was interesting. I have taken the opportunity to check some of their resolutions, including Resolution B.3.1 of the New Democratic Party, Resolution B.2.2 from the 1977 convention, Resolution B.1.1. from the 1981 convention resolutions, and Resolution B.9.2. from its 1987 convention resolutions. According to those resolutions the NDP supported and is committed to eliminating trade barriers to manufactured imports from the Third World.

I find it most interesting that their latest 1987 convention states that they are committed to eliminating trade barriers to manufactured imports from the Third World.

I wish to take this opportunity to shed a little light on the current situation with regard to the performance of the domestic clothing industry in the face of import competition from low-cost countries. Perhaps an encouraging word on the moderation of the growth of these low-cost imports in recent years would cause the Hon. Member for Spadina (Mr. Heap) to reconsider the necessity of introducing import quotas that cut back levels, as he has sought to do through Bill C-243 to amend the Export and Import Permits Act.

The provisions contained in this Bill would limit the issuance of permits allowing clothing imports to enter Canada to a level imported in 1983, with only domestic producers being allowed to import above that year's level.

The reason behind the suggested amendment to the Export and Import Permits Act to put these quotas into effect is a recognition that measures to protect the apparel industry would benefit Canada by encouraging investment and thus contributing to economic growth and employment opportunities.

However, I wish to demonstrate that the special measures of protection this Government has had in place for several years

now are already proving effective in achieving a more stable market in which the domestic clothing industry can compete.

• (1450)

The priorities Canada has established for the textiles and clothing sectors were set out in the Government's textile policy announcement of July 30, 1986. They include a more moderate growth rate of clothing imports which between 1981 and 1985 had averaged 11 per cent each year in a market that grew by only 2 per cent annually. As a result of the growth of imports during those years, the market share held by Canadian clothing manufacturers fell from 69 per cent to 57 per cent. So we acted; the Government introduced its policy in July, 1986.

In addition, the Government adopted a stance of more rigorous application of Canada's rights under the international Multi-Fiber Arrangement and other international obligations, to ensure that the objective of reduced import growth was not derailed by surges in imports or by circumvention of controls through improper entry or misdeclaration of imports.

At the time that Canada announced its policy for the textiles and clothing sectors in July, 1986 it had 25 bilateral restraint arrangements in place, 22 of which were due to expire at the end of 1986. Consequently, negotiations were entered into with these sources to conclude arrangements for the 1987-1991 period. The negotiations were undertaken with a view to reducing the over-all import growth rate afforded in all the arrangements. However, it was recognized that the treatment given to less developed suppliers should be more favourable than that provided for in the agreements with major suppliers such as Korea, Hong Kong, and Taiwan, which together accounted for over 50 per cent of all imports from low-cost sources.

The negotiations were concluded in the spring of 1987, with new bilateral arrangements extending four years or five years in most cases. The over-all aggregate growth rate over the five years was frozen for the major suppliers. For the others, over-all annual import growth is in the 5 per cent to 6 per cent range. Accordingly, given the prominence of the major suppliers, the aggregate growth rate for all agreements is more in line with the recent historical growth of the Canadian market.

The "Report on Textiles and Clothing—1987" published by the Textile and Clothing Board provides an account of the performance of the industries in 1986, as well as an analysis of Canada's bilateral textile restraint arrangements negotiated within the Multi-Fibre Arrangement framework. The board has concluded:

> 1986 turned out to be a strong year for the Canadian textile and clothing industries. All indicators of activity were up: output, employment, capacity utilization, investments and profits, and textile clothing retailers had a prosperous year, the chain stores in particular.
>
> There was no indication of a slow down in the textile and clothing industries during the first months of 1987. All indicators were up with imports of clothing alone lagging at a growth rate of less than 2 per cent . . .
>
> In its appraisal of the Canadian bilateral restraint arrangements—the board concluded that, in general, more restrictive restraint arrangements have been negotiated with the 25 major exporting countries covering the period from January 1, 1987, to December 3, 1991. Such arrangements should serve to maintain a strong environment for the Canadian textile and clothing industries.

Although the new bilateral agreements have been in effect for only a little more than one year, they have already played a convincing role in moderating import growth. The reduction in maximum annual growth allowed under the 1987-1991 agreements is reflected in a much decelerated increase in actual 1987 imports compared with previous year over year growth. The level of clothing imports from all sources into Canada on a volume basis in 1987 was 277 million units, representing a rise of only 4 per cent over the 1986 level.

This trend has continued in the first three months of this year, with the January to March 1988 clothing import level showing an increase of only 4.6 per cent over the same period in 1987.

These percentages speak for themselves when it comes to assessing the stability of the trading environment within which the domestic clothing industry must compete. They also show that the current Government's policy objective of moderating import growth, as enunciated in the July 1986 policy statement, is being met. Therefore, I question the need for Draconian measures such as the import quotas proposed in Bill C-243.

While I do not pretend that clothing imports no longer present certain difficulties to Canadian producers, the introduction of excessive measures of protection seems unnecessary for a sector in which all indicators point to renewed vigour. I cannot support this proposal. I cannot say that it makes any sense.

Mr. Bruce Halliday (Oxford): Madam Speaker, after listening to the two excellent presentations by my colleagues, the Hon. Member for Brampton—Georgetown (Mr. McDermid) and the Hon. Member for Calgary South (Mrs. Sparrow), I feel little more needs to be said to explain the serious deficiencies and inadequacies of the Bill proposed by the Hon. Member for Spadina (Mr. Heap).

What I think is noteworthy this afternoon is the fact that the New Democratic Party has once again shown its inconsistencies. With his usual sharpness, my colleague, the Parliamentary Secretary, identified the shortcomings in the Bill as compared with the New Democratic policies. I have noted that during the last 15 minutes or so members of the NDP in the House are having a little get-together to see what the problem is with respect to the Bill. There are obvious inconsistencies and they are shown up by those Members huddling together this afternoon to try to resolve it.

Having said that, let me say that I could talk at some length about why the Bill is not necessary because of the present policies in existence and the Acts we now have to regulate the industry. Let me just take advantage of the last minute by summarizing what is in existence now in Canada and why we

do not need Bill C-243, which was proposed by the Hon. Member for Spadina.

At the present time almost all imports of apparel from low-cost sources are already subject to import controls and the Government is taking prompt action where new sources of disruptive imports emerge. The proposals in Bill C-243 are not in keeping with the current policy nor with the spirit of the provisions of the Export and Import Permits Act. The introduction of a fixed quota in the Act would introduce an unnecessary rigidity in the market-place, and there is no evidence that it would contribute to any more investment or permanent employment than is now the case.

Given the potential negative impact of a roll back of supply and the international repercussions which might ensue from Canada contravening its international agreements and obligations, the Bill is unwarranted and unnecessary.

The Acting Speaker (Mrs. Champagne): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 42(1), the order is dropped from the Order Paper.

[*Translation*]

It being 3 o'clock, this House stands adjourn until Monday next at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 3 p.m.

HOUSE OF COMMONS

Monday, May 30, 1988

The House met at 11 a.m.

Prayers

POINT OF ORDER

TIMING OF SECOND READING MOTION

Hon. Herb Gray (Windsor West): Mr. Speaker, it is understood that later this morning we will have an opportunity to raise various points of order concerning the Bill to implement the trade agreement, Bill C-130, and it is my understanding that these points have to be raised prior to the calling of the motion for second reading of the Bill.

I want to make very certain that, through some inadvertence, we will not actually get to the point where the motion is called before the points of order on Bill C-130 are raised, thus making it impossible, in the light of various precedents, to argue these points of order.

I want to have an assurance from the Government House Leader that this will not be done as far as he is concerned, and that you, Sir, will be very vigilant to ensure that somehow or other the motion for second reading is not called before these points of order can be argued.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I am pleased to give my hon. colleague the assurance that it is our intention simply to trigger the debate on the procedural acceptability of Bill C-130, if in fact my hon. colleagues have anything to raise at that the time, and the Government has no intention of actually calling the order today. Once there has been discussions on Bill C-130 at the procedural level only, I would expect—and I do not mean to anticipate your decision—that you might want to reserve and have an opportunity to consider the arguments.

As soon as the debate or discussion is finished, it would be our intention to move immediately to continuing debate on Bill C-129, the privatization of Air Canada. That would be the business before the House today.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is my understanding that prior to getting to Government Orders of the Day, after we go through Routine Proceedings, the Deputy House Leader for the Government will rise to indicate the Government's intention to bring forward Bill C-130, and it would be at that point that you would entertain remarks regarding the appropriateness of this legislation in its present form.

Mr. Speaker: I am grateful for the interventions of Hon. Members and of the Minister of State (Mr. Lewis). I might reply first to the Hon. Member for Windsor West (Mr. Gray). The Chair, of course, always has a duty to be diligent that the points of view that are necessary for the working of this place be heard. In the circumstances, I think the Chair is assisted by the arrangements and the understandings, at least, that there are at the present time between the Government and the Opposition. I am answering the Hon. Member for Kamloops—Shuswap (Mr. Riis) as well and the Minister of State in this respect.

I will proceed to call, at the end of Routine Proceedings, Orders of the Day. I will then wait until I see whether Hon. Members wish to rise. I am anticipating that that will be the case. I think it would be appropriate first to recognize the Hon. Member for Windsor West. I will then recognize the Hon. Member for Kamloops—Shuswap, and then I will recognize the Minister of State who will address the Chair with respect to the Government's view.

The Minister of State said that he did not want to anticipate my ruling, and properly so, and I appreciate that courtesy. However, I want to indicate to the House that certainly at the moment, it is not my intention to give an immediate response by way of ruling. It is my intention to consider very carefully what will be brought before me later on. I think Hon. Members can anticipate that, unless something quite extraordinary develops, the Chair will reserve and will return to the House at some appropriate time.

So far as the Chair is concerned, it would be completely inappropriate to proceed with debate on Bill C-130 until the Chair has returned to the Chamber with a ruling or we have, if necessary, some further argument or further questions.

• (1110)

In any event, I fully understand the importance of this matter to all Hon. Members, and I want to assure everyone that every diligence will be exercised. However, it is also important that Hon. Members and the public realize that this very important matter is proceeding in a manner, which is a credit to this place, as a consequence of an understanding so that we will have a debate under civil circumstances and the Opposition need not fear that something will be done in an impetuous manner or in any way to take the Opposition

unaware. I am very aware of the situation and I want to assure Hon. Members of that.

I want to thank Hon. Members on both sides for the understanding they have worked out among themselves. That makes it much easier for the Speaker.

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I noticed that you acknowledged the very distinguished parliamentarians from Windsor West, Kamloops—Shuswap, and the Minister of State. I presume those remarks did not mean that you would be excluding other Members who felt they had points of order or wanted to comment on the matter.

Mr. Speaker: I thank the Hon. Member. My answer is of course no. I most certainly will hear some other Members if there is a desire on their part to contribute to the debate. It was in the interests of clarity, and so that we all know what we are doing and how it is going, that I indicated that that would be the order in which I would open the debate.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's responses to seven petitions, Nos. 332-4240, 332-4311, 332-4325, 332-4380, 332-4448, 332-4450, and 332-4603.

[*Editor's Note: See today's Votes and Proceedings.*]

* * *

MAIN ESTIMATES, 1988-89

EXTENSION OF CONSIDERATION OF ENVIRONMENT VOTES

Right Hon. John N. Turner (Leader of the Opposition) moved:

That pursuant to Standing Order 82(15)(a), consideration of Environment Votes 1, 5, 10, 15, 20, 25 and 30 of the Main Estimates for the year ending March 31, 1989, by the Standing Committee on Environment and Forestry, be extended beyond May 31, 1988.

Mr. Speaker: Pursuant to Standing Order 82(15)(a) the motion is deemed adopted.

Motion agreed to.

PETITIONS

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is my honour to present a petition on behalf of a number of residents of the fine City of Calgary, Alberta, as well as residents of Black Creek, Courtenay, Nanaimo, Cumberland, and Comox, British Columbia.

While they are different petitions, they deal with the same concern that the federal Government lacks a mandate from the Canadian people to conclude a trade deal with the U.S.

They believe that the deal would deny Canada the policy freedom to determine its own economic future and would undermine our ability to develop a society distinct from that of the U.S. Therefore, they ask Parliament to dissolve now to enable the people of Canada an opportunity to accept or reject the proposed trade deal during a national general election.

Mr. Rod Murphy (Churchill): Mr. Speaker, I also have the honour to present a petition signed by Canadians indicating their opposition to the Government's free trade arrangement with the U.S.

The petitioners believe that the trade agreement negotiated by the Government threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to control foreign ownership effectively, to develop Canadian energy resources in the best interests of Canadians, and to equalize opportunities between the regions.

They humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed trade arrangement through a national general election.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have a petition signed by residents of Canada who now avail themselves of their ancient and undoubted right thus to present a grievance common to our petitioners, namely that the Mulroney Government has sold out Canada without obtaining anything in exchange; that Canadian industries are still not protected against U.S. trade laws; that the United States has obtained everything it wanted in major areas, including agriculture, energy, the automobile industry, financial services and the investment industry; that the jobs of thousands of Canadians are being threatened, and that the Conservative Government has failed to provide any adjustment assistance for Canadian workers.

Wherefore your petitioners humbly pray and call upon Parliament to condemn this Government for signing the Mulroney-Reagan trade deal.

[*English*]

Mr. Les Benjamin (Regina West): Mr. Speaker, I have the honour and duty to present a petition from Canadians living in

places like Mississauga, Guelph, Cheltenham, Bramalea, and Etobicoke, all of which are in Ontario and around Toronto.

Since the Government has no mandate from the Canadian people to conclude a free trade agreement with the U.S., since the agreement would deny Canada the policy freedom to determine its own economic future and would undermine our ability to build a society distinct from that of the U.S., and whereas the trade agreement denies Canadians the promised secure access to the U.S. market, the undersigned petitioners pray and call upon Parliament to dissolve and allow the people of Canada an opportunity to accept or reject the trade agreement during a national general election.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, it is my honour and duty to present, on behalf of a number of constituents from the community of Shellbrook, a petition which suggests that the trade agreement threatens the very fabric of Canadian political and economic sovereignty and our policy freedom to determine our own economic future and undermines our ability to build a distinct society.

Consequently, the petitioners call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement through a national general election.

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, it is an honour to present a petition on behalf of residents of southern Ontario, particularly the City of Guelph, who protest that the Conservative Government does not have a mandate from the Canadian people to conclude a free trade agreement with the U.S.

• (1120)

The Prime Minister (Mr. Mulroney) promised later in the course of the bilateral trade negotiations that Canadian sovereignty would not be compromised. However, the trade agreement negotiated by the Government in fact threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to control foreign ownership effectively, to develop Canadian energy resources in the best interests of Canadians, and to equalize opportunities among the regions.

For these and other reasons these petitioners call upon Parliament to dissolve and give them the opportunity to reject the free trade agreement in a federal general election.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Speaker: Is it agreed?

Some Hon. Members: Agreed.

* * *

[*English*]

Mr. Speaker: Pursuant to the understanding that we have, I now call Government Orders and recognize the Hon. Member for Windsor West (Mr. Gray).

GOVERNMENT ORDERS

[*English*]

CANADA-UNITED STATES FREE TRADE AGREEMENT IMPLEMENTATION ACT

MEASURE TO ENACT

On the Order: Second reading and Reference:

May 24, 1988—Mr. Crosbie—Bill C-130, an Act to implement the Free Trade Agreement between Canada and the United States of America.

Hon. Herb Gray (Windsor West): Mr. Speaker, I believe that a number of points should be made in order to demonstrate that Bill C-130 is out of order and cannot be considered by the House in the form in which it has been presented. However, I want to raise at this stage a point of order dealing specifically with the omnibus nature of Bill C-130. It is my intention, once argument has been made by myself and others on the omnibus nature of Bill C-130, to raise other points which I think are valid and deserve to be accepted by you, Sir, as Speaker of this House.

I refer specifically, although not exhaustively, to points which would include the fact that Bill C-130 intends to amend measures before this House which have not yet been adopted and also to the issue of whether or not Bill C-130 is a disguised and improper way of amending the Constitution of this country. However, at this stage I am raising a point of order specifically about what I submit is the unacceptable omnibus nature of this Bill.

I want to point out that Bill C-130 consists of 123 pages. It would appear to attempt to amend 27 existing federal laws and to compel all provinces and municipalities to make all their present and future laws consistent with it. It purports to be a measure that is presented to the House to implement the Canada-U.S. Free Trade Agreement.

The parliamentary implications of dealing with a Bill of the kind before us are very serious, both for the orderly consideration of the Bill itself and for future legislative procedure on similar Bills.

I submit that the starting point for your consideration, Sir, of the issue as to whether or not this Bill is of an unacceptable

omnibus nature is the famous ruling by Mr. Speaker Lamoureux of January 26, 1971, in which he said:

> However, where do we stop? Where is the point of no return? The hon. member for Winnipeg North Centre, and I believe the hon. member for Edmonton West, said that we might reach the point where we would have only one bill, a bill at the start of the session for the improvement of the quality of life in Canada which would include every single proposed piece of legislation for the session. That would be an omnibus bill with a capital, "O" and a capital "B". But would it be acceptable legislation? There must be a point where we go beyond what is acceptable from a strictly parliamentary standpoint.

I must say immediately, Mr. Speaker, that Speaker Lamoureux went on to rule that in the instance then at question that that point had not been reached. I also want to say immediately that it would appear that neither he nor any of his successors have as yet ruled that that point has been reached.

However, I submit that the principle has been clearly established by Mr. Speaker Lamoureux in the precedent I just quoted. It is open to you, Sir, to decide that that precedent applies here and that the Government has gone too far, that it has passed that point where, to quote Mr. Speaker Lamoureux, "we go beyond what is acceptable from a strictly parliamentary standpoint".

I submit specifically that this trade Bill, Bill C-130, is exactly the kind of Bill Mr. Lamoureux had in mind when he said that there were Bills of an omnibus nature which went beyond the point of what is acceptable from a strictly parliamentary standpoint.

The essential defence of an omnibus procedure is that the Bill in question, although it may seek to create or to amend many disparate statutes, in effect has one basic principle or purpose which ties together all the proposed enactments and thereby renders the Bill intelligible for parliamentary purposes.

The energy security Bill of 1982 is the last famous or, in the minds of some, infamous occasion when the matter as to whether a Bill is or is not of an unacceptable omnibus nature arose. The energy security Bill of 1982 included in its long title an exhaustive list of the statutes concerned. I will not take the time of the House to read that title. It is a matter of record as to what it says. I think I am entirely correct in saying that this long title laid out all the statutes that were to be affected by that Bill.

When the House looked at the energy security Bill of 1982, the argument was made by the Government that the entire Bill had to do with energy security and that, therefore, it was entirely appropriate to use the omnibus approach.

I want to say parenthetically that at that time the Opposition of the day had at its disposal an additional argument that arose from the requirement at that time that all Bills based, even in part, on a Ways and Means Motion were referred, not to a standing committee but to a Committee of the Whole, and that, therefore, under the procedure of the day would make it impossible to hear witnesses whose affairs were vitally affected by the legislation.

This is not exactly the case under the present rules. Bill C-130 will go to a legislative committee if it is ruled procedurally acceptable and adopted on second reading. We are, however, talking about only one legislative committee which could have as few as seven members. One cannot say at this time just how detailed the study of the Bill in that committee would be.

I want to recall to the House that the ruling on the question as to whether the energy security Bill of 1982 was of an unacceptable omnibus nature was made by Madam Sauvé, the Speaker of the day. I do not think it is improper for me to say that Madam Sauvé's ruling in that case was so brief as to be almost peremptory in its nature.

We know, of course, that that ruling was followed by what is commonly referred to as the bell ringing incident, when the bells rang for some two weeks because the Conservative Members of the House, on whose behalf the point of order about the unacceptable omnibus nature of the energy security Bill had been raised in the first place, refused to come into the House in order that a vote could be taken. I believe that the motion at that time was a motion that the House do adjourn.

The whole incident was ended by the Government proposing a motion to the House, which was adopted by the House, that in effect the legislation in its original form be withdrawn and be divided into several individual Bills.

• (1130)

What happened after Speaker Sauvé's ruling was not simply the disorder that ensued through what is known as the bell ringing incident but, more important, the concession by the Government of the impropriety of its course of action and the offering to the House of an order dividing the omnibus Bill into several Bills, which was accepted by the House. That provides strong evidence that from the point of view of acceptable parliamentary usage in Canada, Madam Sauvé's ruling should be found by yourself to be distinguishable from the present situation and to stand by itself in a way that does not mean it should be taken into account in the present case or any subsequent cases where the omnibus nature of a Bill is argued.

Let me point out that in her ruling Speaker Sauvé simply found that the Bill was not an unacceptable omnibus Bill in the light of previous precedents as she understood them, but she gave no analysis of the energy security Bill in comparison with other Bills to which previous precedents had been connected, and she gave no analysis of or answer to the lengthy argument on the point of order offered on behalf of the Official Opposition, the Conservative Party, by a Member of Parliament from Alberta who now sits in the House as the Minister of Consumer and Corporate Affairs (Mr. Andre).

She also said that it was open to the House, if it wished, to do something further about the matter, saying in effect that the House itself could deal with the matter.

I submit therefore that Speaker Sauvé's ruling should not be followed by yourself for two reasons. First, it clearly applied only to the one energy security Bill of 1982. It did not in any way attempt to set out any principle of general application on omnibus Bills that would be, if not binding as a precedent in future cases, at least helpful to Speakers like yourself who would come after Speaker Sauvé and have to deal with questions of omnibus Bills.

I repeat that Speaker Sauvé's ruling was so brief as to be almost peremptory in nature. There was no attempt to analyse the energy security Bill in light of other Bills on which previous rulings had been based. There was no effort at all to respond to the very interesting and lengthy point of order that had been argued on behalf of the Conservative Party.

I respectfully submit again without any disrespect to one of your distinguished predecessors, Madam Sauvé, that her ruling on the energy security Bill should be distinguished from this particular case, set aside, and looked on as something of a nature that applies only to the particular case under which it arose.

Second, let me say that if Speaker Sauvé's ruling has any application at all to the present case, it is with reference to what it said about the House dealing with the matter. I submit that the House did in fact deal with the matter when it accepted the request of the Government that an order be adopted withdrawing in effect the original energy security Bill and allowing it to be replaced by a series of individual Bills, because in effect the Government admitted that the original Bill was of an unacceptable omnibus nature.

I submit that the House, in dealing with the matter as it did, adopting the order it did to permit the withdrawal of the energy security Bill and its replacement by a number of individual Bills, created a precedent of general application that should apply and must apply to the consideration of the question of whether or not Bill C-130, the trade Bill, is of an unacceptable procedural nature.

In short, I am saying that therein you have a precedent which, taken together with the very wise and compelling words of Mr. Speaker Lamoureux, must lead you to find that Bill C-130 is of an unacceptable omnibus nature and cannot be proceeded with in this House in its present form and, instead, must be withdrawn. If it is to come back to the House for consideration by this House, it must come back in a series of Bills reflecting the fact that it is intended to deal with as many as 27 different Acts.

I am also saying that this situation is one where it is clear that the point spoken of by Speaker Lamoureux has been reached, has been crossed, and has been transgressed so that it must be found by you, Sir, that Bill C-130 is of an unacceptable omnibus nature.

I want to make some additional arguments about the unacceptable omnibus nature of Bill C-130. First, let me deal with the matter of the umbrella of the Bill. It is a rather technical but important point because the umbrella of the Bill basically is that under which the drafters seek to include its various facets. Second, there is the matter of whether or not the implications that exist with respect to the omnibus procedure are harmful to the parliamentary process.

In the 1982 energy security Bill the drafters used what might be called the "kitchen sink approach" to the long title of the Bill. The title of the Bill creates the umbrella under which the drafters seek to include its various facets and is relevant as to whether or not the Bill is of an unacceptable omnibus nature. This also has implications for the extent to which the Bill can be amended.

In the present case the drafters have given Bill C-130 a very general long title. It reads: "An Act to implement the Free Trade Agreement between Canada and the United States of America". They went on to combine it with a preamble that attempts to do the work of the long title by including the phrases:

> Whereas the Agreement applies generally throughout Canada;
>
> And Whereas it is necessary, in order to give effect to the Agreement, to make related or consequential amendments to other Acts;

Beauchesne's Fifth Edition, Citation 703, bears directly on this aspect of the matter. It states:

> Although there is no specific set of rules or guidelines governing the content of a bill, there should be a theme of relevancy amongst the contents of a bill. They must be relevant to and subject to the umbrella which is raised by the terminology of the long title of the bill.

Beauchesne's goes on to say, in the same citation:

> Some of the constituent parts of a bill are essential; some are optional. The title is an essential part; the preamble is not.

Beauchesne's Fifth Edition, Citation 704, goes into more detail on the long title. It states:

> The long title sets out in general terms the purposes of the Bill. It should cover everything in the bill.

Citation 705 provides further evidence of the unimportance or even irrelevance of the preamble:

> The purpose of a preamble is to state the reasons and intended effects of the proposed legislation. Though a preamble is not necessary in a public bill, it is sometimes inserted in bills of great importance in order to place on record the intentions of the framers of the bill.

I submit that it appears that the Government has departed from accepted practice, even in the attempt to define the all important umbrella of its omnibus Bill. It has resorted to what I might call a two-punch vagueness, if one can combine vagueness with the concept of a punch. It has done so by adopting an excessively general long title and by attempting to insert an ill-defined reference to the real legislative purpose of the Bill in the preamble which is dispensable, which is not necessary, rather than in the essential long title where it properly and in a better defined manner belongs. In other words, this Bill is of an unacceptable omnibus nature because

the Government failed to list in its long title all the statutes which Bill C-130 intends to amend or change.

• (1140)

By adopting this vague approach the Government has failed to provide a procedural justification for the inclusion in Bill C-130 of amendments or changes affecting upward of two dozen statutes. Thus, if the Government attempts to cite to you, Sir, precedents for its approach, I think you will find, in examining these precedents, that they refer to Bills in which the long title also included the Bills to be amended by the proposed Bill to which the long title was appended.

I also want to say that if the Bill is permitted to be proceeded with in its present form, that is, with its general long title referring only to the agreement and not to the amendment of Acts, the Government at some future point if debate on Bill C-130 is allowed to continue may try to argue that virtually all or any amendments to the Bill are beyond the scope of the Bill by virtue of the Acts not having been included in its title. If this argument is made, and if it is accepted, it would have the effect of making all proceedings during the detailed consideration of the clauses of the Bill irrelevant and even farcical.

What I have said in this regard leads to the procedurally relevant objection to the omnibus procedure, that the agreement and therefore the Bill by their very nature affect an extremely wide range of activities and issues going well beyond what one normally thinks of under the heading of "Trade". Such vital issues as investment policy, regional development policy, policy on financial institutions, policy on energy security—and I could go on and on—are included in Bill C-130.

In some cases the provisions of Bill C-130 represent a substantial departure from what has been the heretofore generally accepted policies in the form of statutes adopted by this House. I submit that it is very much in the Canadian parliamentary tradition that citizens affected by such radical changes be permitted to have the fullest possible input into the legislative process as it affects each and every one of these policies.

This is another reason that there should be separate Bills on each and every policy set out in the statutes adopted by this House which are intended to be changed by Bill C-130, because if there were separate Bills rather than this one omnibus Bill, Bill C-130, there would have to be separate committee stages carried out by legislative committees for each and every one of those Bills. This would give interested members of the public an opportunity which they would not have if this Bill were allowed to proceed as an omnibus Bill to present their views to the legislative committees studying the proposals in the separate Bills, which I submit should be before the House if two dozen or more individual statutes are to be amended.

I suppose in a way I am also asking you, Mr. Speaker, to use your authority in the famous Standing Order 1 of this House which was recently argued in another context, and I do not intend to repeat it at this time. Parliamentary tradition certainly must mean that the opportunities of not only Members of this House, but equally and perhaps more important, of members of the public, to have an input into each and every facet intended to be covered by Bill C-130 should not be abridged or lost by allowing the Government's intentions of adopting the trade deal with the United States to be carried through by an omnibus Bill in the form of Bill C-130.

As I have indicated, Bill C-130 is a massive Bill and will only go to one committee, a committee which will inevitably lack the breadth of expertise required for consideration of a Bill of such scope and size. Furthermore, the work-load of that committee, even if it is permitted by the government majority on the committee to undertake a proper examination of the Bill, will be so onerous as to make it difficult for it to give due consideration to all relevant opinion. I repeat that dividing the Bill into several components would lead to several committees constituted of more experienced members in specialized areas who would be able to give far more effective consideration to these matters. That also would make it possible for informed public input into each of the aspects covered by this Bill, which I think is consistent with our parliamentary tradition.

One should take note here of the sabre-rattling public statements of the Minister for International Trade (Mr. Crosbie) who is sponsoring this Bill. He seems to be trying to establish the ground that he and his colleagues intend to use the Government's massive majority to prevent proper consideration of the Bill by the House or by whatever committee will be given responsibility for the Bill, if it is allowed to proceed in its present omnibus nature. This declared intention to run roughshod over the parliamentary process makes the Speaker's intervention on this matter essential in light of the importance of our parliamentary tradition. Again I repeat, Sir, that I think this is supported by the very clear words of Standing Order 1 of this House.

I want to put on record that neither Bill C-130 nor the trade deal which it is supposed to implement, has yet been submitted to even one minute of formal parliamentary consideration through debate in this House and in committee. That is the basis of our whole parliamentary system and which is clearly understood by members of the public to be the way in which the people they elect to represent them in Parliament deal with measures before the House.

It is not the fault of the Opposition if the Government has dithered for months and months before getting ready and tabling legislation in the House which attempts to implement this trade deal negotiated between our Government and the American Government. Arguments have been made outside the House—and they may be repeated in this procedural debate or in other forums offered by the House—that the trade deal has already been considered. I repeat that the consideration established by rules of the House on second reading, consideration and study in committee, consideration

of amendments at report stage and debate on third reading cannot be argued to have been replaced by some discussion outside the House in a forum offered by a private sector group, even if it is a public forum. It cannot be said to have been replaced by a study by a parliamentary committee which completed its work before the full text of the deal was available and did not formally consider that text.

No matter how often there may have been meetings of business groups, labour groups, or social policy groups which considered this Bill, they cannot be said to substitute for or replace what is established as a fundamental feature of our parliamentary democracy: debate in the House and study in its committees of a measure as important as the measure to implement the trade deal negotiated between the Conservative Government and the Government of President Reagan of the United States.

• (1150)

This debate has not yet started, which is certainly not the fault of the Official Opposition. Under our rules the Government could have put down the legislation to implement the deal in its full terms any time it wanted and could have caused that measure to be debated any time it wanted. I hope that the Government will not be able to get away with an effort to paint any other kind of picture for the public.

Obviously this debate can begin in the forum provided for by our rules only if you, Mr. Speaker, decide that this Bill is not unacceptable on procedural grounds, either on the basis that it is an unacceptable omnibus Bill, along the lines that I have been outlining, or is unacceptable on other grounds that I intend to argue at a later stage.

I also want to ask—and this is perhaps a point that may be considered of an ominous nature by those studying the issue of being able to offer amendments to this Bill—what are the implications of the long title that I have been discussing previously? Amendments to a Bill must be relevant to and within the scope of a Bill. Erskine May indicates in several places that the long title is an important factor in determining the scope of the Bill. It is possible that in choosing the long title in the form that it presently exists the Government may be seeking to provide a basis for arguing later on that it will be able—and I think that if it does so it will be unacceptable and unjust—to limit the scope for offering amendments.

I wish to put before you, Sir, and the House at this point that Erskine May's Twentieth Edition also makes it clear that it is in order to offer amendments to the clauses of a Bill even if that Bill implements an agreement. Erskine May states:

> When a bill is introduced to give effect to an agreement or to confirm a scheme, the text of which is contained in a schedule to the bill, and the independent origin and status of which is described in an introductory provision in the bill, amendments cannot be made to the schedule, but the contents of the schedule can be modified or qualified by amendment to the clauses of the bill.

I want to say, by way of conclusion, that if one looks at Bill C-130 there is no doubt that it is of an omnibus nature. I want to say, by way of summing up, that it is open to you to find, Sir, that this Bill in effect is one which passes the point stipulated by Mr. Speaker Lamoureux as being of an unacceptable nature procedurally. This is buttressed by what this House decided as an outcome of the bell ringing incident of 1982.

I submit that the ruling of Madam Sauvé should be looked at as something limited to its narrow application to the energy security Bill, as she then saw it, in light of the absence of any argument or discussion in her ruling. It is open to you, Mr. Speaker, to apply the principles stated by Mr. Speaker Lamoureux in light of the precedent created by this House in the order it adopted making it necessary for the Government to withdraw the energy security Bill and to divide it into several different individual Bills.

There are other points which I have made. I would just repeat one. It is that the title of the Bill makes the Bill defective. It cannot be accepted because the Bill has a title which does not include all the statutes that are intended to be amended.

Finally, I again want to say that what the Government is trying to do here is something which I think, if allowed to proceed, would undermine our parliamentary tradition and the effectiveness in future of the application of that tradition to the responsibilities of this House to debate properly, to study properly, and to hear properly the input of members of the public in order to allow it to make good decisions, the best possible decisions, on the important matters in question. We see here a procedure which the Government has already said it intends to use as part of a process for rushing through this measure without allowing either the House or the public to have proper and full opportunities to consider the measure, to debate it, to have input, and for the House then to make decisions based on that consideration, debate, and input.

For all the reasons I have given, Mr. Speaker, I respectfully submit that this Bill is of an improper omnibus nature. Therefore, Your Honour should not allow debate on second reading to proceed. Rather, you should rule that it cannot be dealt with in its present form and that therefore the Government must withdraw it and reintroduce it not as one omnibus Bill but as a number of individual Bills. This is consistent with what I consider, and I respectfully submit to be, the relevant precedents. This is consistent with the traditions of this House and, more important, the purpose of those traditions in terms of the relevance of this House to the life of the country now and in the future.

Some Hon. Members: Hear, hear!

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, in the Standing Orders of the House of Commons the very first Standing Order indicates: "procedural questions shall be decided by the Speaker—whose decisions shall be based on the usages, forms, customs and precedents of the House of Commons of Canada and on parliamentary tradition in

Canada and other jurisdictions, so far as they may be applicable to the House".

Today, I rise on a point of order to argue that Bill C-130, an Act to implement the free trade agreement between Canada and the United States of America, is procedurally out of order in its current form in that it combines more than one principle or proposition under the umbrella of a single Bill.

Beauchesne's Fifth Edition, Citation 411(1), states:

> Every matter is determined in the House of Commons upon a question put by the Speaker, on a proposition submitted by a Member, and resolved either in the affirmative or negative as the case may be. This proposition, called a motion, is a proposal moved by one Member, in accordance with certain well-established rules, that the House do something or order something to be done or express an opinion with regard to some matter.

Beauchesne talks of a proposition put by a Member, not about many propositions but a single proposition. Beauchesne goes on in Citation 411(2) to state that this method, that is, of putting a single proposition, "has been expanded into a system of rules whereby the judgment of the House may be ascertained with facility and precision".

It is a fundamental and long-standing right of Members of Parliament to be able to force the division of a motion that contains several distinct propositions. Citation 415(1) of Beauchesne's states:

> A motion which contains two or more distinct propositions may be divided so that the sense of the House may be taken on each separately. The Speaker has a discretionary power to decide whether he should divide a motion.

If you refer, Mr. Speaker, to *Journals*, pages 427 through 431, for Monday, June 15, 1964, you will find an occasion when one of your predecessors exercised, just that prerogative, the power to force the division of a motion.

The issue before the House at that time was the great flag debate. When Speaker MacNaughton was faced with a single resolution that contained two distinct propositions, he ruled in favour of upholding the ancient and undoubted rights of Members of Parliament. He stated:

• (1200)

> I must come to the conclusion that the motion before the House contains two propositions and since strong objections have been made to the effect that these two propositions should not be considered together, it is my duty to divide them—

Here, Mr. Speaker, there is a clear and unequivocal affirmation of the Speaker's prerogative, as outlined in Beauchesne's, to divide motions that go beyond the normal practices of this House and combine more than one proposition into a single motion. So it is, in my estimation, with Bill C-130.

Bill C-130 is an omnibus Bill intended to implement the ill-conceived trade deal negotiated between this Government and the Government of the United States. It is important, however, not to confuse the objective of that Bill with the manner in which that objective is achieved. Even the most cursory examination of this Bill will show that it contains several distinct and separate elements and, I submit, my right as a Member of Parliament, to cast judgment in principle in each of these elements in a separate vote.

One of the principles in this Bill is the necessity of establishing a new trade dispute settlement mechanism. It was a fundamental belief of the Government that existing international trade dispute settlement mechanisms as established by the GATT were, in the case of the Canada-U.S. trade, insufficient vehicles for settling trade irritants between our two countries. That we should have this new proposed mechanism put to a vote in the House is not at issue. What is at issue is the fact that it is included as simply one of a number of many proposals and initiatives that leave us, as Members of Parliament, incapable of registering our vote on this fundamentally new and important issue.

There is also the whole question of the move toward a continental energy market which this agreement creates and this legislation attempts now to implement. This, as is recognized by all, is a radical departure from any previous government policy in this most critical resource sector. This is a fundamentally important issue, and this public policy decision of the Government should stand alone and be voted on separate from the other proposals included in the legislation.

There is also the whole question of establishing greatly liberalized investment rules between the two countries. You will know, Mr. Speaker, that the whole question of the extent and scope of the regulation of direct foreign investment in Canada has been a matter which has been on the public policy agenda of our country for 25 years to 30 years. Yet this Bill, if left in its present form, will deprive Members of Parliament the opportunity to debate in full, to amend, and to vote in principle on this fundamental change in our investment laws *vis-à-vis* the United States.

In recent days, Mr. Speaker, as you undoubtedly will be aware, several provincial Premiers, including those of Alberta, Ontario, Québec, Nova Scotia, and Prince Edward Island, have all expressed reservations about those clauses of this Bill that suggest that the federal Government will be allowed to trample on areas of provincial jurisdiction to ensure that the provinces comply with the terms of the agreement.

Surely this most delicate issue of the federal-provincial jurisdictional balance cannot be lumped together with these other matters in any reasonable way. This matter goes to the very heart of our federation, and any attempt by the federal Government to tamper with the jurisdictional boundaries between the two levels of Government must be seen as a most serious and potentially destructive initiative that Members of Parliament must be allowed to address independently of the other issues included in the Bill.

I have now listed what I consider to be at least four separate and distinct propositions brought together in Bill C-130. It is my contention that the tradition and customs of this House supported by Beauchesne's leaves you, Mr. Speaker, with the responsibility to uphold the rights and privileges of all

Members of the House and to ensure that this Bill is broken up into its appropriate constituent parts.

Of course, Mr. Speaker, as you are well aware this is not the first time that the procedural acceptability of an omnibus piece of legislation has arisen in the House. On January 26, 1971, the then Hon. Member for Halifax-East Hants rose on a point of order to object to the introduction of Bill C-207, an Act respecting government organization. In his argument the Hon. Member stated, at page 2760 of *Hansard* for that day:

> If we were to pass Bill C-207 and it became an Act of this parliament, there would have to be 10 separate entries made in the index of statutes passed this session. There would have to be nine consequential amendments to seven additional statutes that are amended by schedule B of this measure, and these would also have to be indexed separately. I am suggesting we have a measure here that covers the waterfront.

Further in the argument on this particular point of order the Hon. Member for Winnipeg North Centre, Stanley Knowles, offered the following insightful observation, as recorded at page 2762 of *Hansard*:

> —it is not a very giant step from this to one bill which would include the work of the whole session. The government could bring us here and while we were debating the address in reply to the Speech from the Throne a huge omnibus bill could be brought in for the improvement of life in Canada . . . So, I say that in terms of the operation of Parliament this point of order is very important. How far can government go in combining a host of different subjects into one Bill and ask Parliament to vote on them en bloc without any regard for the individual points?

That is a conversation that many of us have had in the last few days. Recognizing that if we were to proceed in the fashion that the Government is proceeding with regard to Bill C-130, presumably we could conduct all of the business of the Government of Canada within one large omnibus Bill. For that reason, we are very concerned in terms of the way the Government is proceeding at this point.

Mr. Speaker Lamoureux, in his ruling on this point of order later that day, made the following observation, as recorded at page 2768 of *Hansard*:

> —where do we stop? Where is the point of no return? The hon. member for Winnipeg North Centre, and I believe the hon. member for Edmonton West, said that we might reach the point where we would have only one bill, a bill at the start of the session for the improvement of the quality of life in Canada which would include every single proposed piece of legislation for the session. That would be an omnibus Bill with a capital "O" and a capital "B". But would it be acceptable legislation? There must be a point where we go beyond what is acceptable from a strictly parliamentary standpoint.

I think that that is the critical point that is being made here. There is a point where we go beyond what is acceptable from a strictly parliamentary standpoint.

Speaker Lamoureux was saying that indeed there can be Bills that are out of order because they are omnibus in nature. It is obvious, Mr. Speaker, that this point gave your predecessor much cause for concern. He expressed this concern in relation to Bill C-207 that sought to enact or amend 18 or 19 statutes. Bill C-130, which the Government wishes to call for debate at second reading today, seeks to amend a whopping 27 statutes. Mr. Speaker, if the scope of Bill C-207 gave Speaker Lamoureux so much concern, then I would suggest that Bill C-130 should cause much greater doubt in your mind as to its procedural acceptability.

Several years later on May 11, 1977, the Hon. Member for New Westminster rose on a point of order to object to the omnibus nature of Bill C-51, a Bill dealing with amendments to the Criminal Code, the Customs Tariff, the Parole Act, the Penitentiary Act, and the Prisons and Reformatories Act. At that time he sought an order from the Chair, as permitted by Citation 415(1) of Beauchesne's Fifth Edition, to divide the Bill. In his ruling Speaker Jerome made the following observations, as recorded at page 5523 of *Hansard*:

> I think an hon. member of the House ought to have the right to compel the House to vote on each separate question.

Speaker Jerome then went on to argue that the then Standing Order 75(5), dealing with the ability to move amendments at report stage to delete certain clauses of the Bill, allowed Members effectively to isolate those sections that the Member thought ought to be voted on separately. However, without attempting to cast any doubt on the validity of the ruling, I would simply like to point out that at the moment we are about to commence second reading, which is debate in principle on the entire Bill. At this point Members are asked to cast judgment, not on specific clauses that they can isolate by way of amendment, but on the entire Bill.

• (1210)

On February 10, 1982, the then Hon. Member for Yukon rose on a point of order to object to the procedural acceptability of Bill C-93, an Act to amend the statute law relating to the certain taxes and to provide other authorities for the raising of funds. The argument advanced by the Member for Yukon at that time was that Bill C-93 unnecessarily joined together three separate Bills, two tax initiatives arising out of a Budget, and a traditional request for borrowing authority. During the course of his argument, Mr. Speaker, the Member made a most perceptive comment that I would like to repeat here today. At page 14865 of *Hansard*, the Member is reported to have said:

> What we have here is a continuation of the Government's practice of surreptitiously closing off and guillotining debate, not through the open invocation of Standing Order 75 or pure closure, but by means of a constant testing of the House and of the Chair with new legislative combinations. If one step works, then the Government goes a little further the next time. We are moving with slow and steady stealth in a direction the Government dares not openly avow or pursue.

The only difference between the Hon. Member's observations in 1982 and what we are seeing today is that this Government, rather than moving with stealth, is moving quickly and openly in its attempt to muzzle debate and crush the Opposition, and when it cannot do that within the scope of the rules as they exist now, it seeks to suspend these rules. It is quite simply, as I see it, government by force with the Opposition left to appeal to the Chair to ensure that an ancient and historic right to be heard is not tossed out in the Government's zeal to impose its will without adequate debate.

You will recall that on May 7, 1982, after some discussion between the three Parties, the Government finally realized it had transgressed the proprieties and customs of the House and, with consent, withdrew Bill C-93 and split it into two Bills.

Lastly, I come to what was perhaps the most infamous parliamentary dispute involving an omnibus Bill; that was, of course, the deadlock in this place over Bill C-94 in March, 1982, which was intended to implement the National Energy Program. You will recall that Bill C-94 sought to enact or amend some 15 statutes. On March 1, 1982, the Hon. Member for Calgary Centre (Mr. Andre) rose on a point of order to object to the Bill as having been introduced in imperfect form. During the course of his argument the Hon. Member from Calgary Centre suggested the following, as reported at page 15485 of *Hansard*:

> This Bill violates a number of those fundamental precepts of Parliamentary law. It is impossible to have a reasonable transaction of public business in an orderly manner when one has this kind of omnibus Bill to consider. It would be a travesty and a precedent of scary proportions to allow this type of Bill to go forward with so many disparate and different items collected together for no other reason than to obfuscate and confuse.

I would concur in full with that observation now as it applies to Bill C-130. In fact, Mr. Speaker, so concerned was the Hon. Member and his colleagues about the threat to parliamentary democracy posed by the omnibus nature of Bill C-94 that they closed down the House of Commons for over two weeks in protest. For many of us, that was a very sad day in parliamentary history in Canada. To make the point, the Hon. Member for Calgary Centre and a number of his colleagues who stormed the Speaker's chair on that black day demanded that Parliament be closed down until the Government came to its senses. As you will remember, Mr. Speaker, the Government of the day did eventually see the wisdom of breaking the Bill into several different items. I hope this Government will exercise the same common sense and respect the rights of Members of Parliament by splitting Bill C-130.

However, recent comments made by my friend, the Minister for International Trade (Mr. Crosbie), leave me doubtful about the prospects for such an initiative by the Government. Indeed, the Minister has taken some delight in telling all who will listen just how the Government intends to ram this Bill through Parliament and, if necessary, impose some form of closure or some form that would limit debate.

Citation 1 of Beauchesne's Fifth Edition reads, in part:

> The principles that lie at the basis of English parliamentary law, have always been kept steadily in view by the Canadian Parliament; these are: To protect a minority and restrain the improvidence or tyranny of a majority; to secure the transaction of public business in an orderly manner; to enable every member to express his opinions within limits necessary to preserve decorum and prevent an unnecessary waste of time; to give abundant opportunity for the consideration of every measure, and to prevent any legislative action being taken upon sudden impulse.

I submit that Bill C-130 is in violation of these long-standing precepts of parliamentary law. One of the obvious surprises when you begin to study Bill C-130 is the title at the very beginning. I just referred to Bill C-94, an Act to implement the National Energy Program. The title of that Bill included the names of all different statutes that would have to be amended if that legislation were to be enacted. In other words, the title of the Bill is to send a very clear signal quickly and clearly to all people in Canada on the general scope of the legislation.

In Beauchesne's Fifth Edition, Citation 704, it reads in part:

> *Long Title*—The long title sets out in general terms the purposes of the Bill. It should cover everything in the Bill.

By definition, the short title would not do that. The title of Bill C-130 is simply "an Act to implement the free trade agreement between Canada and the United States of America". That, I submit, fails to indicate clearly the full and complete scope of the legislation.

I think, if I may take one moment in closing, the title should clearly indicate and outline the entire scope of the legislation. It ought to mention those particular Acts that will have to be amended if the legislation is to succeed. They would include: the Special Import Measures Act; the Canada Agricultural Products Standards Act; the Department of Agriculture Act; the Bank Act; the Broadcasting Act; the Canadian Wheat Board Act; the Copyright Act; the Customs Act; the Customs Tariff Act; the Excise Tax Act; the Export and Import Permits Act; the Canada Grain Act; the Importation of Intoxicating Liquors Act; the Income Tax Act; the Canadian and British Insurance Companies Act; Investment Canada Act; Investment Companies Act; the Loan Companies Act; Meat Import Act; Meat Inspection Act; the National Energy Board Act; the Seeds Act; the Standards Council of Canada Act; the Statistics Act; the Textile and Clothing Board Act; the Trust Companies Act; and, finally, the Western Grain Transportation Act.

If the Bill were to be submitted in proper and acceptable form, its title ought to have included a reference to all those 27 Statutes that were to be amended by this legislation.

You, Sir, are the ultimate guarantor of the rights of minorities in this Chamber, and it is within your purview to force the Government to withdraw this Bill and bring it back as separate pieces of legislation. The precedent of 1964 which I mentioned in my opening comments clearly establishes your right to do just that.

You must act to preserve the ancient and undoubted rights of Members of Parliament, Mr. Speaker. You must act to ensure a respect for the customs and traditions of this place, and you must act to ensure that parliamentary democracy, as we know it, cannot be pushed aside for the sake of political expediency.

You, Sir, are the first occupant of that chair who owes his position to the direct will of all Members of the House and not simply the Government. This gives you a special responsibility and authority which is perhaps unparalleled in our history. You are truly the Speaker of the whole House. I ask you now

to exercise that authority and responsibility, in the name of this House of Commons, so that we may not betray its past nor jeopardize its future.

• (1220)

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I appreciate the opportunity to join in this procedural debate. I noted that my hon. friend from Windsor West at first confined his argument to the omnibus nature of the Bill and then made reference to constitutionality, whether or not the committee would travel, and several other things. What I thought was interesting was that he then made the point that the Government should be calling the Bill for debate.

I suggest that what we tried to do with this morning's events was focus the debate on procedure. We feel it would be more appropriate to consider all the procedural matters at one time and then to allow you to retire and consider your opinions on the omnibus nature of the Bill, on whether or not there is more than principle, on constitutionality and the like, and then return to the House so that the business of the House could proceed.

I think that Canadians want the substance of the issue of free trade, the substance of Bill C-130, debated and discussed. They do not want a protracted procedural wrangle. I invite you to consider, as events wear on, whether or not you want to expand and to deal with all arguments at one time, something which I think is more appropriate in view of your time and the time of the House.

Having said that, I want to deal briefly with the one argument put forward by my learned friend from Kamloops—Shuswap which was not referred to by my friend from Windsor West, that is, the question of Mr. Speaker MacNaughton's ruling in the flag debate.

I would distinguish that particular incident by pointing out to the Chair that the flag debate was on the question of a resolution which contained two propositions, and the Chair in that case, Mr. Speaker Macnaughton, found that he had the authority and perhaps the duty to divide them. I would submit that here we are dealing with a Bill and the same precedent does not apply.

Much was made of the question of an omnibus Bill. That seems to be the main concern of my friends opposite, and I would like to take a moment or two to review some of the precedents and some of the comments that were made by my hon. friends. I think it should be pointed out that the fact that the Bill is an omnibus Bill is not in itself sufficient cause to have the Bill withdrawn and thrown out. Throughout the history of this Chamber, there have been omnibus Bills which have occupied the time of the House.

I would refer you, Mr. Speaker, to two rulings which have already been dealt with. One is the ruling of Mr. Speaker Lamoureux on January 26, 1971, and one is the ruling of Mr. Speaker Jerome on May 11, 1977.

I notice that my colleague from Windsor West quoted one of the paragraphs from Mr. Speaker Lamoureux's ruling. I would like to draw your attention, Mr. Speaker, to the preceding paragraph. My friend pointed out what he considers to be an abuse of a Bill that goes from one end of the spectrum to the other. Mr. Speaker Lamoureux did say the following:

> There is no question, without going further into details, that this is a long established practice. We have had this type of omnibus bill before the House on many occasions. The President of the Privy Council and the Minister of Agriculture have quite rightly argued their case that this is long established practice and that the government has followed past practice. That is their argument and it has to be respected. Certainly the Chair must take that into account because of the importance of the precedent in our system.

Mr. Speaker Lamoureux recognized that there may be a point at which an omnibus Bill goes too far, but he declined, in that particular ruling, to take that authority upon himself.

Mr. Speaker Jerome was even more specific about his unwillingness to intervene and reject an omnibus Bill, and I refer you, Mr. Speaker, to page 5522 of *Hansard* of May 11, 1977, in which he stated as follows:

> I should emphasize as well that the remedy sought by the hon. member is not to divide the bill according to the separate statutes to be amended but by subject matter. Were that to be attempted, it would place before the Chair, it seems to me, questions of interpretation and responsibility for the drafting of an extremely complex order, which in my opinion the Chair ought not to attempt.
>
> I suppose there is no need to speculate on whether circumstances might arise in the future in which such a remedy might be available.
>
> However, I am certainly bound by the clear language of our precedent rulings and previous practices to reject the point of order of the hon. member for New Westminster, and I decline to make the order which he requests.

Even when my friend from Calgary Centre objected to the most infamous of all omnibus Bills, the energy security Act, he recognized the legitimacy of the omnibus concept. I refer you, Mr. Speaker, to page 15482 of *Hansard* of March 1, 1982, in which he stated:

> I certainly recognize that in many instances omnibus bills are not only properly admissible, but, indeed are also the best way to proceed since the grouping of certain amendments or certain items aids in providing a coherence to the debate and discussion, and attempting to handle the subject matter by a different set of separate Bills would not only be wasteful of time but would also be confusing.

I submit that omnibus legislation is a well established means of conducting government business. Both of the two Speakers' rulings cited expressed concerns with respect to omnibus legislation and they commented that, because of the nature of this omnibus legislation, it was difficult for Members to demonstrate properly their support for or opposition to different principles within an omnibus Bill.

The rulings point out that there are avenues, in the case of a Bill, for Members to establish clearly their positions. For example, Mr. Speaker Lamoureux, at page 285 of *Journals* for January 26, 1971, pointed this out:

> One or two honourable Members have argued that there would not be an opportunity for Members to express their views by way of a vote on individual parts of the bill or individual clauses. That is perhaps not entirely correct. I am not here referring to the Committee of the Whole; I have made this distinction before now. For honourable Members to express their view in Committee of the Whole on a particular clause of the bill is not the same as being given an opportunity to express their views on a clause of the bill by way of a recorded vote.
>
> The House must note that there is a third reading stage of a bill. When a bill comes to the House at the third reading stage there is not one clause or one part of the Bill that cannot be brought into question by way of an amendment proposing that the particular clause or section be referred back to committee. I think this gives every honourable Member an opportunity to vote either for or against, or to express his views in the House either for or against, a particular clause or part of the bill, and to do so by way of a recorded vote. Accordingly there is still a measure of protection afforded honourable Members.

Mr. Speaker Jerome, on May 11, 1977, at page 5522 of *Hansard* pointed out:

> The use of the omnibus amending bill is well enshrined in our practices, and I really can find no reason to set aside my predecessor's very clear and sound reasoning for the practice. Nor can I find any authority which would support an order of the Chair at this second reading stage that the Bill be divided.

He went on to point out that there were remedies for Members to deal with this, that was, by a motion to delete at report stage pursuant to the Standing Orders. He stated that that had not been fully developed in the past but that the remedy was available to Hon. Members. He then completed his argument.

I argue that both these approaches are available to Members when we consider Bill C-130, and the way we distinguish the energy security Bill from Bill C-130 is this: that Bill would have been dealt with in Committee of the Whole House and that would not have allowed Hon. Members to have a recorded vote of the House on each and every clause. I submit that this Bill, in its present format and under our present rules, will give every Member the opportunity to vote, either at second reading, in committee, or at report stage if the proper amendments are put, on where they stand on the various clauses of the Bill.

• (1230)

I have referred specifically to omnibus legislation, and let me now just revisit some of the arguments, if I may. We have discussed Speaker Lamoureux's point that one can go too far and there must be a limit on what is done. I submit this Bill does not go beyond what has been suggested in keeping with the rules and practices of the House. On March 2, 1982, at page 15532 of *Hansard*, Madam Speaker Sauvé recognized the previous comments of Mr. Speaker Lamoureux with respect to authority and stated as follows:

> It may be that the House should accept rules or guidelines as to the form and content of omnibus bills, but in that case the House, and not the Speaker, must make those rules.
>
> Therefore, having heard arguments and having examined Bill C-94, I must now rule on the basis of existing precedents, which do not support the proposition that the Bill should be divided or struck down.

There have been suggestions that the House come up with rules for handling omnibus Bills. However, since Mr. Speaker Lamoureux's ruling, the House has not yet decided to take up that option.

To revisit a precedent that was not referred to by my hon. colleagues, I want to refer to the comments of the then Minister of Justice, now the Right Hon. Leader of the Opposition (Mr. Turner), who introduced Bill C-150 in 1969 which covered in the ambit of omnibus legislation such diverse topics as abortion, lotteries, gun control, and breathalyser tests. Here is what my hon. friend said, as reported at page 4717 of *Hansard*, on January 23, 1969:

> HON. JOHN N. TURNER (MINISTER OF JUSTICE) moved second reading and reference to the Standing Committee on Justice and Legal Affairs of Bill C-150, to amend the Criminal Code, the Parole Act, the Penitentiary Act, the Prisons and Reformatories Act and to make certain consequential amendments to the Combines Investigation Act, the Customs Tariff and the National Defence Act.

He went on to say:

> I speak this afternoon with the confidence that this legislation is the most important and all-embracing reform of the criminal and penal law ever attempted at one time in this country. The omnibus measure contains matters of deep social significance which, in the course of time, will affect the lives of most of us, perhaps each one of us, in varying degrees.

In 1977 another Bill was introduced, once again Criminal Code amendments of an omnibus nature, dealing with items such as wire-tapping, gun control, and dangerous offenders. In none of those cases was there a unifying theme which I suggest you will find in the legislation presently before the House, and that is the implementation of a specific agreement between Canada and the U.S. respecting international trade. I suggest to you that it is that single overriding principle which links all of the clauses of the Bill together. That was not the case when the energy security Bill, which I am going to get into a minute, was brought in and finally divided into 10 separate, distinct, and unrelated Acts. Here we have one unifying principle: implementation of the free trade agreement.

We anticipated that the comments of my colleague from Calgary Centre in 1982 might be brought forward today, so I want to try and specifically distinguish that Bill, if I may, in a little more detail. There are some very significant differences that I want to point out. First, the principle of the energy security Bill was complicated. I want to just read the title:

> Second reading and reference to a Committee of the Whole of Bill C-94, an Act to amend and enact provisions related to the Petroleum Administration Act, the National Energy Board Act, the Foreign Investment Review Act, the Canada Business Corporations Act, the Petro-Canada Act, the Energy Supplies Emergency Act, 1979 and the Oil Substitution and Conservation Act; to repeal the Energy Supplies Emergency Act; to amend an Act to amend the Petroleum Administration Act and the Energy Supplies Emergency Act; to amend the Adjustment of Accounts act, and to enact the Petroleum Incentives Program Act, the Canadian Ownership and Control Determination Act, the Energy Monitoring Act and the Motor Vehicle Fuel Consumption Standards Act.

All of those were brought forward in that one Bill. However, I refer you to the Act we are dealing with today. In Bill C-130

the principle and title of free trade are clear and precise. It reads:

> This Act may be cited as the *Canada-United States Free Trade Agreement Implementation Act*.

I suggest there is one unifying purpose in Bill C-130 to which all of those clauses relate.

Second, the energy security Bill contained a number of different elements capable of surviving independently. However, with the Bill before us, all of the elements are needed to achieve the purpose of the Bill, which is to implement the signed agreement between the two parties. Just to expand on that I will refer to the argument made by my hon. colleague on March 1, 1982. He divided his argument in dealing with it. He referred to Part A and the Petroleum Incentives Program Act, the new Canadian Ownership and Control Determination Act, amendments to the Canada Business Corporations Act, as well as amendments to the Foreign Investment Review Act. He went on to say that we then had Part B which refers specifically to energy monitoring, and Part C which was energy administration. There were four different parts which dealt with amendments to oil and gas production. Then there was the creation of the Motor Vehicle Fuel Consumption Standards Act. My colleague was pointing out that these were all separate and different, whereas in this Bill there is one principle, that of implementing the free trade agreement which is attached to the Bill.

I referred earlier to the fact that there was one difference. This Bill is going to a legislative committee. We will have full and ample debate at second reading. A legislative committee will then have a chance to hear witnesses and review the Bill clause by clause. Members will have a chance to vote at report stage if they wish, and third reading, and say that they like the Bill except for this part or that part, and then put forward an amendment to delete. That was not the case in the energy security Bill. It was going to Committee of the Whole House under the rules as they existed at that time. I suggest that is the difference.

I want to just take a glance at this Bill itself as I near the end of my argument. Members opposite dwelt on the omnibus nature of the Bill. I understand that. We knew that was going to be the main focus of their argument. However, as I have suggested, this House has in the past dealt with several omnibus Bills, and the question on the Bill before us is this: Does it have more than one principle and does it put Members in the position of having to vote on multiple principles at the conclusion of second reading? I suggest to you that the Bill before us contains one outstanding principle, and that is implementation of the Canada-U.S. Free Trade Agreement. That is what it is entitled. I referred to Clause 3:

• (1240)

> The purpose of this Act is to implement the Agreement, the objectives of which are to—

Then it lists them.

The Bill itself is divided into four parts. The first is entitled "Implementation of Agreement Generally", under which there are some six clauses which provide for general powers to implement the agreement. Part II is entitled "Procurement Review Board". It establishes the forums, the duties, and the powers of the Procurement Review Board which is established subject to Annex 1304.3 of the free trade agreement.

Part IV is entitled "Related, Etc. Amendments". This covers some 120 clauses amending a number of statutes in accordance with the agreement. If you examine those clauses, Mr. Speaker, you will find that in many cases they focus on the agreement itself which, after all, is what the Bill is designed to do.

Part V is entitled "Transitional and Coming Into Force". That contains the provisions which are common to many Bills and is in no way a new principle. Finally we have the agreement itself, which is contained in the Bill as Schedule 1.

I suggest to you, Mr. Speaker, that nowhere in the Bill is there a clause or proposition which contradicts the free trade agreement. The Bill contains one clear, fundamental principle set out in the "purpose of" statement and reflected in virtually each and every clause of the Bill.

I would like to discuss for just a minute, if I may, the question of constitutionality and when Bills are tested in the courts. I am prepared to argue this at length at a later time. I suggest to you, Mr. Speaker, that the House is responsible for what it deals with, and that it is the function of the courts to decide on the constitutionality of laws after they are passed by the House.

It is not up to the Chair to adjudicate on matters of law. That is not your position, Mr. Speaker, and I think that has been clearly stated in other cases. We have a clear division of responsibility in this country between the powers of the legislatures and the judiciary. I suggest to you—and if we have to argue this at length, I can bring out the cases—that it is the responsibility of Parliament to pass laws and the responsibility of the judiciary, when these laws are challenged, to review the laws, that is, the question of whether or not this Bill is constitutional.

There is also another question, that is: Who is to challenge the Bill? I think it is interesting to note that in the past week the provinces have not come forward stating that there will be legal challenges. In fact, Québec said that as the federal Government may appear to pick up some of the powers which Quebec reserves to itself, it will therefore legislate within its jurisdiction to come into compliance with the Bill.

The Province of Ontario which, it was suggested, was to be a major opponent of the Bill, has decided that in fact the federal Government has the right to bring this Bill forward.

We are prepared to argue constitutionality at a later date. We are fully confident that this Bill deals with one principle, that is, the enactment of the free trade agreement with the United States. We believe that it is not what might be called

an omnibus Bill. In fact, there is no precedent of an omnibus Bill being thrown out. We submit that there is a difference between this Bill and the energy security Bill.

Having said that, I urge a good, solid procedural argument on all aspects of the Bill immediately, in order that we can have Your Honour's decision on its acceptability and then move on, as my friend from Windsor West invited us, to debate the issue. Surely Canadians want us to debate the issue of free trade.

We must allow for procedural argument, and that is why we initiated this way of dealing with it. This is the first time, in my experience, that it has been done this way. We brought it forward and said that we were not going to call it *per se* but were inviting procedural argument, which we hope can be packaged into today. Then Your Honour can reflect upon the arguments of my colleagues opposite and the arguments of the Government and decide. Pending approval, we can then proceed to the debate on the substance, which we are more than ready to do. We think Canadian people want us to get on with it.

Mr. Gray (Windsor West): Mr. Speaker, I doubt that I can raise a point of order at this stage, but I want to remind the Deputy Government House Leader that in opening my remarks I specifically said that I had a number of points of order relating to Bill C-130 but that, in the interest of orderly discussion, I intended to limit my remarks at that time to the matter of whether the Bill was an omnibus Bill of an improper nature. I reserved the right to argue the constitutional issue and some other issues at a later stage.

I hope it will not be taken that, because I did not include any comments on other matters that I consider to be relevant to whether or not the Bill is in order, I had waived my rights to raise them at the proper time.

Mr. Speaker: I would like to assure the Hon. Member for Windsor West (Mr. Gray) that the Chair certainly did not take it that he had waived any of his rights. Hon. Members will remember that in his opening remarks he made it very clear that there are some other matters which he wants to bring to the attention of the Chair, although I do not think he necessarily set them all out at that time.

With respect to the comments of the Hon. Minister of State respecting the fact that he is prepared to argue constitutionality and perhaps some other matters at a later date, I think the appropriate thing at the moment is for the Chair to keep that in mind and to carry on with any further argument on the matters which have been raised, attacking the Bill in its omnibus form.

I think the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) indicated to the Chair that he would like to intervene. I will hear the Hon. Member and then proceed to some other Hon. Members.

Mr. Hawkes: Mr. Speaker, I rise on a point of order. I understood that the point of order which was raised just after Routine Proceedings by the House Leader of the Official Opposition was a point of order on whether or not the Bill was acceptable, whether it was admissible. Members may have different reasons for believing it not to be admissible, but it is my sense that as Members rise they should deal with the aspect of admissibility.

I heard the cautions, but surely all the arguments about admissibility will be made in the course of the process we are into in order that you, Sir, can reach a decision about admissibility. Surely we are not going to have a ruling on whether each individual piece has a relevance for admissibility. The House needs a procedural decision about the admissibility of the Bill in order that we can get on with the debate. If Members have arguments, they may choose to put them in series or at different points in time, but surely—

Mr. Speaker: I am sorry. I did not mean to cut off the Hon. Parliamentary Secretary. I do not think he had concluded.

Mr. Hawkes: I would like clarity on whether or not the arguments that we are all making here today are about the procedural admissibility of the Bill. Is it a Bill which the House should debate? If Members have different reasons for believing it should not be, or Members have different reasons for believing it should be, they have an obligation to put those as early as possible in the process, in order that you are in a position to make the basic ruling about the point of order on whether or not the Bill should go forward and be debated.

Mr. Speaker: I thank the Hon. Parliamentary Secretary who I think has appropriately addressed something to which we must, of course, pay some attention. However, at the moment I take it that there may be some further argument. I think that has been indicated, not only by the Hon. Member for Windsor West but also by the Hon. Parliamentary Secretary. It may be that at some later stage I may have to make an indication about whether or not a line of argument is even appropriate.

• (1250)

Perhaps we might be into a subject which is not for the Chair to decide. However, I think I will leave that until I hear what further points may arise.

It may well be that there is no particular need to argue further points after we get through this round, but I want the Hon. Member for Windsor West and others to know that I am conscious of the fact that Hon. Members may raise some other matters with me.

Returning to the point the Parliamentary Secretary makes, which is very important to the Chair, for now at least I want to hear arguments, both for and against, on the issue of whether or not it is appropriate for me to allow the Bill to be before the House. Of course, that is a very important matter for the Chair and for the House.

Before I recognize the Hon. Member for Winnipeg—Fort Garry, I want to assure other Hon. Members that I notice they are indicating that they may have a contribution to make.

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my remarks will be addressed specifically to the issue raised by the House Leader of the Official Opposition concerning the omnibus nature of the Bill and whether that document should be considered admissible in the House.

I believe the Minister of State (Mr. Lewis), the Deputy Government House Leader, has in part put his finger on the nub of the matter. He said that the real issue is whether this particular Bill enables the people of Canada, through their duly elected institution of Parliament, to have the fullest, broadest, and most extensive examination of what I believe we all agree is one of the most important legislative initiatives to come before Parliament since the Second World War, as stated by the Minister for International Trade (Mr. Crosbie).

My comments are based upon the principle of what is the most effective way we in this Chamber can assure that Canadians will not only have but will be satisfied that they had the opportunity to be heard and to have their concerns responded to.

We know the old cliché about what is in a name. Simply calling this a free trade Bill does not make it exclusively a free trade initiative.

As one goes through the pages of this legislation, it is clear that it covers a much broader and more extensive range of interests than those one would normally consider trade interests. Normally, trade legislation deals with changes to tariff rules and occasionally ventures into non-tariff areas. However, the concept of trade has a very strict and fairly well defined generic use relating to the increase or reduction of those barriers between countries.

My argument is that this legislation goes substantially beyond the principle of free trade and into changes in areas that are very much within the domestic economy and affect a broad variety of sectors in this country. In fact, it affects our entire economy and social fabric.

Let me give one clear example. What does investment have to do with trade? The change in financial institutions is not a trade matter, but clearly a question of how one regulates the financial management of the country. Yet, that is contained in the Bill.

Clearly, the question dealing with Crown corporations, whether federal or provincial, is not a trade matter. Yet, it is an issue that is within the scope of this legislation.

Clearly, the matter of energy supply is not a trade issue. It very much concerns the control over basic natural resources in Canada.

I could go on to give examples from the annexes which deal with health services, the question of management of professions, education, the environment, and a whole host of matters which have enormous ramifications for this country. When one considers that this Bill affects virtually every Canadian, Parliament must be concerned about how and to what degree those Canadians will have an opportunity to make their case.

I was a member of the special joint committee in 1985 which was commissioned at that time simply to examine the principle of free trade. The hearings lasted more than two months and sometimes extended into the late hours of the night, listening to perhaps 25 representations per day, yet we were only talking about a principle and had not seen the enormous complexity of the Bill. Even at that point we barely touched the surface of interested parties who wanted to be heard.

We must take into account that the Minister for International Trade is saying that the Government will force this measure through by the end of July. If it is to force it through on the basis of an omnibus Bill, that means it will use its majority between now and the end of July, and it will be impossible for Canadians to be heard. It will be impossible for people in agriculture, in energy, in financial services, or in cultural fields to have an opportunity to make their case.

The only way for the Government to meet the timetable set out by the Minister this weekend is to have a number of Bills, each focusing on a specific sector. Then there could be a series of hearings in a variety of locations throughout the country, so that those who feel directly affected, whether it is in printing or the food processing industry, would be able to make their case in front of a select committee where there may be some expertise, as our House Leader suggested, and they could focus on those areas.

We must take into account the practicality of the issue. In order for Parliament to deal properly with such a massive initiative, it requires a series of separate legislative initiatives, focusing on each sector that will be affected in order to facilitate the matter.

I suggest that the Deputy Government House Leader made that very case, although I am sure he did not intend to do so. He pointed to the parallel between this and the energy Bills implementing the National Energy Program in 1982. It dealt with only one sector of the economy and it affected five or six different pieces of legislation.

When one turns to the back of this legislation, one sees that we are dealing with 27 different pieces of legislation, including the Broadcasting Act, Canadian Wheat Board Act, Canada Grain Act, investment Acts, Meat Inspection Act, National Energy Board Act, Textile and Clothing Board Act, Trust Companies Act, and others. Fundamental changes are being made to the operation of government legislation and regulation in each of these areas.

Incidentally, a close perusal of the Bill demonstrates that there is a massive transfer of delegated authority from Parliament to Cabinet in each of these areas. I suggest that this requires an even closer examination by Parliament before it transfers that authority. It is probably the greatest single delegation of legislative power to an executive in the history of the country. Surely that requires a very careful parliamentary examination before it is allowed.

The Deputy Government House Leader said that the energy Bill was complicated. What does he call this? This legislation is like a bowl of spaghetti, with more strands in it than one can wrap around one's fork.

The Government is making this an omnibus Bill and signing it because it says that there is an international agreement. Does that mean that if the Government of Canada signs an Act for the union of Canada and the United States—probably the next step in this procedure—it would simply call it that and introduce an omnibus trade Bill with which we would have to deal? I will continue my argument at three o'clock.

Mr. Speaker: I want to thank the Hon. Member for Winnipeg—Fort Garry. I will certainly recognize him this afternoon in continuation of his argument.

It being one o'clock, I do now leave the chair until two o'clock this day.

At 1.01 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

CANADIAN NATIONAL RAILWAYS

JOB LOSSES IN NEW BRUNSWICK

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, I rise today once again to condemn the Government for its inaction concerning the erosion of CN jobs in New Brunswick. Over the last few years many communities have been severely affected, most notably Moncton, Campbellton, and Edmundston. Jobs were cut by the dozens and at times by the hundreds. Throughout all this the Conservative Government refused to intervene and review the actions of its Crown corporation.

Once again, cut-backs are being mentioned. This time it concerns the proposed transfer of the train dispatching offices from Moncton and Edmundston to Toronto. Another 39 jobs are at stake.

It is time for the Government to say no. It is time to say enough is enough. The New Brunswick economy has suffered enough from CN cut-backs. Workers have suffered enough from lay-offs and transfers. It is time for the federal Government to stop sitting on its hands. It is time to act.

* * *

MULTICULTURALISM

TRIBUTE TO BILL WEN

Mr. Alan Redway (York East): Mr. Speaker, last night I had the privilege of attending a banquet honouring one of my constituents, Bill Wen, a Canadian of Chinese origin recently appointed a Companion of the Order of Canada. Although Bill only came to Canada in 1953, he is in fact a third generation Canadian. Both his grandfather and his father came to Canada many years earlier, but because of the Chinese Immigration Act Bill Wen was not born here and was not even allowed to come to Canada until that Act was repealed in 1952.

As a teenager Bill worked fifteen hours a day, seven days a week, without pay in his parent's restaurant in Hay Lakes, Alberta. Today he still works fifteen hours a day, seven days a week, but now in his own world renowned Sai Woo restaurant in Toronto.

Bill is deeply involved in many charitable and community activities such as bringing the Giant Pandas to Canada from China. "Because we are so privileged to live in Canada, we have a duty to serve", says Bill Wen. With a philosophy like that, it is no wonder we are so proud of this Canadian.

* * *

NATIONAL PARKS

SOUTH MORESBY—DELAY IN SIGNING FINAL AGREEMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, just one year ago the House of Commons voted unanimously to set aside the South Moresby area of the Queen Charlotte Islands as a national park reserve. The federal Government would provide compensation for those affected and ensure the continued participation of the Haida people in matters affecting South Moresby.

That was on May 14, 1987. By July a Memorandum of Understanding was reached and signed by the Prime Minister (Mr. Mulroney) and the Premier of British Columbia. A final agreement was to be signed today. Apparently the signing has fallen through over resource compensation and recognition of Haida rights.

Surely the unanimous vote and voice of Parliament must prevail. The rights of the Haida people in Haida Gwaii, in particular, in South Moresby, are undeniable. Why is the

Government of Canada holding back on reaching an agreement with this First Nation and first citizens of South Moresby?

I call upon the good will of all Members in this House, in particular upon the Prime Minister, to direct that the title and rights of the Haida nation be recognized and affirmed. They have above all others called for the preservation of South Moresby. It is their home since time immemorial. They have proven to be caring stewards for the land.

• (1405)

Parliament voted unanimously, let Parliament now act.

* * *

NATIONAL ENVIRONMENT WEEK

ACID RAIN—IMPORTANCE OF INFORMATION IN MOTIVATING PEOPLE TO ACT

Mr. Stan Darling (Parry Sound—Muskoka): Mr. Speaker, today we Canadians celebrate the beginning of Environment Week. All this week concerned citizens across this great land will participate in organized events aimed at breaking new ground in finding solutions to environmental problems.

Our theme today, "Talk It Up", shows the important role information plays motivating people to action. Actions begin with ideas. By discussing issues of concern actions will result, actions to combat environmental problems, problems such as acid rain.

This Government more than any other Government has made people aware on both sides of the border about the seriousness of acid rain. This year's theme, "Our Common Future", shows how Canadians can continue to be world leaders in responsible environmental development.

I will be leading a parliamentary delegation to Washington next week as government and Leaders from both sides of the House will work with our American counterparts in an effort to make acid rain a thing of the past.

* * *

[*Translation*]

SPORTS

CONGRATULATIONS TO YOUNG HOCKEY PLAYER MARTIN GÉLINAS

Mr. Gilles Grondin (Saint-Maurice): Mr. Speaker, youth is often criticized, but today I would like to draw the attention of the House to the courage, determination and energy with which a young hockey player from my area has pursued his all-important goal: To become a member of the National Hockey League as soon as possible.

During the last few years, in the summer when most of us like to relax, this young man rode his bicycle 40 miles and did two hours of Nautilus training every day to improve his level of fitness and prepare for training camp.

Martin Gélinas from Shawinigan South, who is here today with his parents, has done everything he could to achieve excellence. It wasn't easy, but thanks to his strength of character and determination, and also thanks to the support of his parents and his trainers, the year 1987-88 was to crown more than ten years of constant effort and hard work to get to where he is today.

At their last dinner, the Quebec Major Junior Hockey League named Martin recruit of the year, and in the Memorial Cup tournament Martin was named Canadian Junior Hockey's star recruit.

I want to pay tribute to Martin, who plays for the Hull Olympiques. In a few weeks, Martin will be a first-round draft pick for the National Hockey League and certainly the first Quebec player to be drafted.

Good luck, Martin!

* * *

[*English*]

NUCLEAR ARMAMENTS

INDIAN SUBCONTINENT—ARMS RACE DEPLORED

Mr. John Oostrom (Willowdale): Mr. Speaker, the Indian subcontinent threatens to become a flash point for a major confrontation. India is pursuing a massive armament program which has included the successful testing of a nuclear device, and a delivery system. It soon will receive a used Soviet nuclear powered submarine.

Pakistan, reacting to its neighbour's build-up, has embarked on its own armament program which has included the testing of a missile capable of carrying a nuclear device.

Canada is a major contributor of aid to these countries. I am concerned that Canadian tax dollars which are earmarked to aid the people will help indirectly to subsidize this arms race. Canadian aid will allow these two nations to be able to divert more of their own resources to either produce or acquire arms.

In light of these developments the Government must examine our aid to these two nations and all other nations which put armaments above the well-being of their people.

S. O. 21

[*Translation*]

THE ENVIRONMENT

NATIONAL ENVIRONMENT WEEK

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, this week is National Environment Week, but there is really no cause for celebration.

The federal Government has dropped the acid rain issue, and the clean-up of toxic waste in the Great Lakes was not even mentioned at the recent Summit, despite promises made by the Prime Minister (Mr. Mulroney).

[*English*]

The Canadian Coalition on Acid Rain has not had its funding renewed. The agreement on South Moresby Island which was supposed to be signed today has not been signed.

A closer reading of the so-called free trade agreement reveals that controls over our environment were bargained away. Even our precious non-renewable resources become goods on the market. Conservation as an objective becomes ever less likely.

Water, too, is a good, according to the agreement, so that once exports begin we will have to continue sharing this valuable resource.

The Government's water policy is not legislated, which it should be, but even that will not provide real protection, for the free trade agreement will take precedence over mere legislation.

The best way for the environment to be celebrated this week would be for the Government to call an election on the issue. Canadians want real action on the environment, not a token Environment Week with government controlled PR.

* * *

• (1410)

[*Translation*]

NATIONAL ENVIRONMENT WEEK

REQUEST THAT CANADIANS PROTECT ENVIRONMENT

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, this week, from May 30 to June 5, is National Environment Week, and the theme is: Our Common Future.

I think we all realize the threat to humanity today and that our survival depends directly on the concrete action that will be taken during the next decades.

This week is an opportunity for Canadians to express their environmental concerns and to make a personal commitment to protect our environment.

One of this week's themes is: "Talk it up!". Mr. Speaker, I hope that across this country, in our classrooms and our educational institutions, at our jobs and in the media, we will talk a lot about the environment this week.

Mr. Speaker, I would like to thank all environmental groups, especially those in Abitibi—Témiscamingue, our environmental watchdogs, for their major contribution towards building a better and healthier world.

* * *

[*English*]

SPORTS

BOXING—LIGHT HEAVYWEIGHT WORLD CHAMPION DONNY LALONDE

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, yesterday in Port of Spain a young man from the Fort Rouge district of Winnipeg successfully defended his light heavyweight world championship.

In this House many of us at times pay tribute to Canadians who have demonstrated exemplary prowess in various fields of endeavour. We all acknowledge the great accomplishment that Donny Lalonde has made on behalf of Canada.

There is a special case for paying attention to the accomplishment yesterday. Donny Lalonde has not only shown courage in the ring, but courage in bringing to public attention his own childhood experiences of abuse. He has since devoted his position to bringing other Canadians to understand the terrible scourge of that travesty that takes place with so many young people.

The best way for Members of the House of Commons to acknowledge the accomplishments of Donny Lalonde would be to devote our own attention and interest to the problem of child abuse which Donny Lalonde so eloquently and forcefully expresses on behalf of so many Canadians.

I hope that those of us who applaud his skill in the ring will also recognize that he has fought back from the terrible handicap of his childhood and now provides a real example of leadership to many other young people in this country who face a similar problem.

* * *

HUMAN RIGHTS

DEATH OF CZECHOSLOVAKIAN ACTIVIST PAVEL WONKA

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, on April 26, 1988, Pavel Wonka, a 35-year old human rights activist, died suddenly in a Czechoslovakian prison. The circumstances surrounding his death have raised grave suspicions.

Wonka was an associate of Charter 77, and attempted to stand as an independent candidate for the federal Assembly. He helped many of his fellow citizens who were unjustly or erroneously prosecuted, but in the end was unable to save himself.

He was arrested for so-called incitement to rebellion, detained for 12 months, and subjected to torture. When released, he brought suit against the authorities who had persecuted him, but was once again detained and sentenced to five more months in detention. Although he had no signs of any fatal illness, Wonka died in prison six days after his trial.

I urge the Secretary of State for External Affairs (Mr. Clark) to join with other western leaders in demanding an independent investigation into the circumstances surrounding the death of this brave and determined champion of human rights.

* * *

NATIVE ECONOMIC DEVELOPMENT PROGRAM

TREATMENT OF KEEWATIN TRIBAL COUNCIL PROJECT PROPOSAL

Mr. Rod Murphy (Churchill): Mr. Speaker, the Nikani group of companies is a major economic development initiative of the Keewatin Tribal Council in my riding. The Keewatin Tribal Council represents 10 Indian bands.

The project was submitted and has been discussed for the past five years with Native Economic Development Program officials. It has not been approved. Seven different staff members of NEDP have handled this proposal. Several policy changes have also occurred.

Last month the Government again shifted its priorities without notice to the applicants, asking the Keewatin Tribal Council to revise its proposal yet again and face another long delay. This policy change occurred one month prior to the final submission.

I ask that the Minister responsible for NEDP take the necessary steps to ensure this native controlled economic institution is in place as quickly as possible, including the assignment of one staff member to see this project all the way through.

* * *

[*Translation*]

POLLS

PRIME MINISTER'S POPULARITY

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, a CROP poll carried out for the newspaper *La Presse* between May 15 and May 18, 1988, indicated that in Quebec, the Prime Minister (Mr. Mulroney), according to Quebecers, was felt to be best qualified to be Prime Minister of Canada.

The Prime Minister alone obtained as many popularity votes as the two leaders of the liberal-socialist coalition combined.

Mr. Speaker, this is because Quebecers are grateful to the Prime Minister for Meech Lake and free trade.

Quebecers realize that only the Conservative Party and only the Prime Minister can get final legislative approval of the Meech Lake Accord and free trade, and that is why, when Quebecers go to the polls, they will say yes to Meech Lake, yes to free trade, yes to the Conservatives, and yes to Mulroney.

* * *

• (1415)

[*English*]

NATIONAL CAPITAL COMMISSION

BOY'S SALE OF FRUIT AND VEGETABLES—PROHIBITION ORDER

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, in these tumultuous times of robberies, rapes, and murders, isn't it nice to know that some enforcement agencies are worrying about the real important wrongdoings? Some of these do-gooders, taking care of real crime in society, work for the National Capital Commission. Yes, Mr. Speaker, we are in safe hands. The NCC is purging all the evil in our capital city.

Just the other day the NCC stopped Eric LeClair from running afoul of the law. Eric is a 14-year-old boy who was selling flowers and vegetables from a semi-rural property that his father rents from the NCC. So good is Eric at his job, or crime—depending on how you look at it—that he now hires two other kids to help him in these evil things. Now the NCC will put an end to all this, Mr. Speaker.

Surely the lemonade stands will be next. Aren't we glad we have the NCC to protect our society against all the wrong things that are going on? I suggest if the NCC and the staff who cooked up this crazy scheme have nothing better to do, then perhaps they should find a real job.

* * *

NATIONAL ACCESS AWARENESS WEEK

NATIONAL ARTS CENTRE GALA

Mrs. Mary Collins (Capilano): Mr. Speaker, last night at the National Arts Centre a moving, joyful event took place. To celebrate the first National Access Awareness Week, a gala, featuring the talents of disabled artists, entertained and enriched us. From the Rolling Thunder theatre group to the MacKay Centre dance troupe featuring wheelchair and deaf

dancers, these entertainers exemplified the potential of the disabled.

That is what this week is all about, to identify and remove the barriers that separate the disabled from the rest of the community so that they, as Rick Hansen so often has said, "be the best they can".

Let us all be partners in community action with disabled persons so that we can all achieve the goal of this week's activities—"Independence—That's living".

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—CONGRESSIONAL DRAFTING INSTRUCTIONS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my questions are for the Prime Minister. We have now received a copy of the formal drafting instructions agreed upon by the U.S. Senate and the U.S. House of Representatives on the Prime Minister's deal with the United States. The Congress has formally decided, and I quote:

> In the event of a conflict between U.S. law and the free trade agreement, U.S. law shall prevail.

Those are the words of the drafting instructions.

In shocking and indeed ludicrous contrast to that, the legislation introduced in this Parliament says that in the event of any conflict between Canadian law and the trade agreement with the United States, the trade agreement shall prevail.

I would like the Prime Minister to answer this question. Why does the trade deal prevail over Canadian law and over Canadian sovereignty? Why indeed does it impede provincial jurisdiction while American protectionist law will continue to apply and outrank the trade deal? Why is no specific exemption given to us from United States protectionist law which will continue to prevail under the terms understood by the United States?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I have explained this matter now several times because of questions asked in the House. I am sorry the Hon. Leader of the Opposition has not understood the answers.

Some Hon. Members: Oh, oh!

Mr. Crosbie: Each country has its own separate—if you wish to answer, you can and I will sit down. But if I am being asked the question, Mr. Speaker, I will say this—

Mr. Broadbent: You weren't asked the question.

Mr. Riis: The Prime Minister was.

Mr. Crosbie: Are you going to say who is to answer on our behalf and who isn't?

Mr. Speaker: The Right. Hon. Leader of the Opposition has put a question. The Hon. Minister is attempting to respond to it. I would ask Hon. Members to give the Minister the courtesy so we can hear him.

Mr. Crosbie: Each country has its own statutory drafting and interpretation. In the United States, Congress prefers to have the wording to which the hon. gentleman has referred. If, of course, there are any U.S. laws that are inconsistent with the free trade agreement then the United States will either have to amend those laws or pay a penalty to Canada once the free trade agreement goes into effect.

• (1420)

In Canada, we use a different drafting technique. In the United States the Americans have a provision in legislation that any inconsistent provision in state legislation will be overridden. Would the Leader of the Opposition like us to include such a provision with respect to the provinces?

Mr. Turner (Vancouver Quadra): Mr. Speaker, the hon. gentleman already has in Article 6. He overrides provincial jurisdiction in any area in which the federal Government decides he has to fulfil the objectives of the agreement with the United States. Article 8 says that in the case of any conflict, the trade agreement will prevail over any other law of Parliament. The United States, on the other hand, can amend the trade agreement by any subsequent Act of the United States Congress. We have been taken for suckers here and the Minister has not caught on.

[*Translation*]

RESOLUTION OF CONFLICTS—PRIME MINISTER'S POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, this agreement is terrible! It is binding on Canada and it deprives us of our sovereignty, but it is not binding on the United States. The Prime Minister can't dodge the issue. The U.S. Congress has formally decided that in the event of a conflict between U.S. law and the free trade agreement, U.S. law shall prevail. However, in our case, in the event of a conflict between Canadian law and the trade agreement with the United States, the trade agreement with the United States shall prevail. There is an incredible double standard at work here. How can the Prime Minister expect Canadians to accept anything as preposterous as this agreement? How can he expect Canadians to accept this kind of double standard?

[*English*]

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the Right Hon. Leader of the Opposition thinks that somebody has been taken for a sucker. That seems to be the conclusion of his whole caucus with respect to himself, that they were taken for suckers two years ago. With respect to—

Mr. Rossi: Why don't you answer the question, you dumb no-no?

Mr. Crosbie: There is an intelligent comment. That is the first time I have ever heard the hon. gentleman speak in the House.

Some Hon. Members: Oh, oh!

Mr. Speaker: The Right Hon. Leader of the Opposition.

UNITED STATES DISCUSSION DRAFT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I suppose we should encourage the Minister to continue just as he is doing because he is becoming the best salesman against this deal. If I thought it my responsibility to caution him, I would say that Canadians do not like clowning around with a most important political item affecting this country.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): In this discussion draft the United States Congress singles out, despite our agreement with the United States, specific attacks that will outrank the agreement in terms of its drafting priorities, attacks on programs for assisting farmers, our coal industry, our mining and smelting industries, our forestry, our fisheries, our poultry industry, the Crow's Nest rate, our auto parts industry, our energy and even our cultural industries. In terms of the legislation contemplated by the United States—

Mr. McDermid: Nobody believes you any more, John.

Mr. Turner (Vancouver Quadra): It's right in the document, my friend, it's right in the document. Go back to Brampton and consult a man who understood what this deal was all about.

Some Hon. Members: Hear, hear!

Mr. McDermid: I will debate you there any time. Come on down again, John.

Mr. Speaker: The Right Hon. Leader of the Opposition has the floor.

Mr. Turner (Vancouver Quadra): The Americans, despite all of that, in this document intend to slam with heavy penalties any Canadian industries that grab a larger share of the American market than the U.S. trade representative thinks proper, right within the terms of the instructions for the American drafting.

This deal is worse than we thought. The Prime Minister did not have the guts to stand up to the Americans. I ask him, has he got the guts to stand up to Canadians and call a General Election so that Canadians can have an opportunity to—

Some Hon. Members: Question.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Minister.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I would like to explain again the American governmental system. There is a separation between the executive and the legislative branch, and the legislative branch known as Congress does not trust the executive always.

• (1425)

The congressional drafting rule is that they do not wish to have any legislation that amends any other legislation unless they know specifically what has been amended. Although the U.S. administration suggested there be a clause in their legislation which would state that any possible inconsistent federal legislation should be overridden by this particular Bill, the congressional committees changed that recommendation back to their traditional practice.

I would suggest to the hon. gentleman, after he consults Legal Aid, that he go down and address his objection to the American congressional committees. We simply do not control them.

COMMERCIAL BLOOD BANKS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is also directed to the Prime Minister if he has the courage to respond.

Some Hon. Members: Order!

Mr. Speaker: I know the Hon. Member will want to put her question properly.

Ms. Copps: Last Friday, in response to questions about why commercial blood banks are included under the trade agreement, the Minister for International Trade stated: "Whether people wish to sell their blood for profit or not is, I suppose, up to the individual". I ask the Prime Minister whether that is the position of the Government.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the U.S.-Canada Free Trade Agreement has no more effect on the provision of blood and blood services in Canada than would a vampire bat down in Central America. No one in Canada is forced by the agreement to sell blood or have anything to do with blood. The Canadian Red Cross Society will continue with the blood service it now provides.

It is just like water. The agreement does not force Canada to sell or transfer water. It does not force us to charge for blood or sell any blood. The question is quite irrelevant. Why does the Hon. Member persist in this kind of footling nonsense?

[*Translation*]

MARKETING OF BLOOD—GOVERNMENT POSITION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I would like to ask the Prime Minister why, if there is no connection

between the free trade agreement and commercial blood banks, the Minister of National Health and Welfare and Dr. Denise Leclerc-Chevalier are now examining the agreement and its implications for commercial blood banks? And why did the Department of National Health and Welfare get a phone call this morning from a representative of an American company who wanted to know whether, under the terms of free trade, they could come here to purchase blood from Canadians for a price, and not, as has always been the case, on a volunteer basis? Can they come here and buy Canadians' blood and export it to the United States under the terms of the free trade agreement? And why is the Red Cross afraid that blood banks will be included in the free trade agreement, if, according to what was said by the Minister for International Trade this morning, the FTA has no connection with blood? And why would U.S. companies already be trying to come here?

[*English*]

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, repetition does not make a statement correct. Here is the position. The agreement creates no new rights for the establishment of commercial blood banks in Canada. In Canada, as we all know, that function is carried out mainly on a volunteer basis by the Red Cross. The blood is distributed freely to Canadians. The FTA will have no impact on the operations of the Canadian Red Cross. It is a non-profit organization and is not affected in any way by the agreement.

Making this kind of allegation is a disservice to the people of Canada and is participating in a conspiracy to spread falsehoods about the U.S.-Canada Free Trade Agreement.

REQUEST FOR GENERAL ELECTION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. He knows that the House now has before it legislation intended to implement the agreement reached between Canada and the U.S. on trade. He knows the Government did not receive a mandate in 1984 for such an agreement. He knows the opposition Parties would welcome an election on this issue and a large majority of Canadians have said they would like an election on this issue. Finally, he knows that he said on the weekend here in Ottawa that at some point the people of Canada would have an election.

Given all of the above would the Prime Minister explain to the House why the Government would prefer to force Parliament to debate this very important matter instead of going directly to the people of Canada and letting them have a say on this issue first?

• (1430)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, because we had the responsibility of providing the national Government. Included in that, of course—

Mr. de Jong: You don't have the mandate.

Mr. Mulroney: I'll try to answer, Mr. Speaker, if the NDP will let me. Included in this is the responsibility to create new wealth, new prosperity, and new jobs for Canadians.

In an era of growing protectionism following 1984 and pursuant to a very excellent report submitted by the Hon. Donald Macdonald, the former Liberal Minister of Finance, pursuant to recommendations of that Royal Commission, we initiated discussions which have now produced great benefits for Canada and, according to the Economic Council of Canada, will result in 250,000 new jobs.

My hon. friend will no doubt support the move to ratify this in the House of Commons and indeed, at an appropriate time, Canadians will be able to decide whether they agree with this prosperity or would like to change with the Hon. Member.

PRIME MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, with all due respect, as one says here, the Prime Minister did not answer the question. I want to ask him the question again in terms of the most basic democratic requirements about legislation which he himself has described as perhaps the most important bilateral arrangement between our two nations, if not in the history of the globe.

Since he himself and three of his senior Cabinet Ministers opposed this kind of deal in 1983, why will he not do the correct democratic thing and go to the people of Canada? If he gets his majority he will have a mandate. If he does not, we will not get involved in this complicated and undesirable arrangement with the United States.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it may be undesirable in the minds of the Leader of the NDP and the President of the CLC, but it is clearly very desirable in the minds of the Government of Canada and eight provincial Premiers representing political Parties from British Columbia to Newfoundland. It is clearly sustained by all objective data including the most recent report of the Economic Council of Canada which provides for a quarter of a million new jobs over and above those already to be created under the policies of the Government.

I know that my hon. friend clearly disagrees with free trade unless it is in automobiles, and with foreign investment, unless it is in Oshawa. However, we would like that prosperity for the rest of Canada.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, the Prime Minister is back in his usual high intellectual form of argumentation.

[*Translation*]

REQUEST FOR A GENERAL ELECTION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I simply want to ask the Prime Minister why, if he is so confident about

his arguments, he doesn't leave it up to Canadians to decide one way or another?

Right Hon. Brian Mulroney (Prime Minister): I certainly am confident about our arguments, Mr. Speaker. I am also confident about the responsibility incumbent on our elected representatives to consider a document of this importance and to assess it in terms of our national interest and make the requisite value judgments. I would like to remind the Hon. Member, since he is raising the question, that for instance, as far as Quebec is concerned, since his question was along those lines, the Quebec Premier has endorsed the free trade agreement as being in Quebec's national interest; the Leader of the Opposition, Mr. Parizeau, has done so as well; I may remind him . . .

Mr. Broadbent: What about producers, farmers, consumers and workers?

Mr. Mulroney: . . . and only the New Democrats . . .

Mr. Broadbent: Why not call an election?

Mr. Mulroney: . . . are against the agreement, while Alain Dubuc wrote in *La Presse*: "With the free trade agreement, Quebec has hit the jackpot". Canada and Quebec have hit the jackpot, and the Leader of the New Democrats is against it!

[*English*]

SOCIAL AND HEALTH PROGRAMS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I will direct my question, as well, to the Prime Minister. He has just heard his Minister for International Trade say in the House that in his reading of the Bill there is nothing that will affect social or health programs. It is refreshing to note that someone in the Prime Minister's office has read the agreement and comes to a different conclusion.

Does the Prime Minister support the statement made by Mr. Jeff Norquay, the special adviser to the Prime Minister's office, who, in speaking at a forum in Kitchener on Friday, indicated that there is no guarantee that social and health programs will not be attacked under the Canada-U.S. Free Trade Agreement? In fact he went on to say that there is no absolute protection against such programs under this agreement.

Is the Prime Minister's special adviser speaking for the Prime Minister and the Government in saying very clearly that, contrary to all the assertions aside, in fact our social programs, including health clinics, blood clinics, and others, are included as part of the free trade agreement and will be subject to retaliation by the United States? Is Mr. Norquay right or wrong?

Right Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, as we all know, without the free trade agreement programs can be attacked. It may be by someone in France, a person in Germany, a person in Canada, or a person in the United States.

Neither this U.S.-Canada Free Trade Agreement nor any agreement can guarantee Canadians that a particular social program will not be attacked. However, as long as this Government is in office they will be defended vigorously and will not be attacked successfully under the U.S.-Canada Free Trade Agreement because the U.S.-Canada Free Trade Agreement does nothing but promise to create more wealth for Canadians so that we can have more and better social programs. That is what the agreement will do for Canada.

Mr. Axworthy: Mr. Speaker, we are not going to get much wealth if it is only a quarter of 1 per cent of growth per year as the Minister's own studies indicate.

NATIONAL ENERGY BOARD

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, now that the Minister for International Trade has admitted that social programs do not in fact gain any further protection under this agreement, let me ask him about another transgression on the integrity of Canadian programs.

Under Section 137 of the Trade Bill, the National Energy Board will now have complete and total subserviance to directives of the Cabinet. Under this Bill the Cabinet will have the power to compel the National Energy Board to issue export licences to U.S. companies, even during times of shortage or when we exhaust our own Canadian resources.

Keeping in mind that very clear abandonment of the rule and responsibility of the National Energy Board, how does the Minister explain the change in government policy which has taken away the independence of the National Energy Board and has, in fact, usurped for Cabinet total control over the regulation and management of energy resources in relation to trade with the United States? How does he explain the total and complete turnover of Canadian policy which has benefited the country for generations?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I honestly do not know what the hon. gentleman is spluttering about. It is the Government of the country that sets energy policy. It was the last administration which entered into the international energy agreement with other countries under which we assumed certain obligations in connection with the supply of energy and sharing of energy in a crisis.

The National Energy Board will still exist after this legislation is passed but certain rules under which it operates will be changed. It is the right of the elected Members of this House—the hon. gentleman may not believe this because he goes by the unelected House—but it is the right of the elected Members of this House and the Government to set the policy for the National Energy Board, just as was done when the National Energy Program was brought in, trampled upon the provinces of Canada, and beaten over their heads by the hon. gentleman and his colleagues.

Oral Questions

MULTICULTURALISM

LEVEL OF GOVERNMENT FUNDING

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, my question is for the Minister of Multiculturalism. The Minister has just announced an election time increase in funding for multiculturalism. The last Liberal Government did something similar before the last election and increased it to $25 million.

Why did the Conservative Government allow the funding for multiculturalism to drop back toward $22 million after the 1984 election? Did the Government only discover the funding needs of multiculturalism as the next election drew near?

Hon. Gerry Weiner (Minister of State (Multiculturalism)): Mr. Speaker, the Government began making a strong commitment to creating a more equal opportunity society on September 4, 1984. It was this Government that established the Standing Committee on Multiculturalism. It was this Government that implemented Employment Equity, Bill C-62, which the Hon. Minister of Employment and Immigration brought in.

Some Hon. Members: Hear, hear!

• (1440)

Mr. Weiner: Indeed, it is this Government that is bringing forward the first multiculturalism Act anywhere in the western world. It is backing that up with a firm policy and new directions.

REVIEW OF GOVERNMENT POLICY

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, the Canadian Ethnocultural Council with which each of the caucuses met today has called for a great deal more than just funding for multiculturalism. Above all, it has called for a Commissioner of Multiculturalism.

Given the approach of report stage consideration of Bill C-93 in the House, is the Minister prepared to consider audit amendments to Bill C-93 which are required to facilitate such review of the Government's policy? Will he consider these amendments which were defeated by his colleagues in the legislative committee at a time when they knew opposition Members were not there to speak to these amendments?

Hon. Gerry Weiner (Minister of State (Multiculturalism)): Mr. Speaker, as you know, the chairman of that legislative committee, the Member from Edmonton, has brought forward the recommendations of that committee. They will soon be at report stage and third reading in the House. Certainly you would not expect me to comment on what took place there.

I would simply say that I will be the active promoter. I see this as my role in the entire multicultural process. I, with the help of other members of the Government, will be helping monitor it in a cross-government commitment.

As I indicated, since September, 1984, we have continued to reinforce the strength of that commitment. In terms of ethnocultural appointments, there has been the recent appointment of a Supreme Court Justice coming from that very ethnocultural community.

* * *

AGRICULTURE

DROUGHT IN WESTERN CANADA—EFFECT ON LIVESTOCK PRODUCERS

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, my question is directed to the Deputy Prime Minister. The drought situation in western Canada has now reached the critical stage for the livestock producers. Many areas have had no precipitation since last August. There is no grass. Winter carryover of feed supplies are rapidly being used up to maintain the cattle herds.

Will the Deputy Prime Minister advise the House and, more important, the livestock producers of western Canada what new forms of assistance they may expect immediately in order to address this very serious situation?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am pleased to advise the House that the Minister of Agriculture is on his way to western Canada today. He and his Parliamentary Secretary, the Member for Brandon—Souris, along with the Minister of State for Grains and Oilseeds will be viewing the situation firsthand, visiting farmers and talking to them.

Tomorrow there will be a meeting of provincial and federal Ministers to talk about programs that can be put together in a co-ordinated fashion to address this very serious issue. We consider it to be a very serious issue and believe there is a provincial as well as federal responsibility.

The Prime Minister has acknowledged the responsibility of the federal Government. The Minister of Agriculture, indeed the Government, has responded in the past to the needs of agriculture and I am confident it will do so again.

I look forward to tomorrow's meetings hopefully producing a very positive and fruitful result.

HERD STABILIZATION PROGRAM PROPOSAL

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Deputy Prime Minister. In view of the serious drought situation that has already been described, is the Government of Canada prepared to put in place a herd stabilization program to end the uncertainty as to whether there will be assistance? Is it willing to provide funding as it has in the past to move feed into the drought areas, or to move the cattle, and put in place a herd stabilization program?

In view of the falling cattle prices and the fact that some herd owners are actually dispersing their herds, are the Deputy Prime Minister and the Government prepared to make an announcement this week to end this uncertainty in the agricultural field?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am pleased that the Hon. Member acknowledges the fact that the Government has responded to these kinds of situations in the past. That stands in good stead for the fact that we will be responding on this occasion as well.

The points raised by the Hon. Member are indeed those which will be discussed with provincial counterparts. I am sure that a satisfactory solution will be found as a result of those discussions. Again, I believe the Hon. Member will be pleased with the fact that once again the federal Government has shown leadership in this area and will have responded to this very serious crisis.

Mr. Foster: The Deputy Prime Minister did not answer my question.

REQUEST FOR EARLY ANNOUNCEMENT

Mr. Maurice Foster (Algoma): Mr. Speaker, I asked the Deputy Prime Minister if the Government would announce this week a herd stabilization program to end the uncertainty. We know of the dispute that arose last week between the Prime Minister and his officials. Western farmers want to know whether an announcement on this will be postponed until next month or even beyond the economic summit? Surely this matter is urgent enough that a decision and an announcement should be made this week to end the uncertainty in the drought areas?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I hope I can take it from the Hon. Member's question and comments that he is not criticizing the Prime Minister for standing up for farmers, particularly farmers who have been saddled with depressing prices as a result of a trade war going on between the EEC and the United States. I think the cattlemen clearly pointed out that the Prime Minister had a right to condemn the EEC. I hope that he agrees with the position of the Prime Minister in that regard. I see him nodding in the affirmative.

Mr. Foster: That is right. Are you going to announce a program this week?

Mr. Mazankowski: With respect, I did answer the question. I told the Hon. Member that these were the points that were going to be discussed with the provincial Ministers. As I indicated, this will be a joint program. There is a shared responsibility. Surely the provinces have a responsibility. We recognize our responsibility and we think we can address this issue more effectively together than individually. That is the purpose of the meeting.

Oral Questions

IMMIGRATION

STATUS OF WOMEN IMMIGRANTS

Mr. Dan Heap (Spadina): Mr. Speaker, my question is directed to the Minister of State for Immigration. This weekend past, the Prime Minister claimed that his Government has done more for women than any previous federal Government. Yet today more than 60 per cent of female immigrants to Canada enter under the family class of immigration, which makes them ineligible for public assistance when they are in need, a situation that violates the Canadian Charter of Rights and Freedoms since that guarantees to all residents of Canada equal rights to education, employment, and freedom of speech.

When will the Government recognize its responsibilities and assure to these immigrant women the same rights and privileges as other Canadian men and women have?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration)): Mr. Speaker, I can tell you that as a Member of this Government and as a woman, I am very proud of what we have done and I support what our Prime Minister said yesterday.

We have indeed taken care of the economic, social and cultural situation of women. We have made great progress in immigration. Not everything has been done, because there was a lot to do. We are working on the corrections that still have to be made and I must pay him tribute for everything that has been done.

ACCESS TO LANGUAGE PROGRAMS BY WOMEN IMMIGRANTS—MINISTER'S POSITION

Mr. Dan Heap (Spadina): Mr. Speaker, I wish to ask a supplementary question.

Immigrant women who do not wish to work outside the home upon their arrival do not have access to the language program for immigrant women. This contributes to the isolation of these women and prevents them from obtaining employment in the future.

Can the Government tell us when it will give free access to the language program for all immigrant women, whatever their status?

Hon. Monique Vézina (Minister of State (Employment and Immigration): Mr. Speaker, I must remind you that many women already benefit from integration and language learning programs. We also have several pilot programs in place. And as I said earlier, we definitely intend to leave plenty of room for creativity and to find what must be done as our society evolves.

[*English*]

MULTICULTURALISM

PROPOSED ESTABLISHMENT OF COMMISSIONER FOR MULTICULTURALISM POSITION

Mr. Sergio Marchi (York West): Mr. Speaker, my question is directed to the Minister of State for Multiculturalism. It concerns the Government's proposals for a multiculturalism Act.

As the Minister knows, many important provisions that should have been embodied in such an Act have been sorely ignored by the Government. One of these elements is the office of Commissioner for Multiculturalism.

• (1450)

Given that the creation of a Multiculturalism Commissioner was unanimously proposed by all three political Parties, and was unanimously endorsed by every witness and organization before a standing committee, will the Government now see fit to introduce and support establishment of an office for an official Multculturalism Commissioner as an enforcement mechanism, and allow that to achieve for multiculturalism what the Official Languages Commissioner achieved successfully for our policy of official bilingualism?

Hon. Gerry Weiner (Minister of State (Multiculturalism)): Mr. Speaker, I had hoped the Member was rising to compliment this Government for bringing forward $62 million of new funding over the next five years for multiculturalism. I thought he was going to applaud the directions we were taking in racerelations and cross-cultural understanding, in community support and participation, in heritage, cultures and languages—

Some Hon. Members: Hear, hear!

Some Hon. Members: More!

Mr. Marchi: After its four beleaguered and meagre budgets, I am not interested in a Government that is desperate enough to buy votes. I am interested in the facts and in the workings and actual provisions of the Government's legislation.

Mr. Crosbie: Why don't you admit new members to your association? You are pretty exclusive in your association.

Mr. Marchi: You have enough problems with free trade, John. Take it easy.

Mr. Crosbie: They are moving on Marchi.

Mr. Speaker: The Hon. Member will put his question, please.

Some Hon. Members: If he has one.

RECOGNITION OF MULTICULTURALISM

Mr. Sergio Marchi (York West): Mr. Speaker, I again address my question to the Minister of State for Multiculturalism. It again concerns the proposed multiculturalism Act. Many groups, including the Ethnocultural Council, believe that the reference to multiculturalism in Bill C-93, as first a basic element and then a fundamental element of Canadian society, is a weak and undistinguished recognition.

Since the Government fondly promotes Canada as a bilingual and multicultural society, and since the Meech Lake Accord already recognizes the English-French linguistic duality as a fundamental characteristic, why is the Government unwilling also and equally to recognize our multicultural reality as a fundamental characteristic of this country? Why the double standard?

Mr. Hnatyshyn: Because we have.

Mr. Marchi: You have not. Don't mislead the House. You have not.

Mr. Crosbie: "We're coming, Mr. Marchi, and we're 3,000 strong".

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Minister.

Hon. Gerry Weiner (Minister of State (Multiculturalism)): Mr. Speaker, the Member is a member of a Party that in 1971 announced a multicultural policy and did nothing for it practically for 15 years.

Mr. Gauthier: We want the real Minister, not you.

Mr. Weiner: This Government began to intensify our commitment to creating a more equal opportunity society, to ensure there is greater access for all members of this society—

Mr. Axworthy: Tell us about your refugee Bill.

Mr. Weiner: —so that we become a better and more productive society as a result of everyone's contribution. We do so by continuing to bring forward an Act, the multiculturalism Act, after considerable consultation. It is now before Parliament. Perhaps if that Member had attended the legislative committee hearings, his thoughts might have been on the table as well. But they are now in the amendment.

* * *

AGRICULTURE

FARM SUBSIDIES—PRIME MINISTER'S POSITION

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, my question is directed to the Prime Minister. During his meetings in Europe to prepare for the Economic Summit, the

Prime Minister discovered if we use the American proposal to the OECD for measuring agricultural subsidies, Canada is in fact in the big leagues with 46 per cent of Canadian farm income coming from subsidies as measured by the producers subsidy equivalent, which is the American measurement, versus 49 per cent for the Europeans.

Mr. Clark (Yellowhead): That is the OECD measurement.

Mr. Althouse: It is the American measurement as proposed to the OECD, Sir.

Mr. Clark (Yellowhead): And accepted by the OECD.

Mr. Althouse: Given the obvious embarrassment for that briefing lapse, does the Prime Minister intend to continue advocating the American approach and philosophy, that is, to eliminate all subsidies from agriculture? If so, how does he expect farmers to survive?

Mr. Clark (Yellowhead): They are against the OECD.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I thank my hon. friend for raising what is a very important question on behalf of Canadian farmers. I would draw to his attention a statement by the Canadian Cattlemen's Association further to my interventions on behalf of Canadian farmers in Europe. "The statistics being thrown around by EC officials are typical of the way the Europeans attempt to divert attention from their destructive and unfair export subsidy program", Morley Shepherdson said.

The Liberals, I know, take exception to the decision of this Government to protect and defend the interests of Canadian farmers and the family farm.

Mr. Hnatyshyn: They used to say: "Why should we sell their wheat?"

Mr. Mulroney: There was a shoot-out going on between the Europeans, initiated by the Europeans, responded to by the Americans. It is causing great damage to Canadian farmers. We resolve to do two things, first, to try to bring about an end to this destructive war and, second, to defend the interests of the Canadian farmer while this war is going on until such time as a cease and desist can be brought about, because the Canadian family farm and the Canadian farmer must survive during this period.

CANADIAN POSITION

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, since it is important that not only farmers and Canadians know the Government's position with respect to these international negotiations, and since it is also important that the other countries know our position, will the Prime Minister enlighten the House and clarify his position? We had thought he was with the Cairns Group, but during his discussions in Europe he sounded very much to be in the American camp, yet the Europeans see some of his actions as being closer to the Japanese and European camps. What is our position? Can he state it clearly?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, let me tell my hon. friend that I am not in any way embarrassed, nor do I apologize for defending the interests of the Canadian farmer here or anywhere in the world.

Some Hon. Members: Hear, hear!

Mr. Mulroney: When a Canadian wheat farmer receives about $2.92 a bushel, the European farmer receives $7.13 a bushel. A Canadian farmer receives about $1.10 for a bushel of barley. The European producer receives $5.42. The Canadian farmer receives about $7 a bushel for soybeans and in Europe it is three times that amount.

We began the process of putting agriculture on the agenda of the international summit. We have met regularly with Canadian farm leaders prior to these international meetings, and we have stated very specifically to the Americans and to the Europeans that their destructive subsidy war must end because Canadian farmers were getting blindsided and killed in the process, and we, Canada, Australia and the Cairns Group, were going to fight this because our farmers have made an enormous contribution to our national well-being and they must be kept whole while this war is being ended.

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NATIONAL PARKS

SOUTH MORESBY—SIGNING OF FINAL AGREEMENT

Mrs. Mary Collins (Capilano): Mr. Speaker, in the absence of the Minister of the Environment my question is directed to the Deputy Prime Minister. I understand that tentative arrangements had been made for the federal Government and the provincial Government of British Columbia to sign an agreement today for the establishment of the South Moresby National Park Reserve. Can the Deputy Prime Minister advise the House of the reason the signing did not proceed, and when we might expect the finalization of this agreement, so that the $106 million commitment of this Government for a national park and associated regional development activities can move forward?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, as the Hon. Member knows, I am sure, there were very extensive discussions between the Government of Canada and the Government of British Columbia with respect to this issue, which culminated in a Memorandum of Understanding which was signed by the Prime Minister and the Premier of British Columbia. It was a very generous offer that was provided by the Government of Canada, some $106 million for the national park and associated regional development activities, perhaps more

generous than for the establishment of any other national park in Canada.

In the last couple of days or so, the Government of British Columbia has had some second thoughts about the issue and has wanted to renegotiate certain aspects of it. We believe the deal stands, that it is generous, and we would hope that the Government of British Columbia would reconsider and follow through with its commitment as it indicated it would do when it signed the Memorandum of Understanding.

* * *

• (1500)

[*Translation*]

MINORITIES

LINGUISTIC RIGHTS OF ALBERTAN FRANCOPHONES—REQUEST FOR GOVERNMENT AID

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is directed to the Prime Minister.

The *Association franco-albertaine* has taken a very reasonable position on the recognition of language rights of Francophones in Alberta and would like to see the Government of Alberta implement the vested rights recognized by the Supreme Court not long ago, arising from Section 110 of the Northwest Territories Act.

I wonder whether the Prime Minister would make a commitment in the House today to initiate action that is positive and generous. Will he offer to help the Government of Alberta implement an open and active policy that will allow Alberta's Francophone minority to survive?

[*English*]

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, in response to the Hon. Member I would like to reiterate simply the fact that the federal Government has been on record, through the Prime Minister and myself, with respect to extending to the Province of Alberta assistance in a tangible manner concerning the question of minority rights in that province.

As the Hon. Member will know, the specific question with respect to minority rights in Alberta is a matter that has still to come before the Supreme Court of Canada. Even in advance of any adjudication of this matter by the Supreme Court of Canada, we have indicated our interest and, indeed, our willingness to give leadership in this area.

FEDERAL ASSISTANCE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I heard on Friday that the Government will introduce legislation this week, without waiting for the Supreme Court to decide. I am sure that the Government is aware of the editorial in the *Calgary Herald* in which it stated that it is: "fatuous for the Tories to discuss publicly the prospect of Alberta becoming totally bilingual. No one is asking for that, not even the Francophones". The editorial goes on to support the Bill. It states that Mr. Getty should become very much more open, public, and state openly what he intends to do.

In the spirit of the Meech Lake Accord in which the role of the provinces and the Government is to support minority groups, will the Minister this time, rather than doing the Saskatchewan bit, come ahead and now openly tell Albertans and Canadians that the federal Government will be pro-active, offering the services now, today, and not wait until after the legislation is passed?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I appreciate the Hon. Member's question. I tried to explain in my first response that, indeed, we have already commenced our discussions with the Province of Alberta.

My colleague, the Minister of State for Federal-Provincial Relations, has been in communication and has visited officials and Ministers in the Province of Alberta with respect to the best way in which the federal Government can provide assistance to obtain equity and justice for the minorities in the Province of Alberta.

Indeed, we are giving the matter leadership. We intend to work at that, even before there is any judicial pronouncement, or in spite of the fact that there may be a judicial pronouncement by the Supreme Court of Canada.

Mr. Speaker: This will be the last question, a single question by the Hon. Member for Skeena.

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FISHERIES

BRITISH COLUMBIA SALMON FISHERY—PATROL ENFORCEMENT AND CONSERVATION

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. Is the Minister aware that the budget cuts that he is forcing upon the permanent patrol vessel fleet and the seasonal patrol group in British Columbia mean that food, sport, and commercial fishing for salmon along large stretches of the B.C. coast will be closed this year and, as well, many runs will neither be protected from creek robbing nor counted for conservation purposes this year?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I can assure the Hon. Member that we are not cutting our funds and resources devoted to enforcement or necessary scientific research. These are commitments that I have made. I have given them in the whole context of reorganization of the Department of Fisheries and Oceans over the past two years. I intend to adhere to those commitments.

Mr. Speaker: We will now continue with the discussions that started this morning with respect to the procedural aspects of the Bill which is on the Order Paper. I will hear further from the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy).

GOVERNMENT ORDERS

[*English*]

CANADA-UNITED STATES FREE TRADE AGREEMENT IMPLEMENTATION ACT

MEASURE TO ENACT

On the Order: Second reading and Reference:

May 24, 1988—Mr. Crosbie—Bill C-130, an Act to implement the Free Trade Agreement between Canada and the United States.

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I appreciate the generosity of the Chair in allowing me to complete my argument on this particular point.

The summation I would like to make, and I think is important, is that the bill itself in its enormity, complexity, and coverage of so many aspects, requires Parliament to establish in a sense a working order that is appropriate to the measure in front of us. I will point out, by way of example, that when the U.S. Congress was commissioned to examine its implementing legislation on the Canada-U.S. Free Trade Agreement, it transferred jurisdiction to the judiciary committee, to look at the dispute settlement mechanism; to the finance committee, to look at economic aspects; and to the agriculture committee, to look at areas of competence in agriculture. In other words, Congress on both the Senate and the House of Representatives sides has under its purview a series of segregated areas of examination and review. It was then brought back together in a report to the administration.

Under this system the Americans were able, therefore, to direct and focus public examination which was conducted by way of public hearings in different parts of the United States. We are simply saying that it would be only fair and proper that Parliament conduct itself accordingly under the same type of clear obligation to ensure that we have that kind of examination.

I simply go back to the precedent that I think we are arguing. It was established by Speaker Lamoureux in 1971. Where do we stop with omnibus Bills? That is the question he put. The case I want to make is that here is the place at which we can draw the line. Clearly, the enormity of the task and the requirement to respond to Canadian public interest in the Bill requires us to have a grouping of arrangements, several different pieces of legislation, that lend themselves to a clear division of responsibility.

If one turns to Bill C-130 one sees clearly that there is a grouping of areas dealing with finance, the dispute settlement mechanism, as well as with culture and with customs and tariffs. Thus this Bill would lend itself to four or five pieces of legislation in a natural way. That would allow the committee to work.

The point I now wish to make is an important point for Your Honour to consider. If an omnibus Bill is brought before a legislative committee, as the Government is talking about, of only seven members to deal with a Bill of this enormity, first, it is putting enormous burden on those seven members to come to grips with all the wide variety of points of view. Second, on a committee of that small size there is only one member from each of the Opposition Parties. That puts an impossible task on the Opposition Parties to give proper coverage to a Bill of this size and complexity. Therefore this argues the fact that we have a standing committee system in which there has been a well-developed sense of expertise.

There has been a commitment in the House for the last three or four years to give more accent and emphasis to the roles of committees. Here is a proper way in which we can show how the standing committee system and the committee system itself can be put to good use on behalf of the Canadian public.

Mr. Speaker, I go back to the words of your predecessor, Speaker Lamoureux, to say that we have in front of us now a clear place in which Parliament can take the statement that was made by your predecessor in 1971, and the clear precedent that was established during the 1982 debate on energy. In that debate there was an agreement by the House to split the Bill on one sector of the economy into several Bills, and we can now firmly establish the precedent by taking a Bill of this magnitude and requiring the Government to bring in several pieces of legislation to ensure, above all, that Canadians will have an opportunity to make their case and that Parliament will exercise its dual function as a forum of public debate.

Mr. Steven W. Langdon (Essex—Windsor): In making the points I would like in this debate, I keep in mind the Parliamentary Secretary's comments that what we are doing is not debating the legislation but attempting to offer to you, Mr. Speaker, some guidance, some suggestions, with respect to the issue.

My House Leader, this morning, put before Your Honour a very detailed outline of precedents which I will not attempt to repeat. The argument made by Mr. Speaker Lamoureux in his statements with respect to Bill C-107 were particularly important in relation to what I wish to contribute to your deliberations, Mr. Speaker.

• (1510)

In this case Speaker Lamoureux was dealing with a piece of legislation that sought to amend some 18 or 19 statutes, and he made these important points:

—where do we stop? Where is the point of no return? The hon. member for Winnipeg North Centre, and I believe the hon. member for Edmonton West, said that we might reach the point where we would have only one bill, a bill at

the start of the session for the improvement of the quality of life in Canada which would include every single proposed piece of legislation for the session . . . . There must be a point where we go beyond what is acceptable from a strictly parliamentary standpoint.

There are three points which suggest that this Bill has gone very much beyond that stage. The point has been made by the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy), and I do not want to spend much time repeating it, but simply to make the point that a tremendous number of different pieces of legislation is being considered here. It is extremely difficult, in one legislative committee, to be able to cover that vast range of considerations; everything from the Meat Inspection Act to the Textile and Clothing Board Act which may or may not be in effect at the time we actually debate the Bill which adds to its complications. At this stage Bill C-110 is attempting to do away with the Textile and Clothing Board. There are those types of considerations which might at least be considered to be economic considerations. At the same time, there are also points which consider the Copyright Act and the Broadcasting Act, which certainly are much more within the realm of the people who have dealt with cultural matters within our Party.

I would not want to suggest to you, Mr. Speaker, that it would not be possible for one person to handle these different vast areas which are being suggested for amendment from our Party on a legislative committee. The point made by the Hon. Member for Winnipeg—Fort Garry is absolutely correct. It would be much more straightforward, more sensible, and more a reflection of the attempts to build an expertise in the House for us to see this split into segments and referred to standing committees which would be able to deal with those particular areas of concern.

That is what the United States has done with respect to its consideration of this agreement. By March it had nine committees which were actively hearing witnesses with respect to the vast set of different subject areas being considered in this legislation. Following that exercise at permitting those experts to testify, then permitting the experts on those committees who had some legislative experience in the area to make recommendations on that basis, it was possible to move to a smaller number of committees for final consideration.

There are two further points I would like to make. First, this Bill comes to us under a Ways and Means Motion.

As I look at the Bill, I have no question that there are parts of it that certainly relate to what one would expect in a Ways and Means Motion. However, there are vast sections of this Bill which one would not, under any circumstances, it seems to me, deal with in the context of a Ways and Means Motion, for example, sections of the Bill which deal with regulations and with different types of tribunals to be established and sections which deal with special import measure changes not related to the raising of finance and so forth.

It is crucial, if the House is to be able to consider those sections with full freedom, as opposed to some of the constraints under which it is necessary to operate in the context of a Ways and Means Motion, that the Bill be split for that reason.

Finally, I would like to refer to Part I, Clause 7 which states: "The agreement is hereby approved." That agreement has within it 22 chapters, a vast number of annexes, a set of definitions of different terms which exist, all of which will have an immense effect on the future of this country. As I interpret that single phrase, it will put us, as a House of Commons, in a position where it is impossible actually to make amendments to some of those sections.

For instance, let us look at the chapter which deals with services. There is an annex to that chapter of services which indicates that dozens of different segments of our economy which are considered to be covered services for the purposes of this Bill, yet an equally vast range of other services is not covered. Surely it is possible for the House of Commons to make suggestions in terms of amendments which in themselves would have the effect of changing one set of services from covered to non-covered services, and another set from non-covered to covered.

• (1520)

Yet within the Bill itself there is absolutely no reference to that, so any amendment to be made by the House would somehow, in the most difficult and bizarre mechanism possible, would have to attempt to amend Section 7 in such a way as to deal with one of these small points. The same thing could be said concerning small points in all sorts of other chapters within the trade deal itself. It might be, Mr. Speaker, that you feel this accord is not something which is susceptible to amendment, but in the United States there has been amendment after amendment put into the legislation which was transferred from the trade agreement itself. This is an executive agreement between two countries and explicitly requires the approval of both the Congress and the House of Commons. A whole set of amendments has been put into effect which will affect the legislation the U.S. Congress will face when it deals with this Bill.

Given that situation, it seems to me crucial that Bill C-130 not just be split into a series of parts that reflect the different segments in the Bill, but also that there be a reflection in the Bills that ultimately come before this House of the actual trade agreement itself. Otherwise, this House will not in a vast range of areas be able to move amendments, suggest changes, debate subamendments, and generally give this tremendously important piece of legislation its due attention. This I think could badly damage the freedom of the country in the future, because we will not be able to give the Bill its due attention without following that procedure.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, thank you for recognizing me for a few minutes. I have been in

this House now for almost 20 years, as you are aware, but not as long as the House Leader of the Liberal Party and a bit longer than the Hon. Member for Calgary Centre (Mr. Andre). I feel that I cannot, with a Bill of this sort which amends 27 statutes of the Crown, do my job as a Member of Parliament. I cannot, in a 20-minute speech, cover all its facets which I submit that you should take into consideration, Sir. It is impossible in 20 minutes to cover energy, subsidies, agriculture, fisheries, services, banking, the dispute settlement mechanism, and all things of that sort.

There are many precedents. The famous one was the energy debate in 1982. Our Conservative friends across the way made a big issue out of an energy Bill that amended some 15 statutes. They argued very strongly, through the ringing of the bells over several days, that the Bill be split because it dealt with different independent propositions at the same time under one umbrella or omnibus Bill.

I want to make four points other than the one I have already made. This morning, the Hon. Member for Kamloops—Shuswap (Mr. Riis) dealt with Mr. Speaker McNaughton's proposition. Going back a number of years in the House, Speaker McNaughton, when faced with a single resolution which contained two distinct propositions, ruled in favour of upholding the ancient and undoubted rights of Members of Parliament. He stated:

> I must come to the conclusion that the motion before the House contains two propositions and since strong objections have been made to the effect that these two propositions should be considered together it is my duty to divide them.

In response, the Minister of State said that this was a resolution with which Mr. Speaker McNaughton dealt. It was not a piece of legislation. It was not a Bill but a resolution. I want to argue for a few moments this afternoon that the principle is the same. It is a very important principle, whether it applies to a Bill or to a resolution. A good precedent was set here by Speaker McNaughton a number of years ago. Whether in a Bill or in a resolution, if there are two distinct propositions, Speaker McNaughton said, "—that these two propositions should be considered together it is my duty to divide them".

I submit, Mr. Speaker, that the Bill before us today is one that deals with several distinct propositions. I think it is incumbent upon the Speaker to consider very seriously dividing the legislation before us. Whether it is a Bill or a resolution, the principle is still the same in dealing with parliamentary business facing the people of this great country of ours.

Earlier today the Minister of State (Mr. Lewis) in response to the House Leader of the New Democratic Party, responded to a ruling which I believe was made by Mr. Speaker Jerome in 1977. He said at that time that when you are at report stage of a Bill you can move an amendment to delete a specific part of a Bill or a specific part of report stage. Therefore, if you are dealing with a smorgasbord or an umbrella type of Bill, an amendment can be moved deleting part A, B, C or D. Speaker Jerome said at that time that that was certainly possible, but that when you are dealing with second reading of a Bill you are debating a Bill in principle. Therefore it is not possible, in the rules of the House of Commons, to divide a Bill at second reading stage because we are at that time debating the principles of the Bill. Those principles are very important, and it is not possible whatever to deal with a Bill through amendments.

The Hon. Member for Kamloops—Shuswap mentioned a procedural debate a number of years ago that dealt with Bill C-207. I forget the year. Perhaps the Hon. Member can remind me of it, but Bill C-207 dealt with 18 or 19 different statutes. The then Member for Winnipeg North Centre was also involved. At that time the Speaker of the day recommended splitting the Bill. Since this Bill, Bill C-130, does not deal with 18 or 19 different statutes but with 27 different statutes, the same rule should apply.

Lastly, not only do we have this particular Bill before the House today to amend some 27 different statutes in the land, but very recently we have had the tabling of a motion on abortion. In that case, the abortion motion will suspend the rules of the House of Commons. In one case, on abortion, the rules will be suspended and in the second case, Bill C-130, a smorgasbord of legislation will amend 27 different statutes. I suggest that these two things taken together set a precedent that disregards the ancient customs, rules and traditions of the House of Commons.

• (1530)

I do know that if one of our Saskatchewan predecessors were here today, the former Hon. Member for Prince Albert, the Right Hon. John Diefenbaker, he would be extremely concerned about running roughshod over the rules and traditions of the House of Commons. When I first came here, Mr. Diefenbaker sat to the left of the Speaker, very close to where one of the Acting Speakers from Edmonton is now sitting today. Mr. Diefenbaker rose in the House of Commons many times to remind Members of Parliament about the traditions of this place and of the mother of Parliaments in Great Britain and about how important it was that we not suspend, run roughshod or ignore those rules just because a great majority might sit on one side of the House.

Of course, in those days, there was a Liberal majority with Pierre Trudeau as the Prime Minister between 1968 and 1972. Mr. Trudeau was re-elected in 1974 to 1979 with another majority. I can recall that during both those Parliaments, Mr. Diefenbaker on a number of occasions reminded us of the importance of respecting minorities in Parliament and respecting the rules and traditions of Parliament. I argue, with respect, that neither this Bill which amends some 27 statutes nor the abortion resolution which suspends the rules of the House respects the rules and traditions of the House of Commons.

I do not want to say anything that was said earlier this morning by the Hon. Member for Kamloops—Shuswap. It

would be repetitive. The Hon. Member put before the House a number of things he was able to find to make the argument that in the name of democracy, parliamentary tradition and what this place stands for, in order to have a proper debate on behalf of the people of Canada and to represent ourselves well on behalf of the people of Canada, this Bill should be split up into its constituent parts. I know that if Members on the opposite side of the House were in opposition, they would be making the same argument.

I was here many times when John Diefenbaker, Ged Baldwin, Walter Baker and a gentleman I saw today on Parliament Hill, Bob Stanfield, made that argument. When they were on this side of the House, they made those arguments time and time again. I am sure that if Hon. Members opposite would take off their ideological blinders, they would be making these kinds of speeches once again in the House of Commons. The ghost of John Diefenbaker must be extremely angry about what he is seeing happening in the House of Commons today.

Mr. Les Benjamin (Regina West): Mr. Speaker, I will not try to pretend to be any kind of an expert on parliamentary procedure, but I want to begin by saying that I and my colleague from Yorkton—Melville were in this Chamber in January of 1971 when Mr. Speaker Lamoureux made the statement that is recorded at page 2768 of *Hansard*. At that time, he posed the question: "Where do we stop, where is the point of no return?" I will not repeat the quote; you have heard it several times.

If my memory serves me reasonably well, the atmosphere in the House that day and the tone of Mr. Speaker Lamoureux's remarks and the quality of his statement served as a stern warning and as notice to the Government not to exceed acceptable limits and the usual practices of the House. He chose not to rule on what was an acceptable limit.

For the next six years, we had no problems with omnibus Bills. There were a few complaints, but essentially there were no problems for the next six years. The Government behaved when it came to what went into omnibus Bills and how many there were.

You and I know, as well as all Hon. Members, Mr. Speaker, the way things work around here. This Bill amends 27 statutes. We know that in the practices of this House, with a Government in a majority situation, the rights and privileges not only of Members of this place but of members of the population of Canada will get abused or misused. Anyone who could even contemplate that the Government would allow witnesses to appear before a legislative committee or a standing committee with submissions and suggested amendments to 27 pieces of legislation has to be dreaming in Technicolor. I submit that that supports a phrase used a couple of times earlier today about trampling on the rights not only of Members of Parliament but of citizens of Canada.

We all know that the reality is that the committee and the House will get time allocation. Each of the 27 statutes to be amended will not receive, and in fact, after what the Minister has already said, cannot receive the time and attention that each one of those statutes deserves.

It is obvious that the normal and acceptable procedure in the House for many, many years has been that a Bill that is brought in by the Government can amend two, three, four, five or even a half dozen other statutes. My former colleague from New Westminster has been cited earlier today as speaking in 1977 when there were amendments to five statutes. Mr. Speaker Jerome would not accept that as being unacceptable, but I ask you, in the name of whomever—I will even try God if it will help—if it is acceptable to amend 27 statutes as this Bill does.

I hope you are Speaker in this place for many, many years. The Lord willing, your health permitting and your patience allowing, you will certainly have the support of the great majority of the Members of this place, no matter how you rule. You are the first one who does not rely upon the whim of some other person. You are in the unenviable position of having to set a precedent, depending upon how you decide. I know that that is an agonizing and difficult decision for you, Sir.

It seems to me, Sir, that you must decide now, not later, without leaving it to some other event in the future, whether or not the amending of 27 statutes in one piece of legislation is acceptable. If you should decide to rule, Sir, and I would respect your ruling, that it is acceptable to amend 27 statutes in one Bill, then this or future Governments not only can but will try to amend 29, 30, 35 or 40 statutes in one piece of legislation.

• (1540)

Sir, I submit with all respect that, for the first time, in spite of what has been said earlier today about precedents and practices, there has yet to be a ruling on what is acceptable or what is beyond the normal practices and procedures of the House. When I say "the House", that means all the committees, standing and legislative, and Committee of the Whole. That covers the entire operation of the Parliament of Canada, and particularly this House.

It seems to me, and I say this with all respect and regard, Sir, the time has now arrived for you to act upon that stern warning of Mr. Speaker Lamoureux. I say with all regard and sincerity that his calm attitude, his statesmanship, his niceness, reached its limits on that occasion in 1971. I wish that he had ruled on what was acceptable and what was not. He chose not to, and that was his prerogative.

I suggest, Sir, that you exercise that prerogative now because the time has arrived to act on that 1971 warning to the Government of the day. It is time, Sir, for you to act on that warning to the present Government and any succeeding Government by breaking ground, setting a precedent which can be used from now on, no matter what political Party is in

power, to prevent a Government of any stripe from acting as though we were a one-Party state. I do not think, Sir, that my colleagues on the government side want to give even the appearance of acting as a one-Party state. Majorities come and go. Minorities come and go. However, the operations of this institution cannot just come and go. They cannot be left up to whatever happens to be the current situation. You, Sir, and all of us have to think about subsequent events. Therefore, Sir, I ask that you agree that the time has arrived for you to act upon that warning of Speaker Lamoureux. Whether or not I or anyone else likes your ruling is not the point. The ball is in your court and I ask that you decide and rule on what is acceptable.

I hope you will decide and rule that the amending of 27 statutes in one Bill goes beyond the normal and acceptable practices of this place and that it is not acceptable. I am not sure about the rules, and maybe my House Leader can help you, but I suggest that you could even request or order that each of these statutes to be amended shall be sent to the appropriate standing or legislative committee and dealt with separately and that the Bill will be broken up into certain logical and sensible sections, two, three, four or five, whatever you decide. However, I think the time to act is now.

It is your decision and I do not envy you that decision. Certainly I hope my pleadings were sufficient to bring tears to a jury full of bankers. I do not want to trivialize the case I and my colleagues have been trying to make, I just want to say that it is time for you to act now.

Mr. Speaker: I thank the Hon. Member. I think perhaps we will hear from the Parliamentary Secretary for a few minutes.

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, we are well into the third hour of Members providing helpful advice to you about procedure, which, I suggest, they are obliged to do.

Mr. Foster: You rang the bells for 14 days.

Mr. Hawkes: I think it is fair to say that Members of the House, whether in opposition or on the government side, feel strongly about the substance of the Bill. The Government believes it will indeed lower prices and create more and better paying jobs for Canadians. The Opposition believes the agreement should be torn up. Yet the importance of the Bill should not lead us to provide procedural advice to you in an extended manner. It is the importance of the procedure that should lead us to provide you with advice. I suggest that when Members start to get up and indicate that they personally are not sure about the rules, when indeed we are talking about the rules, we are perhaps in danger of abusing the rules by using House time, which could be spent on substantive debate about the motion, to argue the substance of the motion rather than the procedures.

If we go back to the beginning of today's interventions, the Government has been remarkably silent. I am only the second person to stand while six members of the Opposition have spoken. What the House Leaders asked you to do was to look at the first Standing Order, because it is indeed that order that gives you the power to decide procedural questions that are not dealt with in the Standing Orders. However, it requires you to pay attention to usages, forms, customs and precedents, primarily of this House but also of other Houses.

The Opposition has not been particularly clear, in my mind, as to what they are asking for. Different people may indeed be asking for different things in somewhat different ways. However, I would like to draw your attention to *Hansard* of May 11, 1977. I believe Mr. Speaker Jerome was in the chair and the issue was a motion to refer to the Standing Committee on Justice and Legal Affairs Bill C-51, an Act to amend the Criminal Code. I picked this one, but there are many others. However, I believe its clarity could be helpful to the Chair. He said:

> —there can be no doubt that a motion containing two or more substantive provisions is quite distinct from a procedural motion or a motion which is generally described as having only the effect of dealing with the progress of a bill.

The Government is bringing forward the motion on second reading. It is the traditional second reading motion dealing with the progress of a Bill. The Bill is to give effect to a trade arrangement.

• (1550)

On that same page Speaker Jerome also deals with what I think is perhaps the second ribbon which comes from the opposition side. He says:

> I should emphasize as well that the remedy sought by the hon. member is not to divide the bill according to the separate statutes to be amended but by subject matter. Were that to be attempted, it would place before the Chair, it seems to me, questions of interpretation and responsibility for the drafting of an extremely complex order, which in my opinion the Chair ought not to attempt.

He goes on to say:

> —I certainly am bound by the clear language of our precedent rulings and previous practices to reject the point of order of the hon. member for New Westminster, and I decline to make the order which he requests.

We have done our homework. In the history of the Canadian Parliament no Speaker acting on his or her own initiative has ever ruled a second reading motion out of order and no Speaker acting on his or her own initiative has ever split a government Bill.

With that as precedent, and on the basis that your behaviour is bound by customs and precedent, it is difficult to imagine circumstances under which you should leap into the fray and take this new action.

There was, I think, the possibility of an argument on the finding of your behaviour which comes out of the terms "usages and forms", because usages and forms have indeed been changed by this Parliament. We have changed the

Standing Orders. It is curious that none of the six members of the Opposition, including the two House Leaders, who have spoken have chosen to deal at all with the change in usages and forms which flow from our collective decision to change the rules of the House of Commons.

Why is that, Mr. Speaker? If our precedents and customs are so clear that the motion should be ruled in order and should not be split, why have they not dealt with usages and forms? I suggest that it is because the opportunity system provided by the reform of Parliament for Members to deal in other ways with the substantive content of their particular motion and this particular Bill would give you an even stronger basis than your predecessors have had for the rejection of the procedural arguments coming from across the floor.

We have had a traditional second reading motion to accomplish a single goal. There is no difficulty about Members voting on the principle of the Bill. It is a Bill to implement a trading arrangement. Passage of that takes the Bill to a committee. Each Party in the House of Commons is represented on the committee and can change Members at any time. The committee can call witnesses and hear evidence.

The job of the committee is not necessarily to determine whether or not the fine print of the Bill does what is best for Canada—in fact I think a second reading motion takes that out of their domain—but to consider whether or not the legislation and its fine print give effect to the trade agreement. They are to determine whether it is a faithful reproduction, in all of its words, of the agreement undertaken with another nation.

Various Members opposite have referred to the American system. This House of Commons set up a special committee to travel across the country before the agreement was finalized and to report back to the House on the principles of the agreement. The agreement was signed some six months ago. As a result of parliamentary reform, from that moment on 28 standing committees of this House could have examined its substantive provisions wherever and whenever they wanted.

Nine American committees did so. However, there has been no pressure from the Opposition for any of our 28 committees to do likewise. There is no committee report on the floor of this Chamber, some six months later, raising any question about this agreement in terms of the responsibilities, rights, and privileges of our standing committees.

The minute this Bill was presented to us at first reading stage, any of the standing committees of the House with an interest in the subject matter could have begun a process of investigation leading to reporting back to the House about the substance. To the best of our knowledge no committee chairman has been asked by a single Member of this Chamber to examine the substance of the Bill before us.

The opportunity systems are there. If we pass this motion as we have historically passed all similar motions, without any procedural wrinkles, the committee can amend it to ensure it accords with the agreement. When it comes back to the House there can be amendments proposed with regard to every single comma, every single word, and every single clause, by any Member of the Chamber. There is ample opportunity, through the legislative committee process alone, for adequate examination of this.

Let us assume that we split this legislation into 27 separate Bills with 27 separate legislative committees. The responsibility of those committee members would be to understand all the implications of that massive document before they could deal with the clauses designed to implement. It makes a great deal more sense to have, and Members can take a great deal more comfort from the knowledge that it will be, a single committee understanding the agreement in its totality and looking at the fine print of the clauses to see whether or not the clauses implement the treaty.

It is a single subject and a single agreement and must be conceived as a whole. It is a treaty born of discussion. Fifteen central advisory committees advised the Canadian Government on this as it went along. There was give and take on both sides. The agreement has been signed and it must be respected. The implementation of it is in Bill C-130. This is not to be a discussion about the agreement but about the implementation of the agreement as signed and previously approved by the House. That is much better done by a single committee which understands the nuances of the agreement and whose wisdom can grow as it advances the causes.

It is my strongly held belief, Mr. Speaker, after listening for the better part of three hours, that we have heard very little, in the last hour in particular, that would be relevant to the procedural argument itself. There is always a tendency to talk about the substance of this Bill, but this debate today is to deal with a procedure. I suggest that your hands are tied on the basis of precedent. It would not be a wise use of the time of the Chamber to continue with this argument when it is so clear that the procedure must be upheld. Failure to uphold the procedure would perhaps plunge the House into chaos.

Mr. Speaker: I thank the Hon. Member.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would like to take part in this debate at the procedural level. I do not intend to speak to the substance of Bill C-130, an Act to implement the Free Trade Agreement between Canada and the United States of America.

Mr. Speaker, we on this side of the House consider this so-called omnibus bill to be totally unacceptable. In the few moments at my disposal, I wish to support what was said by my House Leader, the Hon. Member for Windsor West (Mr. Gray) and many Opposition Members who raised some very good points this morning, and touch on two or three points which, I feel, are very important at the procedural level, for the debate in this House and consideration of the proposed legislation tabled by the Government.

Mr. Speaker, you are the first elected Speaker of this House, and from more than a year's experience, I would say that you are an excellent Speaker and take the Standing Orders of the House very seriously, especially S.O. 1, which may well be our most important standing order, which provides, and I quote:

> 1. In all cases not provided for hereinafter, or by other Order of the House, procedural questions shall be decided by the Speaker or Chairman, whose decisions shall be based on the usages, forms, customs and precedents of the House of Commons of Canada and on parliamentary tradition in Canada and other jurisdictions, so far as they may be applicable to the House.

Mr. Speaker, as I see it, it is up to the Chair to protect the minority and to prevent the overwhelming majority on the Government side from ignoring our position and using the sheer weight of numbers to impose their preferences. We intend to have an attentive, serious and full debate on this Bill, but we want to do so in a spirit of common sense, and we also want it understood that we are considering one Bill at a time, not a mishmash of bills lumped together under the umbrella of an omnibus bill.

Mr. Speaker, in response to a petition I tabled in the House in March 1988, the Minister for International Trade at the time replied, with respect to the Canada-U.S. Free Trade Agreement, that the enabling legislation for the free trade agreement would be tabled shortly in the House of Commons, and that all Members would have an opportunity, on behalf of all Canadians, to consider the agreement and to make their views known. The Minister went on to give me a fairly exhaustive reply, largely government propaganda about the excellent reasons for their initiative and why the Mulroney-Reagan deal was so important.

Mr. Speaker, I have two or three points I would like to raise today. The first one, obviously, concerns the comments of the Minister of State and Minister of State (Treasury Board) who is also the Minister responsible for the business of the House (Mr. Lewis), who told us this morning . . .

• (1600)

[*English*]

I took down verbatim what he said: "Opportunities for Members to vote would be there". My question is: When would we have the opportunity to debate the so-called measures involved in Bill C-130?

I am not telling you anything new, Mr. Speaker, when I say that the Bill consists of 123 pages and amends 27 federal statutes. Indeed, we believe that the Bill should be broken up into various Bills incorporating each and every one of the statutes under discussion.

I was impressed by an article in *The Globe and Mail* this morning, written by Hugh Winsor, in which he analyses the Government's strategy in dealing with the Meech Lake Accord, the abortion issue and free trade. He has a point well taken when talking about this new economic constitution that the Government is trying to pass on to Canadians. Let me quote from the article:

> On the free-trade enabling bill, International Trade Minister John Crosbie has made it clear that all he wants from Parliament is a rubber stamp, and he is prepared to use closure to get it. 'We're going to have Parliament make a decision. That's what parliamentarians are elected for: to make decisions.'

Mr. Winsor goes on to say:

> Really? If the only purpose of being a member of Parliament is to be a trained seal clapping for the decisions taken by Cabinet, we will be lucky if we can get a full slate of candidates for the next election.

He goes on to explain that it is important that debate take place and that it be thorough, democratic and allowed to take its course.

I was particularly upset with the proposal that no amendments to the deal are possible because that would disturb our American friends. The Minister also proposed this morning that indeed the committee will have the possibility to make amendments which can always be brought back to the House at report stage. I want to deal with that committee stage because that is the main purpose of my rising today.

Since the reform of the rules of the House, it has been the custom that legislative committees are made up of about seven members of the House. Standing Order 95(1) authorizes the striking committee, of which I am a member along with the Government Whip and New Democratic Party Whip, to name more than seven and up to a maximum of 30 Members to constitute a legislative committee.

Since the Government sets the number of members it will have on its committee, keeping in mind the proportions of representation in the House, it has been our response to have only one member of the Liberal Party and one from the New Democratic Party on most of these legislative committees. That makes it very difficult.

I want to ask the Government sincerely if we could not come to an amicable agreement in the striking committee for Bill C-130 where the Government would accept more members—indeed possibly raise it to 30 members—and give the Opposition a little more room and say in the committee with the intent of providing a thorough debate. Once this has been accepted as a *modus operandi*, I think it would re-establish a sort of trust between the Opposition and the Government.

It is quite possible to make amendments to the Bill in terms of the wording and the substance of the Bill. I refer you, Mr. Speaker, to Standing Order 114(10) which is quite explicit. It reads:

• (1610)

> The Speaker shall have power to select or combine amendments or clauses to be proposed at the report stage and may, if he or she thinks fit, call upon any Member who has given notice of an amendment to give such explanation of the subject of the amendment as may enable the Speaker to form a judgment upon it.

There is a very important paragraph entitled "Guidelines for Selection". I want to read it because it is very important for this debate. It reads:

> The Speaker will not normally select for consideration by the House any motion previously ruled out of order in committee and will normally only select motions which were not or could not be presented in committee. A motion, previously defeated in committee, will only be selected if the Speaker judges it to be of such exceptional significance as to warrant a further consideration at the report stage. The Speaker will not normally select for separate debate, a repetitive series of motions which are interrelated and in making the selection, shall consider whether individual Members will be able to express their concerns during the debate on another motion.

The reason I bring this matter to the attention of the House is that it is the Chair's decision whether there will be amendments in the House at report stage, in many cases, because a lot of the amendments are repetitive. Indeed, if the Government has its way in committee, there would only be friendly amendments to the Government's legislation. No other amendments would be allowed because of the numbers the Government has and because of the pressure it puts on the single members of the committee who may be Liberal or New Democrat. Of course, the Government gets its way every time without any discussion and it carries the day.

Therefore, I am saying in this procedural argument that I think the Government must show some understanding of the need to increase the numbers on the legislative committee from the practice in the last couple of years of seven to possibly triple or quadruple that number.

I see the Minister of Consumer and Corporate Affairs (Mr. Andre) is here and I want to address some of the difficulties we see with the omnibus Bill. I, for one, believe that Bill C-130 is a hodgepodge of some 27 statutes which conveniently were put together and grouped and will be presented in the House. Come any eventuality, the Government will have its way, even using closure, as the Minister for International Trade (Mr. Crosbie) has threatened. I want to quote from the debate in 1982. It may not be very relevant to say that the precedent created in 1982 should apply today. I was here in the House at that time. I sat in the Chair at night. The bells rang for two solid weeks. I think the House settled that issue when a compromise was reached to split the Bill into eight separate Bills. It was not the Speaker's decision. The House agreed to make that compromise.

In those days, the Hon. Member for Calgary Centre the present Minister of Consumer and Corporate Affairs, was quoted in *Hansard* on March 2, 1982. He said about the national energy Bill: "It is an incredible hodgepodge and mismatch of disparate items". He went on to say: "There is no protection in this Chamber from the tyranny of the majority". He then topped all his statements by saying: "Wide-ranging pieces of legislation, so-called omnibus Bills, cannot be debated properly because they cover too many topics". That is the point. Omnibus Bills can't be debated properly because they cover too many topics.

If I had time and you had patience, Mr. Speaker, I would read the number of Bills which will be amended, starting with the Canada Agricultural Products Standards Act, Department of Agriculture Act, Bank Act, Broadcasting Act and so on.

The issue was well put by the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) when he said all these Bills, which are as distinct from one another as night and day, are all grouped within this so-called omnibus Bill and are amended by Bill C-130. In fact, there are Bills listed which have not been passed by this House. I refer to Bill C-110 which just received second reading and was sent to a committee on April 28, 1988. That Bill has not been adopted by the House but is being amended by Bill C-130. One wonders what kind of game we are playing when even Bills which have not been adopted are being amended by Bill C-130.

I do not like the idea that no amendments can be brought forth. I do not like the idea of this omnibus Bill approach. I think it plays against normal democratic practices. I would hope that in your judgment, Mr. Speaker, you would rule the Bill unacceptable and would propose to the Government a course of action which would be more in keeping with democratic principles and thorough debate. I would hope the Government would see the light of day and come in with possibly a split—

Mr. Gray (Windsor West): A split is not enough.

Mr. Gauthier: Perhaps my House Leader could meet with the Government House Leader and come to some kind of agreement as to what the Government can do. We are not opposing the Government's right to introduce legislation. Indeed, the Government can propose and we will dispose. However, we are asking the Government to come to terms with us, do the sensible thing, meet with the House Leaders and come to terms with respect to a compromise, a good compromise which would offer us a guarantee of debate and possibly ensure better legislation.

Mr. Speaker: I thank the Hon. Member.

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, the Opposition has attacked Bill C-130 on the grounds it is procedurally objectionable because it is an omnibus Bill. It has quoted Speaker Lamoureux from 1971 and the 1982 National Energy Program omnibus Bill as precedents. I would like to show, Mr. Speaker, that in my humble opinion they are wrong. To do so, I will focus my remarks on two points. The free trade Bill puts one clear question before the House of Commons, whether or not to approve the free trade agreement. Second, the free trade Bill is not only procedurally in order but also the best way to proceed.

Before I address those two points, however, I would like to speak briefly to two preliminary issues. The first issue is whether or not this Bill is an omnibus Bill. That is, in my view, not the issue here. It is a matter of semantics. We on this side think the Bill is not an omnibus Bill at all. However, even if it were, it would not, for that reason alone, be procedurally

objectionable because not every omnibus Bill is objectionable. The *Oxford Dictionary* defines "omnibus" as "serving several objects comprising several items". This Bill serves only one object, to implement the Canada-U.S. Free Trade Agreement. It comprises only one item, the legislation necessary to implement that agreement. The fact it makes amendments to several Acts does not change the simple cohesiveness of the Bill.

Even if one accepted the Opposition's claim that this Bill is properly termed an omnibus Bill because it amends a significant number of Acts, that alone would not make it objectionable to this House. The issue is not whether the Bill is an omnibus Bill but whether it is out of order. As I will argue in a few moments, we are confident that not only this Bill is completely in order but that it is in the best possible form for discussion by the House.

The second point that I would like to dispose of at the beginning is the Opposition's demand that the Bill be divided. I will argue that there is no reason whatsoever for the House not to consider this Bill in its present form. But even if you, Mr. Speaker, were to find the Bill objectionable, it is clear from the rulings of previous Speakers that the Speaker will not order the Bill to be divided. I need only remind you, Mr. Speaker, of the 1982 precedent of Bill C-94, the Energy Security Act. At that time, members of my Party had argued vigorously and, in my view, with complete justification, that the omnibus energy Bill addressed too many disparate issues for the House to have a coherent debate and vote on it.

• (1620)

Your Honour will recall that that Bill was perhaps the clearest example of a procedurally objectionable omnibus Bill in our history. It created several unrelated new Acts, and made substantial unrelated amendments to several more statutes. When we finally agreed, by House order, to divide it, we had eight separate substantial Bills. Yet even in those circumstances the Speaker of the day could find no rule or precedent allowing her to divide the Bill.

The rules have not changed. A motion which contains more than one question is another matter, of course. However, it is clear that a Bill cannot be divided by the Speaker on the grounds put forward by the Opposition. It is up to the House to decide whether or not a Bill should be divided.

With respect to the main points, first, this Bill, the free trade Bill, puts a single question before the House. That being so, it clearly satisfies any test of procedural acceptability. The title of the Bill is not very long, however, it is abundantly clear. It is "an Act to implement the free trade agreement between Canada and the United States of America". That title sums up the purpopse and scope of this Bill eloquently and accurately.

The Bill is bulky. It does contain amendments to 27 existing Acts, but its single theme, its central and sole proposition, is this. The Government asks Parliament to approve and implement the Canada-U.S. Free Trade Agreement, period.

This is not a case where Parliament can pick and choose among the pieces of the Bill, or make substantial modifications to its contents. This is a Bill to give effect in Canadian law to a treaty signed with a foreign Government. If Parliament approves the agreement, the various amendments to existing legislation are a natural and necessary consequence. If we do not make all the amendments, the agreement will not be implemented by the United States, just as we will not implement the agreement if the United States does not make all the necessary amendments to its legislation. It is an all or nothing proposition that we are putting to the House—go ahead with the agreement, or do not.

Let me describe briefly the Bill in order to illustrate my point. It consists of five parts and two schedules. Part I approves and implements the agreement in general. Part II establishes the procurement review board, which carries out certain obligations in Chapter 13 of the agreement relating to government procurement. Part III amends the Special Import Measures Act, in order to establish the binational dispute settlement process called for by Chapter 19 of the agreement, and to reflect the agreement's provisions regarding emergency action. Part IV makes amendments to 26 existing Acts, the majority of which relate to imports and exports, agriculture and financial services. Every one of these amendments is required in order to meet our obligations under the free trade agreement.

Part V consists of transitional provisions, and the requirement that before legislation is brought into force the Governor in Council must be satisfied that the United States has taken satisfactory steps to carry out its side of the bargain.

Schedule I sets out the text of the agreement which was signed on January 2. It is included in the Bill for the purposes of convenience. Schedule II contains the Canadian tariff.

It will be abundantly clear to the House from this description that the Bill is in no way objectionable, procedurally or otherwise. It has one single unified purpose—to give legal effect to the free trade agreement. It does not create several new Acts. It makes amendments to a number of statutes, but the amendments are all directly related to the free trade agreement. The only matter of principle in the Bill is whether or not the free trade agreement should be approved. Once that is decided, the other provisions of the Bill follow as a necessary consequence.

My second main point is whether or not this Bill can be categorized as an omnibus Bill. It is being submitted to the House in the most appropriate form for consideration by the House. It satisfies every test of procedural acceptability.

Objections to putting omnibus Bills before the House generally speaking, are based on the fact that they contain unrelated amendments to several Acts, or enact several unrelated statutes. The fundamental reason that objection is taken to such Bills is that the House should not be denied the opportunity to express itself separately on each distinct proposal put before it. Where a single Bill contains several

distinct and unrelated propositions, it is not possible, particularly at second reading, for a Member to vote in favour of one and against another.

A number of tests have been suggested over the years as to what is acceptable in an omnibus Bill. First, there should be a theme of relevancy among its contents. Second, the contents of the Bill must be relevant to the umbrella raised by its long title. Third, the form of the Bill must be such as to allow coherent debate and voting at second reading stage. Next, the Bill should not contain several distinct and unrelated propositions, such as the enactment of several new and unrelated Acts. Finally, a single vote on the principle of the Bill should be appropriate.

Where an omnibus Bill meets these tests it is well recognized that it may be the best way to proceed. My colleague, the Minister of Consumer and Corporate Affairs, put it well in the debate on the energy security Bill when he said:

> —in many instances omnibus Bills are not only properly admissible but, indeed, are also the best way to proceed since the grouping of certain amendments or certain items aids in providing a coherence to the debate and discussion, and attempting to handle the subject matter by a different set of separate Bills would not only be wasteful of time but would also be confusing.

One or two precedents should serve to illustrate this principle. In 1980, the House passed "an Act to Amend the Pension Act, the Compensation for Former Prisoners of War Act, the War Veterans' Allowance Act and the Civilian War Pensions and Allowances Act". This was an omnibus Bill in the sense that it amended a number of Acts. But there was clearly a single, fundamental principle, namely, the increasing of pensions to veterans and others affected by war.

A second example is the Canada Post Corporation Act which created a new statute and amended 14 other Acts to make them consistent with the new legislation. It is clear that grouping these amendments in one Bill was an aid, not a hindrance, to proper parliamentary discussions and decision.

The free trade Bill, whether or not it is an omnibus Bill, meets all the tests I have mentioned. The Bill in its present form is the most appropriate, convenient and logical way to present to Parliament the legislation necessary to implement the free trade agreement. Because there is only one question of principle, debate will be coherent, and a single vote at second reading is not only desirable but proper.

Some Hon. Members: Hear, hear!

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I welcome this opportunity to say a few words about the procedure before the House today, particularly following the comments of the Hon. Member for Brampton—Georgetown (Mr. McDermid). He has stated clearly that the proposition the Government is putting before us is that all it has to do with regard to legislative implementation of the free trade Act is to put before the House a yes or no proposition. Either we want to implement the free trade agreement or we do not want to implement it. That raises a fundamental question about the purpose of this place. The notion of consent of the Government is one that is appropriate to a plebescite. It is inappropriate to a notion of representative democracy.

Thus we have to ask ourselves what is the purpose of this place. Fundamentally, the purpose of this place is to breathe life into the concept of democracy. It is to put the meat on the bones of the principles of democracy. The discussion before the House today has centred on the legislation, on the fact that it is omnibus legislation. That is to say that it is legislation that covers a large number of items. The fundamental question as put by my House Leader earlier today was with respect to whether or not one principle can come under the umbrella of a single Bill. This is a very important question, Mr. Speaker, not only in the sense of debating the abstractions of parliamentary procedure, but also the consequences of the procedural decision you will have to make. What are the consequences of that decision for this place and for democracy in this country?

• (1630)

I wish to refer to a basic principle of parliamentary democracy from Beauchesne's Fifth Edition. Under the heading "Principles of Parliamentary Law" it states:

> The principles that lie at the basis of English parliamentary law, have always been kept steadily in view by the Canadian Parliament; these are: To protect a minority and restrain the improvidence or tyranny of a majority; to secure the transaction of public business in an orderly manner; to enable every Member to express his opinions within limits necessary . . .

The fundamental point of this basic principle of parliamentary law is that the majority has to have an opportunity to govern, and at the same time a debate must provide a real opportunity for there to be a consent of the Government. In other words, just because the majority has a majority in this place it cannot run roughshod over the minority whose purpose here is to raise questions about what the Government is doing.

I wish to look at the decision you have to make, Mr. Speaker, in that context. What are the implications of your decision with regard to this legislation in terms of whether it contributes to the capacity of Parliament to allow for the governing of the country, or its capacity to allow for the consent of the people to be expressed?

While there may not be conclusive precedents to say that the Speaker will split legislation, surely whatever form your decision takes, Mr. Speaker, it will contribute to whether the legislation to implement the free trade agreement comes before us as one piece of legislation or as several pieces of legislation. Fundamentally, what we are dealing with here is the impact of your decision, Mr. Speaker, on how many pieces of legislation we will be faced with.

If this legislation to implement the free trade agreement were to come before us as as several pieces of legislation, the consequences of that would be to increase the amount of debate on the free trade agreement. That would therefore mean that the public would be better informed about the free trade agreement before Parliament is asked to decide on it. By making a decision that contributes in that direction, Mr.

Speaker, you would be promoting the capacity of Parliament to debate and to inform the public, without in any way impairing the capacity of the Government to govern. Even if we were to deal with several pieces of legislation, rather than one piece, which would have the consequence of increasing the amount of time that the House would spend on this matter, even if it went to the extent that the Government felt that it could not pass this legislation before it had to have another general election, the consequence of such decisions would simply be that the people of the country, having been informed through parliamentary debate, would have a chance to make a decision on whether or not the country will adhere to the free trade agreement.

If the voters then decided that they approved of the action of the Government, then the Government would simply be returned with a renewed majority to implement its policies based on a mandate from the people. Therefore, the capacity of the Government to govern through this institution would in no way be impaired.

However, if we go in the other direction, if a decision is made that the legislation necessary to implement the free trade agreement shall come before the House as a single piece of legislation so that all we are asked is a yes-or-no question, then obviously the amount of debate that the free trade agreement will receive in the country will be very much restricted as a result of that type of decision. The people will be less well informed, and obviously the desire of the Government to treat matters in the House in what it feels is an efficient matter would be promoted, but at a great expense to the amount and quality of debate in the country.

The decision that you make, Mr. Speaker, is a crucial decision. It will affect the capacity of this Parliament to serve as an instrument for the consent of the Government, and, therefore, in the long run for the real capacity to have democratic government in this country. The legislation before us is unprecedented in terms of its range. One only has to look at the "Table of Provisions" contained in the back of the Bill which indicates all the Acts to be amended by this legislation. Even when one looks at it from the point of view of the legislation that will be amended, it includes the Canada Agricultural Products Standards Act, the Bank Act, the Broadcasting Act, the Copyright Act, the Customs Act, and a whole range of other Acts. Because of its range the legislation is unprecedented. It requires full debate in order to achieve the consent of the people.

The historic nature of this debate is underlined by all of the statements from the Government as it points out that the free trade agreement will affect every sector of Canadian society, whether it is cultural, investment, or natural resources. All segments of Canadian society are concerned about this agreement.

We in the New Democratic Party caucus met with a group this morning called the Pro-Canada Network. It is made up of citizens from the labour movement, the environmental movement, and the peace movement who are concerned about the implications of this legislation for the arms policy in this country. It also included agricultural representatives and businessmen. The whole nature of Canadian society is impacted by this legislation. The Government is seeking to bring forward in this Chamber the notion that all that is required is a simple yes or no, or "Do you want to adhere to the free trade agreement?" That is a proposition that is appropriate if one is attempting to fashion a plebiscite, which is one of the instruments of democracy that exists in a theoretical sense and certainly exists in actual practice in the State of California. This very procedure is what we have criticized the free trade agreement in substance of doing, that is, Americanizing Canada.

Where we are today is a parliamentary chamber. We live and function in a representative democracy. We do not have a plebiscitarian democracy. We have a representative democracy. The fundamental nature of a representative democracy is that debate by representatives of the people on substantive matters will inform the public. The informed public will then bring the pressure of its decision and conclusions about what is going on to the Government. That will determine fundamentally in how many pieces this legislation is split, and whether such legislation will ever get through the House. Your decision, Mr. Speaker, contributes to the capacity of this Parliament to effect its fundamental purpose, namely to give life to democracy in Canada.

• (1640)

I referred at the beginning of my remarks to Beauchesne and to the principles of parliamentary law which indicate, and I will paraphrase, yes, there has to be an opportunity for a Government to govern, for the majority to govern. But there also has to be an opportunity for the minority in the House to give expression to the concerns of the people. You have to balance the capacity to govern with the necessity of getting the consent to govern.

The proposition placed before you is to bring forward one piece of legislation which says, "Do you want the free trade agreement or not? Yes or no". That is insufficient. The consequences of allowing that procedure to be followed will greatly diminish the debate given to this historic policy question facing Canadians. The consequence of making a decision to encourage the implementation of the free trade Bill through several pieces of legislation would be to provide greater opportunity for debate, greater opportunity to inform the public and greater opportunity to have a real democratic decision, to have the consent of the Government. That is a matter to which I would draw your attention as you make this very difficult and historic decision.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I have two or three points in wrapping up. I think in my presentation earlier today I referred to an incident where the Chair was stormed by members of the Opposition of the day. I

think I mentioned that was part of the debate on the imposition of the National Energy Program. That was not the case. I ought to have known. That incident took place during a constitutional problem.

Mr. Speaker: I thank the Hon. Member for Kamloops—Shuswap (Mr. Riis) for his correction. I also want the Hon. Member to know that your Chair who was then in another position, was not one of those who stormed the Chair.

Some Hon. Members: Oh, oh!

Mr. Riis: You are absolutely right, Mr. Speaker. The Chair was not one of those who stormed the Chair.

Some Hon. Members: Oh, oh!

Mr. Riis: I have two or three points to make before we complete this matter in sharing views on the appropriateness of the Bill before us. I do not want to repeat arguments but, in spite of what a number of interveners have said, this Bill does go beyond trade practices. We will be dealing with potential social programs, the ability or inability of the Government to enact comprehensive social programs. We will be discussing energy security for future generations, the future role of Crown corporations in Canada, the matter of investment and the role and changes that will result to financial institutions. These are issues that go beyond the trade implications of the treaty signed between Canada and the United States. For that reason, to debate each of these sectors properly, a separate Bill for each would be the most appropriate course to take.

On a more practical matter, if this Bill is allowed to proceed in its present form, which is extremely comprehensive and complicated and, as the Minister for International Trade (Mr. Crosbie) has indicated himself, is perhaps one of the most critical initiatives the House will debate since the Second World War, carrying horrendous implications when it comes to what the future of Canada will be, to be restricted to a 20-minute speech, as I and virtually everyone else in this House will be, makes it very difficult to reflect my constituents' views on such a wide range of issues. But that is what I am expected to do. If Hon. Members at second reading stage were simply to speak for 20 minutes, which is the maximum offered, that would come out to be 25 days of debate, let alone at committee, report stage and third reading. We need a sufficient amount of time to discuss this particular package. But to do it properly and break up the Bill would mean even more time. Canadians will understand that there is no reason to hurry a Bill of such importance, and we would we want to take perhaps a few months to examine it thoroughly.

I ask you to consider whether you feel that a Member of Parliament in 20 minutes would be able to reflect accurately the views of his or her constituents on all aspects of the Bill and then vote on the principle of it. What principle are we going to vote on, Mr. Speaker? Is it the principle of a binding settlement dispute mechanism? Members from all sides in this House have been calling for an improved dispute settlement mechanism when we get into trade disputes with our American friends. Perhaps some people would like to vote positively on that part of the Bill but against another which opens up Canada to increased foreign investment. Yet those alternatives will not be there.

I appeal to you, Mr. Speaker, to take the necessary step to enable Members of Parliament to do the job for which they were elected. The only way is to require the Government to break up the Bill into appropriate sections, so that to amend 27 different statutes will be done through a number of initiatives as opposed to one omnibus initiative.

Hon. Herb Gray (Windsor West): Mr. Speaker, I would like to bring something to your attention which I do not think has been raised before. It has been argued that this Bill does nothing more than implement the trade deal and that is its unifying purpose. I want to say parenthetically that it was argued back in 1982 that the single unifying purpose of the energy security Bill was to implement the National Energy Program, even though a number of Bills had to be amended and other legislative enactments had to take place. This argument was not acceptable to the Conservative Party at that time. Having heard the arguments of the spokespeople for the Government in that regard I began leafing through the Bill. For example, there are explanatory notes on facing pages to each page of the Bill. If one looks at page 88 of the Bill and its facing page one will find the word "New" after reference to the clauses. In some other cases, at page 81a of the Bill the explanatory note with respect to Clause 103 reads:

> This amendment would implement, in part, Article 405 of the Agreement.

Let me return to what I was saying a few moments ago. If one looks at page 88a, the explanatory note with respect to Clause 118 is simply the word "New". If one looks at the explanatory notes for Clauses 119 and 120, one finds simply the word "New".

• (1650)

It seems to me that this could well mean that the Bill goes beyond simply amending an existing statute to conform with the requirements of the trade deal between the Government of Canada and the Government of the United States. One sees in the explanatory notes in some cases words that suggest that the amendments would implement one article or another of the agreement. In other cases, one finds, by way of explanatory note, simply the word "New". I think this may well have some significance in responding to the words of the Government earlier today that Bill C-130 is totally different from the energy security Bill of 1982.

In any event, we are being asked to deal with changes to the established policy as set out in statutes adopted by this Parliament in a vast range of areas that go very far beyond trade, as that term is ordinarily used, and very far beyond the amendment of tariffs touching on trade between Canada and the United States. We are dealing with almosst the whole range of matters that the Government of Canada deals with as

well as actually or potentially the whole range of matters dealt with by the provinces and municipalities.

Having said that, I want to say that when there are no others who wish to speak on the issue of whether or not this Bill is of an acceptable or improper omnibus nature, I will be ready to raise for your attention and consideration other points which I believe touch on whether or not Bill C-130 is acceptable in its present form.

Mr. Speaker: I am conscious of what the Hon. Member for Windsor West (Mr. Gray) has just mentioned, and it is consistent with some remarks made earlier today that there may be other points to raise. I think the debate we have had until now is of considerable help to the Chair and I would like to leave the matter at that while I reflect upon it. I just want to make the commitment to the Minister of State (Mr. Lewis) and to the House Leaders that I will not come back into the House with this without giving ample indication of when I would like to rule.

It might also be helpful if the Hon. Member for Windsor West and perhaps the Hon. Minister and the Hon. Member for Kamloops—Shuswap (Mr. Riis) could meet with the Chair at our earliest convenience, just to discuss what other matters might properly be debated further. As I have indicated, if it is a matter of constitutionality, I have some very grave doubts as to whether as Speaker I am even authorized to hear those arguments. I wonder if I could ask the Minister and House Leaders to arrange with my office for a quiet discussion some time soon, perhaps first thing in the morning.

Mr. Lewis: Mr. Speaker, I welcome that initiative on behalf of the Chair. I believe I indicated earlier that we are prepared to discuss all aspects of the admissibility of the Bill today, and we naturally spotted the two areas within which an omnibus Bill was acceptable, and, second, whether it should be divided in principle. It was our reading of the rules, although I do not want to foreclose argument on the part of my friend, that the constitutionality of the Bill was something which the Chair, on previous occasions, had refused to deal with, and I also mentioned in my remarks that the question as to whether or not a reference to the Supreme Court was in order was, in our opinion, not appropriate because we have no final law to refer to the Supreme Court and it does not want to deal with hypotheticals just as we do not.

I think we should compliment all Hon. Members who took part today. Their debate on the admissibility of the Bill was very complete, and obviously they have done a lot of preparation. I welcome your comments indicating that we should get together, since I think the subject has been exhausted as to whether or not there are procedural arguments.

As I indicated to you, I think it is in the best interests of those on either side of the question that we commence the debate on substance as soon as possible. Without speaking for my friend from Kamloops—Shuswap, I think he and I discussed it earlier and he had a feeling that perhaps we had exhausted the admissibility arguments, although I do not want to prejudge his comments. I would welcome such a meeting as soon as possible in order that we could deal with this matter and get on with the debate on the substance of the Bill.

Mr. Speaker: I appreciate the remarks of the Hon. Minister of State. Without elaborating, I want to thank all Hon. Members for their contributions today. I also want to thank Hon. Members for obviously having exercised a considerable amount of hard work and self-discipline in directing their remarks to those issues which I, as your Speaker, have the obligation to resolve.

Just on a procedural point let me say that it is nearly five o'clock. I am in the hands of Hon. Members.

Mr. Lewis: Mr. Speaker, we had indicated our intention to call Bill C-129, the Air Canada privatization Bill, but in view of the time, I suggest that we suspend the sitting until five o'clock.

Mr. Gray (Windsor West): Mr. Speaker, I rise on a point of order. Could the Deputy House Leader confirm the business he intends to call tomorrow?

Mr. Lewis: Mr. Speaker, I will be looking into that right away and I will get back to the House immediately.

Mr. Speaker: I think it might be appropriate to call it five o'clock.

It being 5 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—BILLS

[*English*]

NON-SMOKERS' HEALTH ACT

MEASURE TO ENACT

The House resumed from Friday, April 22, consideration of Bill C-204, an Act to regulate smoking in the federal workplace and on common carriers and to amend the Hazardous Products Act in relation to cigarette advertising, as reported (with amendments) from a legislative committee; and the motions of Ms. McDonald

Motion No. 1.

That Bill C-204 be amended in Clause 2 by striking out lines 16 to 18 at page 1 and substituting the following therefor:

"(a) for an office building or other enclosed work space constructed prior to January 1, 1990 an enclosed space, and

(b) for an office building or other enclosed work space constructed on or".

Motion No. 2.

That Bill C-204 be amended in Clause 4 by striking out line 33 at page 3 and substituting the following therefor:

"other enclosed work space provided by an employer,".

Non-smokers' Health Act

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motions?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), a recorded division on the proposed motions stands deferred.

Ms. Lynn McDonald (Broadview—Greenwood) moved:

Motion No. 3.

That Bill C-204 be amended in Clause 5 by striking out line 4 at page 4 and substituting the following therefor:

"(b) a passenger ship registered under the *Canada*".

Motion No. 4.

That Bill C-204 be amended in Clause 5 by striking out line 6 at page 4 and substituting the following therefor:

"(c) a passenger railway train operated by a company".

The Acting Speaker (Mr. Paproski): Motions Nos. 3 and 4 have been grouped for debate. A vote on Motion No. 3 will apply to Motion No. 4. Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motions Nos. 3 and 4 standing in the name of the Hon. Member for Broadview—Greenwood (Ms. McDonald). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): We shall now proceed to the deferred divisions. Call in the Members.

• (1700)

And the division *bells having rung:*

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 13(4)(a), I have been requested by the Chief Government Whip to defer the division on the proposed motions. Accordingly, the division on the question now before the House stands deferred until tomorrow at six o'clock p.m., at which time the bells to call in the Members will be sounded for not more than 15 minutes.

It being 5.04 p.m., the House stands adjourned until tomorrow at eleven o'clock pursuant to Standing Order 3(1).

The House adjourned at 5.04 p.m.

HOUSE OF COMMONS

Tuesday, May 31, 1988

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour of tabling, in both official languages, the Government's response to twelve petitions numbered as follows: 332-4105, 332-4452 to 332-4456 inclusive, 332-4457, 332-4537, 332-4538, 332-4585, 332-4614 and 332-4641.

[*Editor's Note: See today's Votes and Proceedings*].

* * *

EMPLOYMENT

EMPLOYMENT EQUITY

Hon. Monique Vézina (Minister of State (Employment and Immigration)): Mr. Speaker, tomorrow we shall take one more step towards genuine employment equity in Canada.

As you know, the Employment Equity Act was passed in 1986. Under this legislation, all federally-regulated businesses which have 100 or more employees are required to submit an annual report on employment equity. The first series of annual reports is to be submitted not later than tomorrow, June 1.

For the very first time we will have information on the occupational levels and remuneration of four groups designated under the Employment Equity Act: women, Native people, members of visible minorities and disabled persons.

Judging from the reaction of employers, it is clear they are spending quite a bit of time and money to comply with the provisions of the legislation. They are aware of the benefits of, and the need for, improved employment equity in this country.

Before I continue my speech, Mr. Speaker, I would like to pay tribute to my colleague, the Minister of Communications (Miss MacDonald), who played a key role in introducing and preparing the Employment Equity Act. Thanks to her efforts as Minister of Employment and Immigration, we can now enjoy the benefits of this legislation.

Under the legislation, all federally-regulated employers, Crown corporations as well as private sector businesses, are required to eliminate employment barriers, to adopt special measures and to make arrangements to accomodate certain differences. As a result, the designated groups will be able to meet the competitive challenge in the workplace. Until now, these groups have not been given a fair chance. Special measures are therefore necessary to help them close the gap.

Under the legislation, the employers concerned, mostly in the fields of banking, transportation and communications, must identify and remove barriers to the employment and promotion of women, Native people, members of visible minorities and disabled persons.

Employers must make an effort to achieve equitable representation in their work force. To that end, they must ensure that designated groups are represented in all occupations and at all levels of their organization. Their annual reports must indicate the rate of representation of designated groups according to occupational categories and salary ranges; they must also report on hirings, promotions and terminations of target group members.

Subsequently, we will verify, process and analyse these reports. They will be published and made available to the persons concerned across Canada. Later this year, I shall table in the House my first annual report on employment equity.

Mr. Speaker, our country was built on diversity. Nevertheless, the Abella Royal Commission showed us that there exists in Canadian workplaces a system that has always denied the very existence of such diversity.

As Rosalie Abella said in her report, "It is not that individuals in the designated groups are inherently unable to achieve equality on their own, it is that the obstacles in their way are so formidable and self-perpetuating that they cannot be overcome without intervention."

Systematic discrimination excludes members of certain groups through rules or employment customs that have nothing to do with the position or that are unnecessary for sound, effective management.

It is a fact that the unemployment rate for the groups covered by the Act tends to be higher than for other Canadians

and many members of the target groups are underemployed. This situation well explains and justifies our action.

Employment equity programs do not restrain a company's growth, far from it. Making the most of the available skills and talents is a key to success.

The Employment Equity Act affects some 450 employers and more than 800,000 employees. The employers affected are required to develop and implement a complete employment equity program. In every region of the country, Employment and Immigration Canada has competent consultants who have helped them develop their programs and write the required reports.

We know that it has not been an easy task. Many employers experienced difficulties. But the worst is behind us. This first year will serve as a reference point. We are only beginning. I am sure that next June, employers will be better prepared. In the meantime, employment equity consultants from Employment and Immigration Canada can help them.

In 1986, to complement the Act, the Government created another employment equity program, for federal contracts, to encourage firms doing business with the federal Government to make their staff representative. Companies with at least 100 employees that wish to bid on government contracts for goods and services worth $200,000 or more must commit themselves to implementing employment equity. Furthermore, this commitment is part of the offer. So far, more than 1,000 firms have made this commitment.

The lack of contract compliance can result in the offer being rejected. In early 1987, as Minister of Supply and Services, I had to use this coercive power. Several companies had been asked to bid on a contract. They all sent their submission without the commitment to employment equity. Therefore, we refused to award this contract.

Employers who are awarded a contract can be audited on their premises by officials from Employment and Immigration Canada. Contractors who do not respect the signed commitment can be denied the opportunity to bid on other contracts. Employment and Immigration Canada consultants are also at their disposal to provide them with the necessary advice and assistance.

Government procurement is thus an important lever in implementing our employment equity policy. Through it, we can extend the principle of fairness defended by this program to areas of activity that it would have been quite impossible for us to reach.

Mr. Speaker, equity in the workplace will not be achieved overnight. It is a slow, sometimes painful process that takes patience and constant cooperation from all concerned. Nevertheless, I am convinced that thanks to the innovative employment equity programs launched by our Government, we will get there.

• (1110)

[*English*]

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I cannot believe that for the second time in two days the Government has come out with a wonderful flowery statement which has absolutely no validity in fact. I refer to the opening of Access Awareness Week yesterday. That from a Government which is building superboxes which are inaccessible to the handicapped. Access Awareness Week was launched by a speech from a municipal politician who told the disabled not to try to integrate their transit system because it would be too expensive and would never happen.

Now we have this wonderful statement on employment equity. Let us look at the reality of the so-called employment equity legislation which was passed by the Government. The legislation has all the power of a water gun. In fact, a water gun is perhaps more powerful than the legislation. It has all the power of an inflated balloon because there is absolutely no enforcement mechanism.

Let us look at what is happening with companies which claim they are responding to Bill C-62. The Maritime Employers' Association, in the name of employment equity, claims that it is following the provisions of Bill C-62. Some longshoremen who have been working in the business for 10, 15, or 20 years are losing their status. Some of them are being forced to take tests, supposedly in the name of employment equity. I do not see that many women working as longshoremen. The employers are actually using this Bill to compromise the employment status of current employees while not responding to the need to integrate women and minorities into the work force.

[*Translation*]

Mr. Speaker, the truth is that it is a hard and rocky road. It is also true there have been a number of detours since this Government came to power, and I am referring specifically to the fact that in 1986, for the first time in Canada's history, the wage gap between men and women grew wider. Instead of narrowing because of the Government's efforts, it grew wider!

[*English*]

In 1986, for the first time since statistics were kept on this issue, the wage gap between men and women in this country became larger on a percentage basis.

The employment equity legislation could have had teeth and force if the Government had accepted the more than three dozen amendments proposed by the Liberal Party to try to give it some enforcement power. In fact, the Government brought in a shallow mechanism which has no substance. Even the Canadian Human Rights Commission, which is not a partisan opposition body, believes that the only way employment equity can really be enforced is if the Canadian Human Rights Act is given the teeth to force employers to pay women the same as men for work of equal value, something which does not exist at the moment.

While we appreciate the fine words and rhetoric in the same way as we appreciated the lovely concert on Sunday night which was going to make all things accessible to all Canadians, the federal Government has not directed a single penny toward municipalities which want to improve their infrastructure in order to make their streets and municipal buildings accessible. Not one penny of federal money has been directed toward access awareness on the ground where it really counts.

In the same way, this legislation has absolutely no possibility for enforcement because there is no penalty provided and no mechanism in place to ensure that employers go ahead with employment equity. That is why you see employers—

[*Translation*]

. . . like the Maritime Employers Association which claims to comply with Bill C-62 but tells its employees who have been employed for 10, 12 or 15 years that they have to take tests, and at the same time they don't hire minorities, women or visible minorities.

So why is this situation being tolerated? Mr. Speaker, it is being tolerated because the Government introduced a Bill, said it would do something to provide for employment equity, but failed to provide an enforcement mechanism.

[*English*]

This is like setting up a Criminal Code amendment and telling a bank robber that he is not allowed to rob a bank but if he does there is no penalty, take the money and run. How can you have an employment equity bill which has no enforcement mechanism, no penalty against employers who do not comply, and absolutely no structure in place to make sure that employers are complying? The only compliance requirement is that they report. They can report that they are doing nothing and that is fine, that is totally within the ambit of this phoney piece of legislation.

I am not particularly happy about this statement, Mr. Speaker. I am not happy about a series of statements which have come from the Government which are nothing more than flowery rhetoric. We should hang our heads in shame to think that in 1986, for the first time since statistics were kept, under this Government the wage gap between men and women got wider rather than narrower. If we do not do something by way of amendment to improve legislation, in 10 or 20 years from now we will be giving the same speeches in the House of Commons.

[*Translation*]

Yes, the road is hard and rocky, and it is a long road. We are nearing the twenty-first century, and nothing has been done because although the Government was willing to make some nice, impressive speeches, it did not want to act and use legislation to require employers to set up employment equity programs.

[*English*]

That being said, Mr. Speaker, I certainly cannot endorse this statement.

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, the Minister has made a statement on advances in employment equity as she sees them. She has spoken about the good things that will happen under the employment equity Bill. This is another case of rhetoric being put forward as the next election draws near to try to suggest to Canadians that a great deal has been accomplished when the reality is so very far from that. When those Canadians who are in the target groups; aboriginal peoples, the disabled, visible minorities, and women—to put them in alphabetical order rather than in order of the numbers of their groups—consider their situation and learn what the reports will tell them, they will know that the Government failed profoundly in Bill C-62 a couple of years ago in refusing to recognize the necessity of doing far more than calling for reports.

• (1120)

According to a Canadian Press report today, 70 per cent of the disabled are unemployed. The federal Government will discover those realities with respect to Crown corporations and areas under federal regulation upon which this legislation focuses, but what good will only having information about the shortcomings of employment do for those people?

The sad realities of inequity in employment in the past required far more action than is taking place. Of course, the Government tries to make much more of it.

[*Translation*]

The Minister said, and I quote:

> Under this legislation all federally-regulated employees, Crown corporations as well as private sector businesses, are required to eliminate employment barriers, to adopt special measures and to make arrangements to accommodate certain differences.

Actually, the legislation only requires employers to submit these reports. It does not require them to prepare a longer term strategy.

[*English*]

The most profound failure in this employment equity Bill is the Government's failure to require an action plan by employers. It is not for lack of attempts by the New Democratic Party and the Liberal Opposition to amend the Bill and strengthen it in ways that we see this end result.

The Minister praised her colleague, the former Minister of Employment and Immigration, the Minister of Communications (Miss MacDonald), who introduced the Bill. She stubbornly stood by the draft that had been put forward. While there were some minor amendments, the major amendments required to make this a genuine employment equity Bill were refused. The Minister's colleagues stood by that Bill and refused to make the required changes. Therefore, there is no point in joining the Minister in any praise for her

colleague or in any great recognition of what the Government has done.

There is a great desire to make much of the reporting aspect and it would be very hard to top the Minister's statement this morning as a celebration of what reporting might achieve. We will learn what are the actual shortcomings and inequities and that this information will be rapidly digested and made available.

The Minister will make a statement and the reports will be made available throughout the country for people to buy. I only ask in passing how much these reports will cost lobby groups and those who wish to maintain the pressure. I hope the price will be quite low and that the information will be made available as quickly as possible so there will be no long delays that will enable employers to say that reports on their lack of progress toward equality are out of date. If there is too long a delay it will be too easy for employers to say that their circumstances have changed dramatically. There must be speedy action and abundant publicity about these reports to realize the potential the Minister has expressed about them.

There must be stronger provisions in the way of requirements on employers to take action. The Minister asserts that employers will take this action, but I am tempted to say this statement is in the long-standing Liberal tradition that by revealing the shortcomings of people they are motivated to correct them. Liberals have believed in that practice for too long, and it is distressing to see Conservatives practising the same short-sighted, indeed blind policy. People very often do not want to make a change unless they are compelled to do so.

Action plans must be required of employers so that they can stipulate the goals and targets they wish to achieve. Employers should be required to present their action plans to the agency that would actively monitor them to ensure that employment equity is actually achieved, as the Act claims it will do. Only if those steps are taken will those in the target groups and Canadians generally be sure that we will have more fairness in employment.

Another important aspect to consider is that the Bill is limited in its focus on Crown corporations and private enterprise under federal regulation. The Government has managed to keep itself clear of obligations to report and that refusal to take this responsibility is particularly regrettable. I believe employers who are facing these demands ought to be able to look to the federal Government to provide an example by revealing the shortcomings in employment in the federal Government and its institutions and then indicating targets and deadlines by which the situation concerning employment equity will be corrected.

I have seen figures for various groups setting limited goals and the shortcomings in information are quite obvious for a number of them. The statistics for the current situation in federal institutions are simply not available. The Treasury Board carried out a voluntary census among the various federal institutions. We cannot be sure how close those statistics came to revealing the true situation, but the need to be quite clear about the situation for various groups leads me to call on the Government this morning to practice the same principles internally.

Surely the Treasury Board can act on these matters and take to itself the obligation to work under the employment equity Bill and ensure that leadership is being given to employers in the federal institutions.

I suggested during third reading debate a couple of years ago that it would be five years after a report before a government would be ready to take action. The next election may change this because we New Democrats would love to have the opportunity to make real progress toward employment equity. However, there is the possibility that years may pass before there is stronger legislation to make the kind of real progress to achieve employment equity that the Minister is claiming this morning will be the result of the present rather weak Bill.

* * *

[*Translation*]

STRIKING COMMITTEE

PRESENTATION OF SIXTY-SECOND REPORT

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour of tabling the Sixty-second Report of the Striking Committee.

[*Editor's Note: See today's Votes and Proceedings.*]

* * *

[*English*]

PETITIONS

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, this petition is from residents of 759 Victoria Park Avenue in the constituency of Scarborough West who avail themselves of their ancient and undoubted right to present a grievance common to them, in the certain assurance that this honourable House will provide a remedy.

The petitioners humbly sheweth that whereas the distinguished Justices of the Supreme Court have left Canadians without any law restricting abortions and nothing in the Supreme Court decision has established abortion as a right, and human life is a continuum from the moment of conception to the moment of death, these petitioners pray and call upon Parliament to pass into law legislation that will protect the life of the unborn from conception and at all stages of development, with the exception of those cases where an abortion is performed to save the life of the mother.

• (1130)

SUPPORT FOR BILL C-204—NON-SMOKERS' HEALTH ACT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have a petition to present to the Honourable House of Commons. Whereas cigarette smoking is Canada's major preventable health hazard and is responsible for 35,000 Canadian deaths each year, and whereas secondary smoke is implicated in the deaths of 500 involuntary smokers each year, and whereas Bill C-204 seeks to protect the health of Canadians by restricting the promotion of tobacco and guaranteeing smoke-free air to Canadian workers and travellers, wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to enact the Non-Smokers' Health Act.

PROTECTION OF RIGHTS OF THE UNBORN

Mr. John Oostrom (Willowdale): Mr. Speaker, it is my duty to present a petition on behalf of a number of constituents, mostly from my riding of Willowdale and some from the Town of Thornhill. Your petitioners deplore the fact that the Supreme Court of Canada struck down Canada's abortion law leaving pre-born children without any legal protection. Your petitioners humbly pray and call upon Parliament to quickly enact effective laws to protect the lives of unborn children from the moment of conception.

CALL FOR RESEARCH INTO PREVENTION AND CURE OF SCHIZOPHRENIA

Mr. John Oostrom (Willowdale): Mr. Speaker, I have a second petition on behalf of a number of constituents from Willowdale, Newmarket, Markham, Stouffville, Richmond Hill, Unionville, Sutton, Uxbridge and Scarborough. Your petitioners realize that schizophrenia is a major illness and biochemical brain disorder costing Canadian society over $3 billion annually in direct health and support costs. They are also are certain that a cure can be found. Wherefore your petitioners humbly pray and call upon Parliament to ensure that research efforts be commensurate with the seriousness of this illness in Canada.

SUPPORT FOR BILL C-204—NON-SMOKERS' HEALTH ACT

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, I have a petition from a number of residents of the Toronto area, some from Ottawa, Markham, Woodbridge, Bramalea and Scarborough. The petitioners point out that cigarette smoking is Canada's major preventable health hazard and is responsible for the deaths of 35,000 Canadians each year. Secondary smoke is implicated in the deaths of 500 involuntary smokers each year. Whereas Bill C-204 seeks to protect the health of Canadians by restricting the promotion of tobacco and guaranteeing smoke-free air to Canadian workers and travellers, wherefore your petitioners humbly pray and call upon Parliament to enact the Non-Smokers' Health Act, Bill C-204.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have the honour to present two petitions, one petition from the residents of Winnipeg and one petition from residents of Toronto. The petitioners say that whereas cigarette smoking is Canada's major preventable health hazard and is responsible for 35,000 deaths each year in Canada, and whereas secondary smoke is implicated in the deaths of 500 involuntary smokers each year, and whereas Bill C-204 seeks to protect the health of Canadians, therefore your petitioners humbly pray and call upon Parliament to enact the Non-Smokers' Health Act, Bill C-204.

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Paul Gagnon (Calgary North): Mr. Speaker, I have both the honour and privilege to present a petition signed by 241 citizens, mainly of Calgary North but also from the ridings of Calgary West and Calgary South. The petitioners call upon the Government to enact a law on abortion. They say it is becoming increasingly common for abortion to be used as a method of birth control and abortion should not be tolerated by Canadian society. Wherefore the undersigned humbly pray and call upon Parliament to act upon the problem of abortion and restore to the system legislation which protects the life of the human foetus. As in duty bound your petitioners will ever pray.

SUPPORT FOR BILL C-204—NON-SMOKERS' HEALTH ACT

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I have two petitions to present to the House. The first petition is from people in Winnipeg who indicate that cigarette smoking is Canada's major preventable health hazard and is responsible for 35,000 Canadian deaths each year. Secondary smoke is implicated in the deaths of 500 involuntary smokers each year. Bill C-204 seeks to protect the health of Canadians by restricting the promotion of tobacco and guaranteeing smoke-free air to Canadian workers and travellers. Wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to enact the Non-Smokers' Health Act, Bill C-204.

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, in my second petition the petitioners indicate that the Conservative Government had no mandate from the Canadian people to conclude a free trade agreement with the United States. The Prime Minister (Mr. Mulroney) promised in the course of the bilateral trade negotiations that Canadian sovereignty would not be compromised, but the trade agreement negotiated by the Conservative Government threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to effectively control foreign ownership, to develop Canadian energy resources in the best interest of Canadians and to equalize opportunities between the regions. Therefore the undersigned, your petitioners, humbly pray and call upon Parliament to dissolve and allow the people of Canada the

opportunity to accept or reject the proposed free trade agreement during a national general election.

SUPPORT FOR BILL C-204—NON-SMOKERS' HEALTH ACT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is my duty and, indeed, a privilege this morning to present two petitions. The first petition refers to the fact that Canada's major preventable health hazard is smoking and is responsible for 35,000 deaths each year in Canada. Another 500 people die from involuntary inhaling other smokers' smoke. Therefore the petitioners are calling on Bill C-204 to be passed by the Parliament of Canada as quickly as possible because Bill C-204 seeks to protect the health of Canadians by restricting the promotion of tobacco and guaranteeing smoke-free air to Canadian workers and travellers.

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I have another petition which has been certified as correct pursuant to Standing Order 106. The petitioners indicate that the present federal Government lacks a mandate from the people of Canada to conclude a trade deal with the United States. They believe that in the course of negotiations, the Prime Minister (Mr. Mulroney) promised that our sovereignty in Canada would not be compromised and in fact they believe it has. They also feel that the agreement would deny Canada the policy freedom to determine its own economic future and would undermine Canada's ability to develop a society distinct from that of the United States. Therefore the petitioners are asking that Parliament now dissolve to enable the people of Canada an opportunity to accept or reject the proposed trade deal during a national general election.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, it is my honour and duty to present two petitions. The first petition is from a group of citizens of the community of Shellbrook, Saskatchewan, who call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election. The petitioners believe the said agreement does not give Canadians secure access to the U.S. market, which was the key objective of these negotiations, and threatens hundreds of thousands of Canadian jobs.

SUPPORT FOR BILL C-204—NON-SMOKERS' HEALTH ACT

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my second petition is from a group of citizens from Kelowna, British Columbia, to Ottawa, Ontario. The petitioners feel that whereas cigarette smoking is the major preventable health hazard in Canada and is responsible for 35,000 Canadian deaths each year, and that Bill C-204 seeks to protect the health of Canadians by restricting the promotion of tobacco and guaranteeing smoke-free air to Canadian workers and travellers, therefore the petitioners call upon Parliament to enact the Non-Smokers" Health Act, Bill C-204, as quickly as possible.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 274 and 326.

[*Text*]

GRANTS/LOANS TO ORGANIZATIONS IN METROPOLITAN TORONTO

Question No. 274—**Mr. Redway:**

Since September 4, 1984, did the Department of the Solicitor General make grants and/or loans to persons or corporations, non-governmental organizations and governments within Metropolitan Toronto and, if so, to which ones and, in each case, in what amount and for what purpose?

Hon. James Kelleher (Solicitor General of Canada): Between September 4, 1984, and February 26, 1988, the Secretariat of the Ministry of the Solicitor General gave the following grants in the Metropolitan Toronto area:

	1984-85	1985-86	1986-87	1987-88
The Salvation Army (after-care services)	$ —	$ 90,000	$ 88,200	$ 88,200

* Note: In fiscal years 1984-85 and 1985-86, the Ministry Secretariat gave a grant of $3,750,000 to the Treasurer of Ontario for the implementation of the Young Offenders Act. As the Treasurer of Ontario's offices are located within Metropolitan Toronto, the Ministry's accounting system shows the money as having been given "within Metropolitan Toronto". However, it is only the provincial government that could provide a breakdown of where the money was subsequently spent.

REFITS FOR *CORMORANT* AND *SHAMOOK*

Question No. 326—**Mr. Harris:**

In 1986 and 1987, were refits or other repairs carried out on the HMCS *Cormorant* and the Fisheries Research Vessel *Shamook* and, if so (*a*) on what dates (*b*) at what dockyards (*c*) were tenders called and, if so, in each case (*i*) what amounts were bid in each submission (*ii*) which facilities submitted bids (*d*) what were the final costs of each repair (*i*) in total (*ii*) for labour (*iii*) for material (*iv*) for any cost overruns (*v*) for each other category that can be identified (*e*) were there any conditions or requirements for the submission of a tender bid by any interested yard expected by the department issuing those tenders?

Hon. Otto Jelinek (Minister of Supply and Services): HMCS *Cormorant*. (a) From July 6, 1987 to February 9, 1988. (b) Pictou Industries Ltd., Pictou, N.S. (c) (i) and (ii) Request for proposals were sent to six companies in the Atlantic region. Four firms responded as follows:

Shipyard	Known Work	Total evaluation price which includes projected work arisings
* Newfoundland Dockyard	$3,310,444.26	$3,786,013.26
Pictou Industries Ltd.	$3,570,946.51	$4,358,369.51
HDIL Dartmouth Ships	$3,648,121.09	$4,515,475.09
Shelburne Marine	$4,212,555.46	$4,989,300.46

(d) (i) Final total cost for complete work package $4,178,199.26 which produced a known work/work arising rates of approximately 85:15. (ii) (iii) No break-out of material/labour costs can be furnished as contractors' price submissions for each refit item was all inclusive. (iv) No cost overruns. (v) Not applicable.

(e) *Newfoundland Dockyard submitted the lowest bid but were found non-responsive as there was no management/union labour agreement which was a firm requirement of DND. Fisheries Research Vessel *Shamook*. (a) From April 13, 1987 to May 22, 1987. (b) Clarenville Drydock Ltd., Clarenville, Nfld.

(c) (i) (ii) Yes.

Clarenville Drydock Ltd. $19,876.45

Newfoundland Dockyard Inc. $22,033.29

Marystown Shipyard Ltd. $22,084.49

(d) (i) Final Cost $31,630.74. (ii) (iii) Unable to give labour and material breakdown. Contractors bid by job lots. (iv) No cost overuns. (v) Not applicable.

(e) No.

[*English*]

The Acting Speaker (Mr. Paproski): The questions as enumerated by the Parliamentary Secretary have been answered.

Mr. Hawkes: I ask that the remaining questions be allowed to stand.

The Acting Speaker (Mr. Paproski): Shall the remaining questions stand?

Some Hon. Members: Agreed.

• (1140)

The Acting Speaker (Mr. Paproski): I wish to inform the House that because of the ministerial statement Government Orders will be extended by 24 minutes beginning at 1 p.m.

GOVERNMENT ORDERS

[*English*]

TOBACCO PRODUCTS CONTROL ACT

MEASURE TO ENACT

The House proceeded to the consideration of Bill C-51, an Act to prohibit the advertising and promotion and respecting the labelling and monitoring of tobacco products, as reported (with amendments) from a legislative committee.

The Acting Speaker (Mr. Paproski): There are 19 motions in amendment on the Order Paper to amend Bill C-51, an Act to prohibit the advertising and promotion and respecting the labelling and monitoring of tobacco products. After deliberation, I am now ready to make a ruling with respect to their acceptability. All of these motions I find are in order.

Motions Nos. 1, 2, 3, 4, 5 and 6 all deal with advertising and will be grouped for debate and voted on as follows. If Motion No. 1 is carried, the question will not be put on Motion No. 2. A negative vote on Motion No. 1 necessitates a vote on Motion No. 2. An affirmative vote on Motion No. 2 will obviate the necessity of a vote on Motions Nos. 3 and 4. Motions Nos. 5 and 6 will be voted on separately.

Motions Nos. 7, 8, 9, 11 and 12 all deal with promotion and sponsorship. They will be grouped for debate and voted on as follows. An affirmative vote on Motion No. 7 will obviate the necessity of a vote on Motions Nos. 8 and 9. A negative vote on Motion No. 7 necessitates a vote on Motion No. 8. An affirmative vote on Motion No. 8 will obviate the necessity of a vote on Motion No. 9. A negative vote on Motion No. 8 necessitates a vote on Motion No. 9. Motions Nos. 11 and 12 will be voted on separately.

Motion No. 10 standing in the name of the Hon. Member for Vancouver East (Ms. Mitchell) is virtually the same as an amendment which was moved, debated and negatived in committee. Therefore in accordance with Standing Order 114(10), it will not be selected for debate in the House.

Motions Nos. 13, 14, 15 and 16 deal with reports, regulations, offences and punishments. They will be grouped for debate but voted on separately.

Motions Nos. 17, 18 and 19 dealing with the coming into force of the Bill, will be grouped for debate but voted on as follows. An affirmative vote on Motion No. 17 will obviate the necessity of a vote on Motion No. 18. A negative vote on Motion No. 17 necessitates a vote on Motion No. 18. Motion No. 19 will be voted on separately.

I will now propose Motions Nos. 1, 2, 3, 4, 5 and 6 to the House for debate.

Hon. Bill McKnight (for the Minister of National Health and Welfare) moved:

Motion No. 1

That Bill C-51 be amended in Clause 4

(a) by striking out lines 37 to 40 at page 2 and lines 1 to 3 at page 3 and substituting the following therefor:

"4.(1) No person shall advertise any tobacco product offered for sale in Canada.

(2) No person shall, for consideration, publish, broadcast or otherwise disseminate, on behalf of another person, an advertisement for any tobacco product offered for sale in Canada.

(3) For greater certainty, subsection (2) does not apply in respect of the distribution for sale of publications imported into Canada or the retransmission of radio or television broadcasts originating outside Canada.

(4) No person in Canada shall advertise a";

(b) by striking out lines 7 to 9 at page 3 and substituting the following therefor:

"Canada primarily for the purpose of promoting the sale in Canada of a tobacco product

(5) Notwithstanding subsections (1) and (2), the";

(c) by striking out lines 32 to 34 at page 3 and substituting the following therefor:

"(c) a health warning is provided in accordance with the regulations on any sign put in place after the coming into force of"; and

(d) by striking out lines 36 to 45 at page 3 and substituting the following therefor:

"(6) In subsection (5), "sign" does not include

(a) a sign displayed at the place of business of a retailer; or

(b) a representation described in paragraph 6(1)(a) or (b)."

Ms. Lynn McDonald moved:

Motion No. 2.

That Bill C-51 be amended in Clause 4 by striking out lines 12 to 32 at page 3 and substituting the following therefor:

"signs at any time before July 1, 1988, if a health warning as prescribed by the".

The Acting Speaker (Mr. Paproski): As the Hon. Member for Vancouver East (Ms. Mitchell) is not in the House, is there unanimous consent to have the Hon. Member for Winnipeg North (Mr. Orlikow) move the motions which stand in her name?

Some Hon. Members: Agreed.

Ms. Lynn McDonald (for Ms. Mitchell) moved:

Motion No. 3

That Bill C-51 be amended in Clause 4 by striking out line 18 at page 3 and substituting the following therefor:

"year does not exceed one-half of the".

Motion No. 4

That Bill C-51 be amended in Clause 4 by striking out line 28 at page 3 and substituting the following therefor:

"exceed one-quarter of the expenses of the ".

Hon. Bill McKnight (for the Minister of National Health and Welfare) moved:

Motion No. 5

That Bill C-51 be amended in Clause 5

(a) by striking out lines 12 to 15 at page 4 and substituting the following therefor:

"name, otherwise than in association with a tobacco product, for the purpose of advertising the retailer's business, except by means of a radio or television transmission; and"; and

(b) by striking out lines 24 and 25 at page 4 and substituting the following therefor:

"a term allowing for the extension or renewal of the contract after that day."

Ms. Lynn McDonald moved:

Motion No. 6

That Bill C-51 be amended in Clause 5 by striking out line 17 at page 4 and substituting the following therefor:

"ness, at any time before January 1, 1989,".

She said: Mr. Speaker, I am pleased to take part in the debate on Bill C-51 with respect to the amendments. We have a number of amendments before us this morning. Some of them are housekeeping amendments, and some of them are more substantive. Let me get right to them.

The first motion is a very long and involved motion. Some aspects of it are merely housekeeping. I will not comment on those aspects of it. However, there is one part of Motion No. 1 which is not merely housekeeping. I am very concerned about it.

It is one that would change the wording: "No person shall advertise any tobacco product in Canada." to: "No person shall advertise any tobacco product offered for sale in Canada." This change in wording seems to indicate that one can advertise tobacco that is not for sale in Canada but which is for sale somewhere else. One might wonder why anyone would bother to do that if they cannot sell it in Canada. However, the result is that it is a promotion of tobacco and a promotion of smoking. It can have a generic effect of saying: "Tobacco is all right. It is even good for your health—nothing wrong with it".

This wording was much discussed in committee. The original wording was more along those lines, and we got rid of it. We changed the wording to close what would seem to be an inadvertent loophole which would permit advertising in Canada of products that are not for sale in Canada but nonetheless which would give the impression that tobacco products were just fine to buy. What we really need to get rid of is tobacco advertising, period.

We have to realize that in other countries loopholes have been used by tobacco companies. They have advertised lighters. They use the same logos and the same colours. By advertising lighters or matches, they are in effect advertising tobacco. Therefore, any loophole which is allowed in here can be a very serious one. I think we have to treat this as something that could weaken the impact of this much needed legislation.

My Motion No. 2 would restore to Bill C-51 the spirit that was approved at second reading. It changes the three year

phase-in of billboards to a date six months later than the second reading of Bill C-51. Bill C-51 was better in its original version in this respect. It was watered down to allow for this three year phase-in. I am suggesting that we go back to the original spirit of the law and bring it in much more quickly. When we consider that 35,000 Canadians are dying every year from tobacco related diseases and that the death toll from involuntary smoking is certainly in the hundreds, we should not be gingerly phasing in this ban on tobacco advertising but we should be working promptly to see that this encouragement of taking up a habit that kills people is ended as soon as possible.

With respect to Motion No. 3, if we must have a phase-in of billboard advertisements, this would reduce the amount of money that could be spent on advertising from two-thirds to one-half in the second year. That is relevant to current levels. This is a practical amendment. I would rather get rid of it completely and do so promptly. However, if we are going to have a phase-in let us at least reduce the amount, put limits on it so that it is clearly a phasing out and not an opportunity for advertising to continue at current levels.

Motion No. 4 is similar to Motion No. 3. It allows in the third year of the phase-in period a quarter of current billboard spending. Again, it is in the spirit of let us get rid of it and let us have clear caps on the amount of spending that would be permitted.

• (1150)

Motion No. 5 comes from the Government. It is a good amendment. It would tighten the loophole that is given to merchants to advertise tobacco names in their shop names, for example, "Lynn's Tobacco Shop". This type of advertising would not be permitted in radio and television ads, although it would be permitted in signs. The second part of the motion is merely housekeeping, and we would support that.

Finally, in the first set of amendments is Motion No. 6. This is one of my amendments and it would restore to the Bill the original date in the second reading version for the removal of in-store advertisements. Here again the original Bill was better. As a result of a lot of pressure put on by this very profitable industry that is killing people in the process of making money, unfortunately one result was that amendments were brought in at committee stage which weakened the provisions of this Bill.

The health community is looking at this Bill. It does not wish to see further amendments. That was said very clearly at committee stage. The health community considers this a minimal measure. At the municipal level there is legislation for the workplace, and here the Government has brought in no workplace legislation whatsoever. This is a very minimal action for advertising and for sponsorship. It is not complete. It is not thorough. It will go a long way, but we do not want it to be watered down any further.

The whole purpose of the amendments that I have brought in is to deal with some of these matters where there was too much watering down at committee, and get the Bill back on track to where it should be. The health community is saying: "Don't water it down any more. Let us take Bill C-51 as it is and let us get it into operation". Let us restore the spirit of the amendments that we agreed on earlier at second reading and get on with adopting this important piece of legislation.

The Acting Speaker (Mr. Paproski): Is the House ready for the question? On debate, the Hon. Member for Hamilton East (Ms. Copps)

Ms. Sheila Copps (Hamilton East): Mr. Speaker, first I wish to express my absolute disbelief that the Minister is not present to speak to the legislation. I thought the reason we went through that ridiculous—

The Acting Speaker (Mr. Paproski): The Hon. Member does not need to mention whether the Minister is in attendance. The Hon. Member has been here for quite a while, so I would hope that she would just get on with the motion.

Ms. Copps: Thank you, Mr. Speaker. We played political leap-frog yesterday because the Government in its wisdom saw fit to ignore a chance to finally put Bill C-204 into law. In that regard, I wish to congratulate the efforts of the Hon. Member for Broadview—Greenwood (Ms. McDonald), who has shown an incredible intestinal fortitude in pursuing her Bill in the face of constant thwarting, confusion, and disinformation on the part of the Government. The reason I am shocked that we played this political leap-frog yesterday was that I expected, of course, that the Government was going to move with the Minister today to expedite Bill C-51. Although I cannot comment on the presence or absence of Members, I am shocked. Parliamentary secretaries can be hard working and well-intentioned, but I would have liked to hear from the Minister.

If one reads Motion No. 1, Subclause (3) I believe that this amendment has been moved specifically because of the free trade agreement. That amendment reads:

> (3) For greater certainty, subsection (2) does not apply in respect of the distribution for sale of publications imported into Canada or the retransmission of radio or television broadcasts originating outside Canada.

What has changed between the original wording in Bill C-51 and this particular motion, which we cannot support, is the fact that the Government, in its wisdom, in the final wording on the free trade agreement decided that it would offer preferential tax treatment to American advertisers, in the same manner as is currently available to Canadian advertisers in magazines. One might say that that is totally unrelated to the Bill that is before us. What is being set up here by way of Bill C-51 is a limitation and a prohibition on advertising in Canadian magazines of Canadian tobacco products beyond a certain date.

Presumably, entrepreneurial American advertisers and tobacconists who may see the possibility of moving into the Canadian market in the near future as a result of the trade agreement could very easily receive preferential tax treatment to advertise American tobacco products in American magazines which are also available for sale in Canada. That particular issue was discussed in detail in committee. In fact, it was determined in committee that we did not wish to permit a situation where American tobacconists and American advertisers could bypass our law by attempting to target the Canadian market. The unanimous view of the committee was thwarted specifically by Subsection (3). Basically, that subsection is stating that it is *carte blanche* for Americans to come in with American magazines loaded up and targeted toward Canadians, for which they will get preferential tax treatment, and attempt to capture a larger share of the Canadian market.

If we are entering into a free trade agreement, and if we are saying to Americans that they can come in and trade in any number of commodities, the same legislation that will apply to Canadian advertisers should also apply to any American advertisers who may want to target the Canadian market. By virtue of Subsection (3) the Minister is prohibiting any action that might be taken by the Canadian Government to stop the bootleg advertising that could occur and, in fact, could be attractive to Americans who, as a result of the trade agreement, are getting preferential tax treatment, and who will also see the opportunity to come in and capture a market share which would be stabilized as a result of the Canadian decision to prohibit advertising.

This is a glaring loophole for American tobacco companies and American advertisers which should not be allowed to pass by way of this particular amendment. That is why we cannot support the totality of Motion No. 1. We see that particular amendment as an attempt to permit American tobacco companies and American advertisers to launch an assault on the Canadian market with preferential tax treatment in the manner that is currently being disallowed for Canadian advertisers and Canadian tobacco companies. That is not acceptable.

Therefore, in relation to Motion No. 1, we strongly urge the Parliamentary Secretary, since the Minister has seen fit to be elsewhere, to prevail upon the Minister to pull this subsection which is an assault on the integrity of the Bill, and by way of specific amendments to ensure that American companies will not be able to exploit a situation which will flow from the adoption of this legislation, and that is specifically as it relates to the rights of Americans to advertise American products targeting Canadian markets.

The Hon. Member is shaking her head. Perhaps she did not have the opportunity to read the position paper put forward by the Law and Government Division representative, Mr. James R. Robertson. He prepared a paper for the committee. It was his view that if preferential tax treatment were offered under the free trade agreement, there would be the potential of a threat from American advertisers who, in an indirect way, attempted to get their message across to the Canadian market-place.

Many people in my home town of Hamilton watch CHCH television, but many people also flick the television to U.S. channels and are very subject to the onslaught of U.S. advertising. In the spirit of the so-called trade agreement, surely the Minister should make provisions to cut this off at the pass and ensure that entrepreneurial tobacco companies will not be using border crossings, border magazines, and border broadcasts as a way to indirectly target the Canadian market-place. That is why this amendment cannot go through. It specifically prohibits the Canadian Government from taking action against these advertisers.

• (1200)

I was one who fought in committee to specifically change the wording so that instead of just referring to advertising in Canada, it would say "no person", so that a company in New York could not be hired to direct an advertising campaign out of the United States into the very populous market-place of southwestern Ontario, a place which is very subject to the onslaught of American advertisers. Unfortunately, the concerns of the committee have been watered down and in fact nullifed by this particular motion. That motion obviously cannot pass.

With respect to Motion No. 2, given that the Minister has taken much longer than had been anticipated in bringing Bill C-51 forward for final reading, the Hon. Member for Broadview—Greenwood realized that to move an amendment which would affect health signs posted before July 1 at this point would be rather moot. By the time the Bill gets Royal Assent, July 1, 1988, will obviously have passed and the Minister may want to look at changing that date or in some way modifying that. I find that at this point, Motion No. 2 is almost redundant, given that the Minister was so long in bringing the Bill forward.

Motions Nos. 3 and 4 obviously deal with grandfathering. The Minister did make a compromise which was a response to sports organizations and other cultural organizations that were concerned about the possibility of getting alternate funding. The motions that have been moved by the Hon. Member for Winnipeg North (Mr. Orlikow) basically cut in half and then in quarter the time allowed for grandfathering of sponsorship items. This reflects the recognition that sponsoring groups will have to phase out tobacco funding. These motions accelerate the process.

The Minister's own motion calls for a grandfathering clause which would permit unto infinity current funding levels for sports and cultural events that already exist. The amendment suggests that that be pared down by first one-half and then one-quarter. We think that is a good compromise, based on the concerns many people have, concerns which were very validly expressed.

We heard from Dr. John Read who has much experience in this, both personally in his own family as well as through his interests with the Canadian Ski Association. We heard from those who were concerned about sponsorships the fact that sponsorships are often used not simply as a humanitarian, philanthropic gesture, but also as a means of indirectly promoting and advertising. Obviously, if we are to be cutting off promotion and advertising, we should also be moving to cut out sponsorships. I believe Motions Nos. 3 and 4 accelerate the process without eliminating it completely. This heightens the recognition that sponsorships should phase out funding from the tobacco industry.

Motion No. 5 seems, upon reflection and review, to be a housekeeping motion. In fact, the wording of the original clause was unclear and rather wordy. Therefore, that motion should be supported.

[*Translation*]

Mrs. Tardif (Charlesbourg): Mr. Speaker, I would like to respond to the allegations made by the Hon. Member with respect to Motion no. 1.

The amendments to paragraphs 4(1) and 4(2) are simply technical changes that reflect the government's intention to prohibit only advertisements for tobacco products sold in Canada.

Furthermore, amending paragraph 4(3) and creating a new paragraph 4(4) cannot be construed as major changes. The amendments only specify that publishers, broadcasters and billboard advertising businesses may be held responsible for accepting money in return for tobacco advertising, while magazine distributors and operators of cable TV networks cannot be accused of violating these provisions.

Mr. Speaker, I think this is quite reasonable. We are talking about broadcasting, not publishing. As I see it, the Government is strictly specifying what it has said throughout the debate in committee.

As for paragraphs 4(5)(c) and 4(6), they are intended to clarify and simplify the wording of the Bill. Mr. Speaker, regarding motions 2, 3 and 4, these were extensively discussed in committee, and I believe that the position that was finally accepted was itself the subject of a lengthy debate. The purpose of these motions was to avoid undue penalties, and I think they are reasonable.

[*English*]

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 1 standing in the name of the Hon. Minister of National Health and Welfare (Mr. Epp). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: On division.

The Acting Speaker (Mr. Paproski): Motion No. 1 is carried on division.

Motion No. 1 (Mr. Epp (Provencher)) agreed to.

The Acting Speaker (Mr. Paproski): The next question is on Motion No. 3 standing in the name of the Hon. Member for Vancouver East (Ms. Mitchell). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): The motion is negatived on division.

Motion No. 3 (Ms. Mitchell) negatived.

The Acting Speaker (Mr. Paproski): The next question is on Motion No. 4 standing in the name of the Hon. Member for Vancouver East (Ms. Mitchell). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): The motion is negatived on division.

Motion No. 4 (Ms. Mitchell) negatived.

The Acting Speaker (Mr. Paproski): The next question is on Motion No. 5 standing in the name of the Minister of National Health and Welfare (Mr. Epp). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: On division.

The Acting Speaker (Mr. Paproski): The motion is carried on division.

Motion No. 5 (Mr. Epp (Provencher)) agreed to.

The Acting Speaker (Mr. Paproski): The next question is on Motion No. 6 standing in the name of the Hon. Member for Broadview—Greenwood (Ms. McDonald). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): The motion is negatived on division.

Motion No. 6 (Ms. McDonald) negatived.

Mr. David Orlikow (for Ms. McDonald) moved:

Motion No. 7.

That Bill C-51 be amended in Clause 6 by striking out lines 32 to 45 at page 4 and lines 1 to 19 at page 5 and substituting the following therefor:

"6. No person shall employ the brand name or a trade mark of a tobacco product in any representation made to the public for the purpose of acknowledging financial or other support provided by a manufacturer or importer of tobacco products for an activity, event, publication or broadcast."

Hon. Bill McKnight (for the Minister of National Health and Welfare) moved:

Motion No. 8.

That Bill C-51 be amended in Clause 6 by striking out lines 32 to 45 at page 4 and lines 1 to 19 at page 5 and substituting the following therefor:

"6.(1) Notwithstanding section 4 and subsection 8(1) but subject to subsection (2) of this section, the full name of a manufacturer or importer of tobacco products and, where required by the terms of a contract entered into before January 25, 1988, the brand name of a tobacco product, may be used, otherwise than in association with a tobacco product, in a representation to the public

(a) that promotes a cultural or sporting activity or event; or

(b) that acknowledges financial or other contributions made by the manufacturer or importer of the tobacco product toward such an activity or event.

(2) Where, in any calendar year, a manufacturer or importer of tobacco products makes financial or other contributions toward cultural or sporting activities or events in respect of which brand names of those products are used, the value of such contributions, determined in accordance with the regulations, shall not exceed the value, so determined, of the contributions made by the manufacturer or importer toward cultural or sporting activities and events in 1987."

Mr. David Orlikow (for Ms. Mitchell) moved:

Motion No. 9.

That Bill C-51 be amended in Clause 6 by striking out line 42 at page 4 and substituting the following therefor:

"into before April 30, 1987."

• (1210)

Hon. Bill McKnight (for the Minister of National Health and Welfare) moved:

Motion No. 11

That Bill C-51 be amended in Clause 8 by striking out lines 19 to 23 at page 6 and substituting the following therefor:

"(4) Subsection (2) does not apply in respect of the distribution or sale before January 1, 1993 of an article manufactured before April 30, 1987, or ordered before that date from the manufacturer or supplier of the article otherwise than by the placing of a standing order that requires confirmation or is subject to cancellation after that date."

Motion No. 12

That Bill C-51 be amended in Clause 9 by striking out line 30 at page 6 and substituting the following therefor:

"constituents of the product and, where applicable, of the"

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, I appreciate the opportunity to say a few words about the matter of the possibility that sponsorship of events, I think particularly here of sporting events, will be allowed to continue. This question is of very great importance to Canadians. Our desire to discourage the young from smoking should, surely, be our goal. The Government has failed to follow through on this. The amendments proposed, particularly Motion No. 7 by my colleague, the Hon. Member for Broadview—Greenwood (Ms. McDonald) dealt with that. While smoking is still being taken up by young people these days, and one could expand on that at some length, older Canadians recognize the dangers of it and are giving it up. Men especially are giving up smoking in recognition of its dangers. But teenagers and children at incredibly tender ages are getting addicted to tobacco and are suffering all of its consequences.

We should be concerned for their well-being and their good health. We should be concerned about the cost to society and the cost to employers resulting from this habit if continued over the years. We must be concerned about the consequences to our health care system in caring for smokers. We have been told that we will have to make brutal choices. Someone's addiction to tobacco will lead to discrimination against such a person obtaining medical treatment. What is the point, given what this person has done to himself or herself over many years, in providing medical care to such an individual. There in a few thoughts are some of the dangers. Surely we have a responsibility and the Government of Canada has a responsibility to limit the encouragement of smoking in society.

Soon after I was elected I became aware of the problem, serving as critic in the area of fitness and amateur sport. The Minister recognized the challenge. It was not an easy one with Macdonald Inc. having become involved in sponsorship of events, especially ski-jumping. It was not easy to tell the association and the athletes who were depending on the money about a ban. I attended a dinner in Thunder Bay. It was clear that very soon after the Minister imposed his ban, a prospective ban at some future date, the lobbying came from the association and local people. I remember a speech made by representatives of Macdonald Inc. left no doubt about their dislike of the ban, about their desire to continue sponsorship and to have the Macdonald name advertised.

The Government decided to cave in to that kind of pressure and allowed the Macdonald name to remain incorporated in one event or another. It may be one thing to have tobacco advertising for adults and one thing to have it for professional sports, if you will, but to see tobacco advertising for amateur sporting events involving young people surely should not be allowed. If the Government has caved in on this, we have just one more area of weakness in Bill C-51 that we are debating at report stage today.

Motion No. 7 moved by the Hon. Member for Broadview—Greenwood will put back in the Bill:

"6. No person shall employ the brand name or a trade mark of a tobacco product in any representation made to the public for the purpose of acknowledging financial or other support provided by a manufacturer or

importer of tobacco products for an activity, event, publication or broadcast."

Surely the financial need can be met by reputable employers—and one can use that kind of a phrase when there are companies whose businesses lead to disease and death, but there must be companies whose business is conducive to a good life, long life, good health et cetera who have the means to come up with resources. One might say that some of the taxes raised from tobacco companies might be directed to fitness and amateur sport if one has to find resources through tax means, but let us get tobacco advertising removed and let us use this amendment and Motion No. 9 which would return to the Bill the second reading date as the cut-off point for sponsorship. These amendments go in the right direction.

I urge my colleagues, if they have any kind of concern at all, to have effective legislation for the good health of young people and if they have any kind of concern for employers who want to have healthy employees and if they have any kind of consent for themselves as taxpayers and the Canadian health care system, to pass these amendments, and not give them the kind of defeat I fear the Government will give.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, this is one time when I have to disagree with the position taken by the New Democratic Party. I am completely baffled as to the New Democrats' rationale. We just had a Member who moved a grandfathering clause in recognition of sporting events, not wholly grandfathering but partially grandfathering, namely, the amendment moved by the Hon. Member for Winnipeg North (Mr. Orlikow).

Presumably the grandfathering amendment is recognizing that sports organizations will need some time to make transitional funding. But now we have another amendment that says that even though we have said in one amendment that will grandfather sponsorships, we want the sponsorships grandfathered with no brand name. We have already stated, and we have heard time and again in committee, that tobacco companies do not sponsor because they happen to be magnanimous and wonderful people, they sponsor because they want to advertise. If you endorse, which presumably you have in part by accepting an amendment which would grandfather sponsorships, you cannot realistically argue from both sides of your mouth, which is now being attempted. Either you ban grandfathering altogether or you allow grandfathering to continue in a limited or in a reduced way.

The motion moved on brand names is completely unworkable. If anyone has read the legislation, he or she will know that if du Maurier wants to run the du Maurier Special, instead of using the tobacco company name all it needs to do is incorporate a second company called du Maurier. The loophole to get around whatever legislation is brought forward is so wide, why not say: "We are grandfathering. We will continue with the current system for a prescribed period of time, in fact, reducing by half the amount of sponsorship dollars available". You cannot, Mr. Speaker, state on the one hand that you want to grandfather, which is what the New Democrats have done with the amendment just moved by the Hon. Member for Winnipeg North, yet expect the grandfathering to occur with no brand name.

• (1220)

I know the Hon. Member for Thunder Bay—Nipigon (Mr. Epp) has received correspondence, as have all Members, from sporting and cultural organizations. Presumably that is why he said what he did about the issue of funding, that he was happy that some kind of compromise had been reached even though it was not exactly what he wanted. Well, if the Darts Federation, for example, is not allowed to have a sponsor which uses a brand name, obviously the companies are not going to sponsor them.

These contracts are not written in stone. You either grandfather fully or partially or not at all. You cannot say you are going to do it and send a letter out to all the sporting organizations to that effect and then move an amendment two minutes later saying you do not want people using their brand name. Obviously the grandfathering is phoney. If you grandfather, you have to say that for a given period of time we are going to permit continued sponsorship based on a cut-back of 50 per cent of the funding available to sports organizations. That is the intent of the amendment. We will not have grandfathering at 1987 financial levels, but we will have grandfathering which will cut in half the amount of money available in 1987.

If you do have grandfathering you cannot move an amendment saying that brand names shall not be used because, first, it is so easy for a company to get around that. All they have to do is incorporate under the name du Maurier Special. Second, if they are not allowed to put their brand name forward, presumably they are not going to sponsor. The reason we grandfathered the sponsorship was in recognition of the fact it will take time for these sports and cultural organizations to get other funding. However, if we then say no brand name can be used the companies will yank their sponsorship tomorrow, and you are not responding to the need that was supposedly the reason for the grandfathering. Motion No. 7 is a total contradiction of Motion No. 3 and Motion No. 4. They are inconsistent, so we cannot support Motion No. 7.

Motion No. 8 and Motion No. 9 clarify the level of sponsorship and the cut-off point and also set out some guidelines with respect to grandfathering. They are supportable, but we cannot support Motion No. 7 which vitiates Motions. Nos. 3 and 4. I do not understand the NDP. If you do not want to grandfather at all, say so. That is legitimate. But if you do, do not say you are going to do it without the brand or trade name because it does not work.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I appreciated listening to the comments of the Hon. Member regarding what appears to be a conflicting set of motions. Perhaps I could respond by simply saying this. Motion No. 7 is

one of the toughest of this set of amendments. The effort here is more than symbolic. The Hon. Member for Broadview—Greenwood (Ms. McDonald) is simply trying to say, to the young people particularly, let us not have a major cultural or sporting event supported up front by tobacco companies. I do not think there is anything mysterious about that.

Other Members are saying the reality is that grandfathering is required. Contracts have been signed and so on. That needs to be recognized, but we have to remember that the Hon. Member has a particularly strong view on this issue. It is perhaps one of the strongest in the House. She is simply saying: "Let us send a very clear signal to everyone that we find it abhorrent that young people participating in recreational or athletic activities are being continuously reminded that the reason it is being held is because of a tobacco company".

In one way we have always appreciated the financial endorsement, but I find it somewhat puzzling as a father with two young sons involved in a variety of sporting events because I suspect they are wondering whether or not they should smoke. They see their peers smoking. They see the big tobacco companies of the western world advocating that if you ski well or surf well or do whatever well and have a cigarette at the end, that makes perfect sense. Of course it is totally illogical that anyone at all interested in athletics or sporting events would be a regular smoker. That is absolute folly. Any suggestion that this would be good for my two sons I find abhorrent. Anyone trying to encourage my two sons to participate in smoking or chewing tobacco or whatever else, I find to be repugnant. I do not think we ought to be encouraging that at all. We should be doing the contrary and discouraging it. I suspect, as a very famous football player yourself, Mr. Speaker, you know that to play football, the way you did and the way we like to see our teams play football we do not want people smoking a package of cigarettes at the end of the game or chewing a wad of Copenhagen or whatever.

A clause that says no person shall employ the brand name or trade mark of a tobacco product in any representation made to the public for the purpose of acknowledging financial or other support provided by a manufacturer or importer of tobacco products for an activity, event, publication or broadcast to me makes perfect sense. It is a tough position to take. I suspect the tobacco companies and importers would not like this amendment. I appreciate why from the traditional and obvious business point of view. However, for the best interests of our society, particularly our young people who are susceptible to both direct and indirect forms of advertising, an enthusiastic endorsement of this amendment would be the most we could do as parliamentarians to say that we want to do whatever possible to encourage our young people particularly not to smoke.

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, I want to address this group of amendments and clear up an apparent misunderstanding on the part of the Hon. Member for Hamilton East (Ms. Copps). Motion No. 7 is the motion we want. That says sponsorship cannot be used for advertising. No person shall employ the brand name or trade mark of a tobacco product in any representation made to the public for acknowledging financial or other support. We want to get rid of it because we know that so long as sponsorship is allowed, the opportunity will be taken by the cigarette companies to use that for advertising purposes. However, given all the pressure put on the Government and the fact it is caving in, we are not so sure Motion No. 7 will go through. If not, then we would like Motion No. 9. That would limit the sponsorship for contracts which have come in before April 30, 1987, at the time the Bill was introduced. We would at least have some limitation on these sponsorships. If we do not go the way I would like us to go, and that is get rid of them completely, let us at least limit them to the ones already in place and not encourage the tobacco companies to enter into new contracts for sponsorship and shift their advertising dollars into sponsorship and get their advertising that way. It is very important that we get that one passed.

Motion No. 8 would clarify the conditions under which tobacco sponsorship may continue. That is the Minister's motion and part of his weaker approach to say we are not going to get rid of it completely, we will allow some of it, and it simply clarifies the conditions. We would much prefer to get the stronger one.

Motion No. 10 would give the Government the right to prescribe the format and conditions of acknowledgement of sponsorship. Again, we would rather get rid of the sponsorship completely but if it is going to be there, let us have it clearly defined by regulation so that the companies cannot get around the law by having sponsorships and then having great massive kinds of acknowledgments. They are going to be allowed to acknowledge? How big is the sign going to be on which they can acknowledge their sponsorship? If the Government is going to capitulate and allow some sponsorship, let us at least define the terms of it very carefully.

• (1230)

Therefore, there is a logic to these, Mr. Speaker. They are not contradictory. We have an order of priorities and would like to get the best we can out of the Government.

[*Translation*]

Mrs. Tardif (Charlesbourg): Mr. Speaker, I just want to comment briefly on the matter of sponsorship. It is a subject that was discussed at length in committee. We received many requests from various groups financed by tobacco companies, in the field of sports as well as culture. After hearing their submissions and discussing the matter at length, we reached the conclusion as members of the committee that there was a case for avoiding any abrupt changes. I feel that the change provided with respect to the level of financing is the only one that does not radically alter the way activities are financed and that also provides for withdrawing advertising, because that is going to be regulated as well.

In my view, Mr. Speaker, the additional amendments made in committee, which are purely technical, as well as those presented before the House today, are all necessary and legitimate.

[*English*]

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 7 standing in the name of the Hon. Member for Broadview—Greenwood (Ms. McDonald). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: No.

Some Hon. Members: On division.

Motion No. 7 (Ms. McDonald) negatived on division.

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 8 standing in the name of the Minister of National Health and Welfare (Mr. Epp). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion No. 8 (Mr. Epp, Provencher) agreed to.

The Acting Speaker (Mr. Paproski): The next question is on Motion No. 11 standing in the name of the Minister of National Health and Welfare (Mr. Epp, Provencher). Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion No. 11 (Mr. Epp, Provencher) agreed to on division.

The Acting Speaker (Mr. Paproski): The next question is on Motion No. 12 standing in the name of the Minister of National Health and Welfare (Mr. Epp, Provencher). Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion No. 12 (Mr. Epp, Provencher) agreed to.

The Acting Speaker (Mr. Paproski): The next grouping is of Motion Nos. 13, 14, 15, and 16.

Hon. Bill McKnight (for the Minister of National Health and Welfare) moved:

Motion No. 13.

That Bill C-51 be amended in Clause 10 by striking out line 10 at page 7 and substituting the following therefor:

"under paragraph 17(h), every manufacturer".

Hon. Tom Hockin (for the Minister of National Health and Welfare) moved:

Motion No. 14

That Bill C-51 be amended in Clause 17 by striking out lines 28 to 36 at page 11 and substituting the following therefor:

"(c) prescribing, in respect of any tobacco product, the content, position, configuration, size and prominence of the health warnings referred to in paragraph 4(4)(c);

(d) respecting the determination of the value of contributions referred to in section 6;"

Hon. Monique Vézina (for the Minister of National Health and Welfare) moved:

Motion No. 15

That Bill C-51 be amended in Clause 18

(a) by striking out, in the French version, line 32 at page 12 and substituting the following therefor:

"amende maximale de cent mille dollars et un";

(b) by striking out lines 1 to 3 at page 13 and substituting the following therefor:

"(2) Every person who contravenes subsection 6(2) is guilty of an offence punishable on summary conviction and is liable"; and

(c) by striking out lines 12 to 16 at page 13 and substituting the following therefor:

"(3) Every person who contravenes section 14 or any regulations made under paragraph 17(i) is guilty of an offence punishable on summary conviction and is liable to a fine not exceeding ten thousand dollars."

Hon. Tom Hockin (for the Minister of National Health and Welfare) moved:

Motion No. 16

That Bill C-51 be amended in Clause 19

(a) by striking out line 17 at page 13 and substituting the following therefor:

"19. (1) A prosecution in respect of an offence under this Act, other than a prosecution under paragraph 18(1)(b), may"; and

(b) by adding, immediately after line 26 at page 13, the following:

"(3) No exception, exemption, excuse or qualification prescribed by law is required to be set out or negatived, as the case may be, in an information or indictment for an offence under this Act or under section 421, 422 or 423 of the Criminal Code in respect of an offence under this Act.

(4) In any prosecution for an offence referred to in subsection (3), the burden of proving that an exception, exemption, excuse or qualification prescribed by law operates in favour of the accused is on the accused and the prosecutor is not required, except by way of rebuttal, to prove that the exception, exemption, excuse or qualification does not operate in favour of the accused, whether or not it is set out in the information or indictment."

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I would like some clarification from the Parliamentary Secretary with respect specifically to Motion No. 15. In my reading of the groupings that we have put together in relation to the offences and applications, a number of the motions deal with improving the wording. However, I am unclear as to the rationale behind Motion No. 15 in that I found that the wording which existed in the legislation was quite sufficient. I do not understand why lines 12 to 16 at page 13 have been amended and I would like an explanation as to why that amendment was made.

[*Translation*]

Mrs. Tardif (Charlesbourg): Mr. Speaker, the purpose of the amendment proposed in Motion No. 15 is to provide for technical changes that will make the wording of the penal clauses consistent with that found in other federal statutes. The changes also include renumbering clauses and paragraphs consequential on other amendments. These are technical amendments and merely clarify the text of the Bill.

[*English*]

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I, too, would like to ask for clarification from the Parliamentary Secretary on Motion No. 15(a) which indicates "by striking out, in the French version, line 32 at page 12 and substituting the following". I wonder whether the Parliamentary Secretary would do us the kindness of explaining what necessitated that. I recognize it as a housekeeping amendment but it is still not clear in my mind why it was required.

[*Translation*]

Mrs. Tardif (Charlesbourg): Mr. Speaker, in the French text the paragraph has been corrected to indicate *amende maximale de cent mille dollars et un* instead of *mille dollars*. So this is in fact a correction . . .

[*English*]

The Acting Speaker (Mr. Paproski): Order, please. The Member can only speak once on these motions, we are not in Committee of the Whole. Can I get the consent of the House to allow the Hon. Parliamentary Secretary to answer this question?

Some Hon. Members: Agreed.

[*Translation*]

Mrs. Tardif (Charlesbourg): Mr. Speaker, as I said before, the French text of paragraph 18(1) is corrected in the sub-amendment to indicate a fine not exceeding $100,000, instead of $1,000. A mistake was made when the text was retyped.

[*English*]

Ms. Copps: Mr. Speaker, I realize that this is not Committee of the Whole—

The Acting Speaker (Mr. Paproski): If the Hon. Member realizes, why is she getting up?

Ms. Copps: Because the wording of the amendment is wrong.

The Acting Speaker (Mr. Paproski): I will allow the Hon. Member a question and allow the Parliamentary Secretary to answer if I can get consent.

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I rise on a point of order. Maybe we should move to start debating the clauses. The Member may have a point in terms of the exact wording of the amendment and it could be discussed with the Parliamentary Secretary. We could take it to a drafter. It is important to ensure that we have the wording correct.

The Acting Speaker (Mr. Paproski): The Hon. Member has already spoken. We have already started debate on this and the Hon. Member did speak. We have to get unanimous consent every time either Hon. Member rises. Do I have unanimous consent to allow the Hon. Member for Hamilton East (Ms. Copps) to debate these motions?

Some Hon. Members: Agreed.

Ms. Copps: It's not to debate, I just want to get clarification.

The Acting Speaker (Mr. Paproski): That's fine, let's get your clarification.

Ms. Copps: If you look at the change it refers to the French version, line 32 at page 12, *amende maximale de*. That is changing it from $1,000 to $100,000 to bring it in line with the English translation. Thank you, Mr. Speaker.

• (1240)

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 13 standing in the name of the Hon. Minister of National Health and Welfare (Mr. Epp). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion No. 13 (Mr. Epp, Provencher) agreed to.

The Acting Speaker (Mr. Paproski): The next question is on Motion No. 14 standing in the name of the Hon. Minister of National Health and Welfare (Mr. Epp). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion No. 14 (Mr. Epp, Provencher) agreed to.

The Acting Speaker (Mr. Paproski): The next question is on Motion No. 15 standing in the name of the Hon. Minister of

National Health and Welfare (Mr. Epp). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion No. 14 (Mr. Epp, Provencher) agreed to.

The Acting Speaker (Mr. Paproski): The next question is on Motion No. 15 standing in the name of the Hon. Minister of National Health and Welfare (Mr. Epp). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion No. 15 (Mr. Epp, Provencher) agreed to.

The Acting Speaker (Mr. Paproski): The next question is on Motion No. 16 standing in the name of the Hon. Minister of National Health and Welfare (Mr. Epp). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion No. 16 (Mr. Epp, Provencher) agreed to.

Hon. Bill McKnight (for the Minister of National Health and Welfare) moved:

Motion No. 17

That Bill C-51 be amended in Clause 20 by striking out lines 27 to 30 at page 13 and substituting the following therefor:

'20. This Act shall come into force on January 1, 1989.'

Ms. Lynn McDonald (Broadview—Greenwood) moved:

Motion No. 18

That Bill C-51 be amended in Clause 20 by striking out line 28 at page 13 and substituting the following therefor:

'July 1, 1988.'

Motion No. 19

That Bill C-51 be amended in Clause 20 by adding, immediately after line 30 at page 13, the following:

'(3) Clause 6 shall expire on January 1, 1993'.

The Acting Speaker (Mr. Paproski): Debate is on Motion No. 17.

Ms. McDonald: Mr. Speaker, I understand from your ruling that Motions Nos. 17, 18 and 19 are grouped for debate.

The Acting Speaker (Mr. Paproski): That is right.

Ms. McDonald: Therefore, I will address all three motions. I oppose the first motion and will speak in favour of the second two motions.

Motion No. 17, which is a Government motion, in effect would give greater grandfathering to the sale of facsimile products by extending the date which would permit these other products to be advertised for sale. We are opposed to this because it is simply another instance where provisions of Bill C-51 are watered down. I urge that Motion No. 17 not be accepted by the House.

Motion No. 18 would move the date forward by six months, to July 1, 1988. In light of Government delays, we obviously cannot get the Bill enforced as quickly as desirable. The proposed date is reasonable, and certainly people have had plenty of time to know that it is coming. It would put a realistic date on it without having this long phase-out period. I believe Motion No. 18 is a meaningful amendment to strengthen the Bill and, of course, is entirely in the spirit of the Bill itself.

Motion No. 19 is more substantive. It would put an expiry date on sponsorships using brand names and logos for cultural and sporting events. Again, while it is desirable to get rid of this completely, given the pressure of the tobacco industry to water down the Bill to make it less strong, and to allow some amount of sponsorships, this at least would give an expiry date on the use of these logos. It is better than nothing.

While I would prefer the much stricter approach of Bill C-51, not watered down, or the better approach still of my Private Members' Bill, Bill C-204 which would deal with it through the hazardous products route and would bring in regulations accordingly, let us at least tighten up the regulations and keep the loopholes as modest as possible, given the concessions that have already been made.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, Motion No. 17 deals with the coming into force of the legislation. Given that the Government has already delayed extensively in bringing the legislation forward, I do not think Motion No. 18 is possible considering the Royal Assent process and so on that must take place. I am satisfied to live with Motion No. 17.

Motion No. 19 is a critical motion because it deals with the issue of grandfathering of sponsorships. The Hon. Member for Broadview—Greenwood (Ms. McDonald) did not specifically understand my concerns about the NDP position. I was not concerned about the amendments that would cut out the brand name, I was concerned that by moving amendments which would include partial grandfathering, it would, on the one hand, accept the Government's position that there should be some grandfathering while, on the other hand, suggest it should be done without brand names. I do not believe that is consistent.

Therefore, I believe Motion No. 19 deals with the problem of recognizing the existence of sponsorship. While we believe it should be reduced and the dependence on tobacco sponsorship should be reduced, we will give it some time. Motion No. 19 would require that by 1993 organizations would have to seek other sources of funding. I believe that is a realistic target.

I understand that if the Hon. Member were the sole drafter of the Bill from the perspective of her Party that she would ban sponsorship altogether immediately. However, that is not the motion put forward by the NDP. I think Motion No. 19 is more consistent with an approach that recognizes grandfathering but states that it must be terminated within a certain period in 1993.

The inconsistency refers specifically to Motions Nos. 4 and 3.

[*Translation*]

Mrs. Tardif (Charlesbourg): Mr. Speaker, Motion No. 17 merely reflects the usual period of time allowed for obtaining royal assent and letting people get ready to comply with the legislation.

As for Motion No. 19, I would like to get back to what I said earlier about sponsorship. With the consent of committee members and even of the Opposition, the Government had agreed, in order to avoid any abrupt changes in the procedure followed by the various organizations, to freeze the level of financing. The result of this permanent freeze will be that over the years, these contributions will tend to decrease in value, so that if the organizations want to continue to be subsidized, they will gradually have to find other sources of financing. I think the formula chosen by the Government in this legislation is the only acceptable one.

• (1250)

[*English*]

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 17 standing in the name of the Hon. Minister of National Health and Welfare (Mr. Epp).

Some Hon. Members: On division.

The Acting Speaker (Mr. Paproski): Motion No. 17 (Mr. Epp, Provencher) carried on division.

Motion No. 17 (Mr. Epp) agreed to.

The Acting Speaker (Mr. Paproski): The next question is on Motion No. 18 standing in the name of the Hon. Member for Broadview—Greenwood (Ms. McDonald).

Mr. Hawkes: Mr. Speaker, according to your statement earlier today, if Motion No. 17 carried, Motion No. 18 would not be voted on. I think we can go directly to Motion No. 19.

The Acting Speaker (Mr. Paproski): Yes, I did plan to do that. Thank you for bringing it to my attention.

The next question is on Motion No. 19 standing in the name of the Hon. Member for Vancouver East (Ms. Mitchell).

Some Hon. Members: On division.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Call in the Members.

And the division bells having rung:

The Acting Speaker (Mr. Paproski): Order, please. Pursuant to the appropriate Standing Order, the vote on Motion No. 19 will be deferred to three o'clock.

Mr. Hawkes: Given the time, and having had some consultation, I think there is general agreement to call it one o'clock, and we can come back to Question Period at two o'clock and then proceed with the rest of the day.

The Acting Speaker (Mr. Paproski): Is it so agreed?

Some Hon. Members: Agreed.

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

At 12.57 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

CANADIAN BROADCASTING CORPORATION

HOCKEY NIGHT IN CANADA TELEVISION CONTRACT

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, we learned this morning that the CBC may not be broadcasting *Hockey Night in Canada* this coming season. Instead, reports indicate, the CTV network will take over this 55-year tradition which began with Foster Hewitt broadcasting on radio in 1933.

Foster is no longer with us, but fully two generations of Canadians—especially those in northern and remote parts of Canada—will remember how *Hockey Night in Canada* provided an opportunity for families, friends, and neighbours in many an isolated village or reserve to get together to enjoy watching a truly Canadian event.

If the CBC cancels *Hockey Night in Canada*, those same Canadians will also remember this Government. They will

remember that the Mulroney Conservatives promised to reach out to the regions of Canada when they sought office in 1984. Instead, the Government has cut back its support of the CBC financially, and more recently it has tried to scuttle the CBC all-news network.

It is unfair that Canadians who cannot afford the expensive cable services of northern Canada, or who do not even have access to cable, may no longer receive a most enjoyable sports program on the only network available in many communities.

I and my New Democratic colleagues call upon the Government to guarantee that the CBC will continue to broadcast *Hockey Night in Canada*. Foster Hewitt would, I am sure, echo those sentiments.

* * *

CANADIAN BROADCASTING CORPORATION

ABORTION PROGRAMS—COMPOSITION OF INTERVIEWEES

Mr. Gus Mitges (Grey—Simcoe): Mr. Speaker, on April 13 the CBC's *The Journal* broadcast one of the most grossly biased programs ever seen on the subject of abortion. The entire program consisted of interviews only with those who favour abortion on demand.

The name of the people on the panel were Jeannie MacPherson and Joan Wright, pro-abortion women counsellors; Phyllis Bowman, British pro-life activist; Vivianne Nathanson, pro-abortion member of the British Medical Association; Shiela Martin, pro-abortion Professor of Law, University of Calgary; and David Roy, pro-abortion member of the Centre for Bioethics in Montreal.

Each one of them made it clear that they do not support the rights of the unborn children from the moment of conception.

The CBC has no right at all to impose its own view of morality on the Canadian public. This program is a clear violation of its mandate to produce balanced programming.

I call upon the CRTC to censor the CBC by insisting that the CBC live up to its mandate for balanced programming, to include both sides of an issue, and not just the CBC's bias.

* * *

VOLUNTARY ORGANIZATIONS

HOSPICE PALLIATIVE CARE SOCIETY OF EASTERN NOVA SCOTIA

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I rise today to bring to the attention of the House the efforts of the Hospice Palliative Care Society of eastern Nova Scotia. This group of dedicated volunteers work to help enrich the quality of life for the terminally ill in Cape Breton. They have dedicated this week as the annual Hospice Palliative Care Week.

This service is valuable to the residents of eastern Nova Scotia. It is the first and only comprehensive program for terminally ill patients and their families. It is a non-profit group which operates in both the home and the hospitals to provide care and compassion to those who have no hope for a cure.

The Society has a medical component which strives to give patients a pain-free existence for their remaining days. The Society also acts as a support system for the families involved. It works with the families to promote a peaceful death of the patient in the home environment. Although the Society has no religious affiliation, pastoral care is provided.

I salute all those involved in this compassionate program and wish them success in this most difficult endeavour.

* * *

NATIONAL ENVIRONMENT WEEK

SUPPORT URGED FOR ENVIRONMENTAL GROUPS

Mr. Bob Brisco (Kootenay West): Mr. Speaker, as you know, this is National Environment Week, a time when Canadians demonstrate that they care very deeply about our common environment and work to preserve it.

Taking care of the environment is a responsibility that we all share, federal, provincial, and municipal Governments, as well as business and private citizens of Canada. Individual Canadians can be particularly effective in protecting the environment when they join up with other like-minded people.

As Dr. Margaret Mead once said: "Never doubt that a small group of committed people can change the world. Indeed, it is the only thing that ever has." By getting involved in National Environment Week and by supporting environmental groups, we all have a chance to change the world for the better.

* * *

DISARMAMENT

UNITED NATIONS SPECIAL SESSION ON DISARMAMENT

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, like all Canadians I am my colleagues welcome the current superpower summit in Moscow between President Reagan and General-Secretary Gorbachev. In particular we welcome the growing understanding and co-operation this and previous summits encourage between the superpowers, particularly in the area of meaningful reductions in the nuclear arsenals of the two countries.

While we welcome these discussions we must also keep in mind that equally important discussions are currently taking place at the Third United Nations Special Session on Disarmament. Unfortunately, UNSSOD III has not received the attention it deserves, particularly on the part of the Canadian Government, which has not adequately outlined the positions it plans to take at the special session on such critical disarmament issues as the modernization of nuclear weapons in Europe, limits on Cruise missile development and deployment, reductions in strategic nuclear forces, and the creation of an international verification regime.

These and other disarmament issues are as critical to Canada's security as they are to the security of the superpowers. I call on the Secretary of State for External Affairs (Mr. Clark) to tell the House and the Canadian people where his Government stands on these important issues. A ministerial statement prior to the Minister's address to the UN would be a welcome gesture.

* * *

• (1405)

MULTICULTURALISM

INCREASED GOVERNMENT FUNDING

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, I would like to commend the strength of the Government's commitment to recognize multiculturalism as a central feature of our identity.

Last December the Government tabled the historic new Multiculturalism Act, Bill C-93. Even before the Bill becomes law, the Government is reinforcing the policies and the ideals of the multiculturalism policy of Canada.

Over five years $192 million has been added to the annual multiculturalism budget, which means it will rise to $42.2 million by 1991-92. That is 80 per cent more than was spent in 1986-87.

This is not tokenism or half-hearted support. This is action. It is action that will extend this Government's priorities of social justice and national harmony into every segment of our society.

The new directions announced yesterday by the Minister of State for Multiculturalism (Mr. Weiner) will strengthen race relation initiatives, and improve understanding among our many different cultures. They will help preserve and enhance our multicultural heritage. They will ensure equality of opportunity for all Canadians.

These new funds and the leadership provided by the Government will help make that ideal a deeply felt reality.

[*Translation*]

REGIONAL ECONOMIC EXPANSION

END OF INDUSTRIAL AND REGIONAL DEVELOPMENT PROGRAM

Hon. Jean Lapierre (Shefford): Mr. Speaker, tomorrow marks the end of the Industrial and Regional Development Program that has served the Province of Quebec so well in recent years. We know that the program ends tomorrow and that no other program to replace it has been announced by the Minister responsible. I feel that for the last six months, the Minister has been fooling around on a replacement program and Quebec industrialists and the various industrial commissioners are extremely concerned. We know that the Association of Industrial Commissioners made representations to the Member for Langelier (Mr. Côté) and when he was Minister, he did nothing because he was too busy with other matters and now the present Minister has not bothered with a replacement for IRDP either.

As a result, in view of the impact this program has in diversifying the industrial base of many regions, Quebec is being left behind as the poor relation in regional economic development and I trust that in the coming weeks, the Minister will finally bring forward a program that will meet the aspirations of Quebec companies and the needs of the Quebec economy as well as of some regions of Ontario.

We know that a byelection is to be held in Lac-Saint-Jean. I suppose that the Minister will try to buy his way and save the skin of the Secretary of State with a few million dollars from Regional Industrial Expansion. But I think now is the time to announce the program to replace IRDP which has served us so well and several regions will be neglected because of the Minister's negligence.

* * *

RESEARCH AND DEVELOPMENT

LAURENTIAN FORESTRY CENTRE

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister of State (Science and Technology)): Mr. Speaker, last Thursday, the Minister of State for Forestry and Mines (Mr. Merrithew) came to Sainte-Foy to inaugurate the $15.7-million expansion of the Laurentides Forestry Centre. I wish to thank him sincerely for being present at this opening and for his constant support for this important project over the years.

This centre of higher learning carries out biological research to fight the enemies of our forests—insects, mushrooms, diseases—and concentrates on the genetics of trees to produce hardier species, on development and reforestation. This is very important for the Quebec City region and the province, because it contributes to preserving Quebecers' heritage: the forest.

The Minister took the opportunity to honour three individuals for their work: researchers Luc Jobin and Dr. Smirnoff and manager Normand Lafrenière, by awarding them plaques. The open house for the public was a great success.

I want to thank those responsible for their excellent initiative and to wish the researchers good luck also. This shows the interest our Government has in scientific research, in whatever field.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

DUMPING OF INDUSTRIAL WASTES IN GREAT LAKES

Mr. Dan Heap (Spadina): Mr. Speaker, poisoned Ontario lake water has helped to kill off thousands of beluga whales in the St. Lawrence River estuary.

Last weekend a ship called the *Beluga* was sailed by Greenpeace to Toronto to remind us about the poisons in the same lake water that we drink.

Canadian and American corporations dump industrial wastes into our lake system that can cause cancer, damage our nervous systems, and damage our immune systems. For years the federal Government has known this and done nothing to stop it.

The federal Government is responsible, with the United States, for the Great Lakes water. Why is it neglecting its responsibility and allowing the fish, the whales, and us to be poisoned?

• (1410)

As well as taking action to stop the polluters and punish them if necessary, the federal Government must fund new water treatment systems. Our present water treatment systems were not built to remove poisons such as these.

The federal Government must employ Canadian men and women to design, make, install, and operate modern water treatment equipment that will give us clean, safe water to drink.

* * *

ABORTION

PROTECTION OF LIFE ADVOCATED

Mr. Gordon Taylor (Bow River): Mr. Speaker, what will we do next if the Parliament of Canada solves murder of the unborn by legalizing it? Making abortion easy during the first few weeks of pregnancy, even if we make it more difficult during the balance of pregnancy, may be opening the door to more hideous crimes.

If the life of an unborn baby can be destroyed because its birth may cause some mental anguish to the mother, how about the life of a husband or a wife who contracts the terrible disease of Alzheimer's, or the child who is crippled and impaired through an accident, or a youth with AIDS? Are they to be murdered too to relieve mental anguish?

The Bible states: "The Lord gave her conception". From that moment on, life is God's responsibility and not Parliament's. The decision of the Supreme Court has given Parliament the opportunity to show that Canada fears and respects God.

* * *

TOURISM

EFFECT OF PRICE OF GASOLINE

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, I rise to express my concern for Canada's tourism industry in light of the ever widening gap between the price of gasoline in Canada and the price of gasoline in the United States as a result of the Government's taxation policies. Because of the sales tax and the excise tax increases put in place by this Conservative Government, the difference between the price of gas in Canada and in the United States has now reached alarming proportions.

I regret to say that the price of all grades of gasoline is now, on average, 60 per cent more expensive in Canada than in the U.S., and that is taking the exchange rate into account. In September of 1984, at the time of the last federal election, the difference in price was only 22.1 per cent.

The Conservative Government, as always, refuses to recognize the negative effect this price differential is having on the tourism industry in Canada. When we consider that 70 per cent of tourism travel coming from the U.S. to Canada is by automobile, the effect is surely great. The Conservative Government is threatening to make Canada's tourism industry uncompetitive. I therefore call upon the Government to review its taxation policy as it affects tourism.

* * *

THE LEADER OF THE NEW DEMOCRATIC PARTY

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, what is it that Vladimir Ilyich Lenin and the current Vice-President of the Socialist International, alias the Hon. Member for Oshawa (Mr. Broadbent), have in common? The answer, Sir, is a love of chauffeur driven limousines.

According to today's *Globe and Mail*, Lenin had a Rolls Royce, whereas our poor friend, the Leader of the NDP, only has a Buick. Never mind, Sir. Come the socialist revolution, Ed and Shirley will undoubtedly get their chauffeured Rolls while the rest of us ordinary Canadians will be reduced to a bicycle pedalling peasantry.

* * *

FISHERIES

CHINOOK TAGGING PROGRAM—SIZE AND COST OF TAGS

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I recently met with fishers from Vancouver Island about confusion in the new one-dollar chinook tagging program. Costing the Government 63 cents a piece, flown in from Brazil, landed in Winnipeg instead of Vancouver, the tags are too small to fit around the tails of the chinook which are headed after being caught. Attaching the tags through the fish as suggested by fisheries officials will reduce the grade of the fish and lower the price given for the salmon.

When the plan was first introduced, officials indicated the tags would be supplied free of charge to commercial fishers who would have paid at the end of the season for the tags used. Now the Government requires payment up front. Many trollers are hard pressed to come up with the money to purchase these tags.

• (1415)

Fishers will face fines for any untagged chinook landed. However, the Government has no plans to help them if they find themselves without the adequate number of tags once out on the grounds. They will be forced to head into port to purchase additional tags. Unless a solution is found we will see the off-loading of untagged chinooks before the catch is landed.

There is still time before the season opens to rectify these problems and to ensure fishers are not penalized due to the Department of Fisheries' inability to introduce an efficient, effective, and acceptable tagging program.

* * *

FINANCE

FLOW-THROUGH SHARES—POSITION OF NEW DEMOCRATIC PARTY

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, it never ceases to amaze me when the NDP goes to such great lengths to cover up its Party's policies and past statements. In fact, the leader of the socialists was up to rewriting the Party's text again just last week in Rouyn.

A little over a year ago the NDP Leader (Mr. Broadbent) was in the riding of Timiskaming denouncing flow-through shares as a tax loophole benefiting only the rich. This has been stated many times by his socialist colleague, the Hon. Member for Ottawa Centre (Mr. Cassidy). During the recent debates on flow-through shares both these Members saw the light and flip-flopped on the issue to gain some badly needed political points.

Now we hear another tune being sung by the Leader. Last week the Leader suggested in a neighbouring riding that the program announced by the Government was not a good one for the mining sector. He had returned to his original hymn sheet. It is not surprising at all, that given the many different positions of the NDP on this issue, that the NDP Leader's comments were greeted with laughter in Timiskaming and the mining community.

Canadians have started to recognize the NDP answers as No-named Day-dream Policies. With the New Democrats' performance on flow-through shares, is it any wonder?

ORAL QUESTION PERIOD

[*Translation*]

TRADE

MONEYS ALLOCATED TO JOHN LASCHINGER—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in the absence of the Minister for International Trade, my question is directed to the Deputy Prime Minister.

It is outrageous that this Government has already spent millions of dollars of Canadian taxpayers' money on the Conservative Party's pre-electoral propaganda campaign on free trade. It is an absolute disgrace that the responsible Minister is now setting up a new propaganda team that will spend another $10 million dollars . . .

Mr. Boudria: Shame!

Mr. Turner (Vancouver Quadra): . . . money that comes out of the pockets of Canadian taxpayers—and it is disgraceful that this important contract should go to a political organizer. The Minister had no second thoughts about appointing John Laschinger, his campaign manager for the Tory leadership campaign.

I want to ask the Deputy Prime Minister how he can justify the fact that Canadian taxpayers will again subsidize this electoral propaganda machine, this time to the tune of more than $10 million. How much of this money will organizer John Laschinger receive? How many other Conservatives will be involved in this contract?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I find it rather strange that the Right Hon. Leader of the Opposition would pose the questions that he is asking today because just last week, on May 24, he complained in this very House given the importance of this deal, that important information had not been available to Canadians, professional groups, business groups, labour unions right across the country.

On August 18 last as reported at page 8163 of *Hansard*, the Right Hon. Leader of the Opposition again said:

—the Government has always refused to reveal any information contained in departmental studies on the impact of free trade—

On September 30, 1987, as reported at page 9485 of *Hansard*, he accused the Government of not coming clean in telling Canadians what the trade deal was all about.

On August 27, 1987, he accused the Prime Minister of refusing to bring forth basic documentation.

We are really responding to the Right Hon. Leader of the Opposition.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: Since the only thing the Right Hon. Leader of the Opposition can offer is to tear up the deal, we are telling Canadians in a very clear and comprehensive way about the advantages of the trade initiative, about the positive benefits that will accrue to Canadians and Canadian industry, and he should be onside.

CANADA-UNITED STATES FREE TRADE AGREEMENT—
GOVERNMENT POLICY ON PROMOTION CAMPAIGN

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the hon. gentleman knows full well the failure of his Government to allow taxpayers and Canadians from coast to coast an opportunity to come before a committee of this House or to have committee hearings across the country on the basis of a firm text. The Government has deliberately kept the facts from the Canadian people and it now wants to convert that into a propaganda campaign with selective editions of what Canadians are to learn.

• (1420)

The Prime Minister promised to restore ethics to government. He promised to cut government propaganda. He promised to end partisan patronage. The Prime Minister has not only failed, he failed by choice.

Why is the Government trying to fool the Canadian people with another $10 million of propaganda money? What are John Laschinger's qualifications on trade? Do they consist of the fact that he was for five years the national director of the Progressive Conservative Party? Or that he ran Larry Grossman's leadership campaign in Ontario? Or that he ran Gary Filmon's campaign in Manitoba? Or that he was the campaign manager for the Minister for International Trade in the latest federal Conservative leadership campaign? Are those his qualifications, and which of them led the Minister to nominate him for a pre-electoral propaganda campaign which should be paid for by Conservative Party funds?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, again I find it rather strange that the Right Hon. Leader of the Opposition complains about the inadequacy of information and inadequate public hearings. This House has been seized with this issue for the last two years. There have been hearings across the country. As the deal unfolded, the information was brought to the House immediately and debated.

We are talking about some very basic information. For example, basic documents released include the Synopsis of the Agreement, The Free Trade Agreement In Brief, the legal text of the agreement in English and French, the Canadian tariff schedule in English and French, the U.S. tariff schedule in English and French, Canada's Trade Statistics Handbook in English and French, *The World our Market*. There have been a number of consumer brochures, regional pamphlets for Atlantic Canada, Quebec, Ontario, the Prairies, British Columbia, Yukon and the Northwest Territories.

There have been issue pamphlets dealing with the automotive industry, agriculture, consumer interest, culture, dispute settlement, energy, fisheries, forestry, investment, key benefits, tariffs and women. There have been impact assessment studies which the Right Hon. Leader of the Opposition has been calling for.

REQUEST THAT CONTRACT BE CANCELLED

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, what that statement really indicates is that the Conservative Government is morally disintegrating and wallowing in patronage. The hon. gentleman knows that we have known each other for a long time and I have great respect for him, and I ask him why he is carrying the can for the Minister and the Prime Minister on this issue. I would not touch it if I were he. Even Bruce Phillips, the director of communications for the Prime Minister, said "I don't know what the hell they're doing". I doubt whether the rest of the country does either.

The Deputy Prime Minister has an opportunity to prevail upon the Prime Minister and his colleague to bring this obscene $10 million contract for pre-election Conservative propaganda to an end. It is being subsidized by Canadian taxpayers when it should be subsidized by the Conservative Party as part of an election campaign.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, if the right hon. gentleman wants to show respect, he should first start by showing respect for this institution. Whenever he is on thin ice

he resorts to patronage and cheap partisan politics. The Right Hon. Leader—

Some Hon. Members: Oh, oh!

Mr. Speaker: Perhaps the Hon. Minister could complete his answer.

• (1425)

Mr. Mazankowski: Mr. Speaker, the right hon. gentleman, time and time again in this House, has asked for impact assessment studies. Well, impact assessment studies have been released and they form part of this on fisheries, the economy, agriculture, services, women, Canadian consumers, energy, metals and minerals, and forestry and industry.

The Member talks about the comments of Mr. Bruce Phillips. I want to have the attention of the Right Hon. Leader of the Opposition because he knows Mr. Bruce Phillips very well, probably better than I do. I suggest that the Right Hon. Leader of the Opposition should give him a phone call to see exactly what he did say.

My understanding is that he did not convey the message which has been reported in *The Toronto Sun*. He indicated that he did not know all the details, that there was a new Minister. In response to the demand for more public information the Minister for International Trade has responded. He has, indeed, responded to the Right Hon. Leader of the Opposition who should be applauding us rather than criticizing us.

COST OF CAMPAIGN—FUNDING OF ADJUSTMENT PROGRAMS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I have a supplementary question for the Deputy Prime Minister. At different times over the last several months we have asked questions in this House pointing out the fact that farmers in the Okanagan would be losing their farms now because of the free trade deal. The Government refused to respond. The grape growers in the Niagara Valley are losing their livelihood because of the Mulroney trade deal. The Government refused to respond to that. We asked about adjustment programs for workers and the Minister of Finance refused to respond.

How does the Government justify spending over $30 million of taxpayers' money to burnish the ego of the Minister for International Trade or to do a pre-sell for the election on the trade deal, and yet not be prepared to offer 5 cents, not 1 cent, for all the people in this country who are going to be damaged or destroyed by this trade deal?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Member for Winnipeg—Fort Garry is factually incorrect. He knows that there have been a number of adjustment programs that are part and parcel of the Ministry of Employment and Immigration.

Some Hon. Members: Name one.

Ms. Copps: False.

Mr. Mazankowski: A separate commission has been put in place to assess any negative impact in any sector in the economy, if there is any. The Member knows very well that the Minister of Agriculture is in the process of developing a program for grape growers and wine producers in this country. He should know better than to pose that question in such a false manner.

Mr. Axworthy: Mr. Speaker, I think the adjustment programs are a figment of the imagination of the Deputy Prime Minister because the people who need them are not receiving them. That is the truth.

REQUEST THAT CONTRACT BE TABLED

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, the Minister for International Trade has said that he expects to have the entire trade Bill completed in two months and intends to use the muscle of the Tory majority to get it through. Yet at the same he admits that he is going to be spending upwards of $10 million for Mr. Laschinger's contract.

Can the Deputy Prime Minister explain to the House what Mr. Laschinger will be spending $5 million a month on? Is the Deputy Prime Minister prepared to table the work plan and contract of Mr. Laschinger to demonstrate what kind of service he is going to give the Canadian people for $5 million a month, when hundreds of people are being destroyed by the trade deal and do not get a red cent?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I suppose I could ask the hon. gentleman what kind of adjustment program he and his Government gave to western Canadian energy people and workers when they brought in the devastating National Energy Program. They gave them the finger.

Mr. Hnatyshyn: Where was he when Trudeau said "Sell your own wheat"?

Mr. Mazankowski: It is amazing to see the hypocrisy displayed by Members opposite when it comes to this sort of thing.

It is very clear that a number of initiatives are going to be taken with respect to the promotion of the trade initiative as a national objective. Initiatives which are being considered are seminars and conferences which will bring trade commissioners and other exporters together to examine the benefits of the trade initiative, particularly for the workers.

The Hon. Member should be applauding this initiative. We have a tremendous record in terms of reducing unemployment and we believe very firmly that the trade initiative will bring unemployment figures down further. The Member should be very responsive to that effort on behalf of all Canadians.

GOVERNMENT ADVERTISING

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is also directed to the Deputy Prime Minister who will likely recall that on May 3, 1982, the Hon. Member for Wellington—Dufferin—Simcoe, who is now the Minister of National Defence, moved the following opposition day motion:

That this House condemns the government—

—which, by the way, Mr. Speaker, was a Liberal Government—

—for its increasing use of Canadian taxpayers' dollars for self-serving advertising and—in particular, for spending millions of tax dollars for unnecessary advertising—

• (1430)

That was 1982. Now we learn that the Government will spend up to $30 million of taxpayers' money for obviously Conservative propaganda on the trade deal. If this was sleazy for Liberals to do back in 1982, will the Deputy Prime Minister explain why it is okay for the Conservatives to do it in 1988?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I know the Hon. Member would not want to mislead the House or the country when he suggests the Government will spend another $30 million. That is not correct.

Mr. Riis: Total.

Mr. Mazankowski: Some $14 million has been spent on the kinds of publications that I outlined for the Leader of the Opposition. There are a number of other initiatives that have to be taken in order to underscore the importance of the trade initiative and in order to ensure that all Canadians will realize and understand the benefits of this initiative, particularly from the standpoint of exporters and those people who will engage in new job opportunities.

I believe that a number of studies and initiatives being undertaken will not only serve the purpose of ensuring that all Canadians understand the trade initiative better, but, more important, will serve to underline to exporters, industry, and workers across the country the very many advantages that are contained in this deal.

GOVERNMENT POLICY

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, during the debate in 1982, the present Minister of National Defence (Mr. Beatty) said: "We should scrap federal advocacy advertising. The time has come to draw the line and say this must stop". The former Member for Capilano said: "All this nonsense is being fed to the nation . . . Taxpayers have to stand there and see their money dribbled away on this garbage".

The Government decided to cut back on increases to family allowances. It said that it could not increase the amount of money set aside to help summer students obtain jobs for the last two years. Yet at the drop of a hat it can spend $30 million on this propaganda campaign.

If it was sleazy for the Liberals to do it in 1982, why is it okay to do it again today?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, that is really the same question. It just gives me an opportunity to add further to what is involved in this effort.

As I indicated earlier, a series of seminars and conferences which will bring together trade commissioners and other exporters in the trade field will take place to ensure that Canadian investors and businessmen are in a position to take advantage of the benefits of the trade initiative.

The Minister for International Trade put forward a number of initiatives, including 10 to 20 trade conferences to be held across Canada. A program of public information conferences will be held, with advertising to ensure that all the regions of the country and all Canadians will have a better understanding of it.

Those Members opposite criticize and condemn the trade initiative but they have yet to come up with an alternative. What would you be doing?

Mr. Riis: What we would do is keep Canada as Canada.

Some Hon. Members: Hear, hear!

REQUEST THAT GOVERNMENT CALL GENERAL ELECTION

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, if the Deputy Prime Minister is so interested in conveying to the people of Canada what the Government plans to do in terms of the trade deal, let me make this suggestion. Why not save the taxpayers of Canada $30 million and call an election? Get out and explain your side of the trade deal and we will explain ours.

Some Hon. Members: Hear, hear!

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, before the Member gets so bold, he better check with the former Premier of Manitoba, Mr. Pawley.

Some Hon. Members: Hear, hear!

[*Translation*]

CHOICE AND QUALIFICATIONS OF MR. LASCHINGER—REQUEST FOR EXPLANATION

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Deputy Prime Minister and it is further to the questions asked by previous speakers. The Deputy Prime Minister will admit it is outrageous to make out a blank cheque to the campaign manager for the Minister of International Trade, for the purpose of selling Government propaganda. I therefore want to ask the Deputy Prime Minister why

Mr. Laschinger was selected and what his qualifications are, and also, if the public is entitled to this information, how much Mr. Laschinger will get out of this privileged contract for the Minister of International Trade? How much is in it for Mr. Laschinger?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member just repeated a question that was already asked by his Leader. We know there is considerable discord within the Liberal Party, but I don't think this means they have to repeat the same question. The answer is the same as the one given by the Deputy Prime Minister. Members on the other side of the House have repeatedly asked that Canadians be given a chance to know the contents of the free trade agreement. We are now making sure that Canadians will have a chance to know the contents and the benefits to Canada of this agreement.

QUERY CONCERNING AMOUNT OF MONEY JOHN LASCHINGER WILL RECEIVE

Hon. Jean Lapierre (Shefford): Mr. Speaker, the Secretary of State for External Affairs didn't answer the question. For the third time, how much will Mr. Laschinger get out of this privileged contract with his former candidate for the Tory leadership? How much?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as the Deputy Prime Minister said earlier, Members opposite tend to exaggerate the Government's expenditures for promoting the Canada-U.S. Free Trade Agreement and ensuring that Canadians understand the contents of this agreement and its benefits for Canada.

An Hon. Member: How much?

Mr. Clark (Yellowhead): Someone said: "How much?".

There are very real benefits, for Quebecers and for the rest of Canada, in the Canada-U.S. Free Trade Agreement.

* * *

[*English*]

NATIONAL PARKS

SOUTH MORESBY—DELAY IN CONCLUDING AGREEMENT WITH BRITISH COLUMBIA

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Deputy Prime Minister. A year ago this month, this House of Commons unanimously passed a resolution to preserve South Moresby. A year ago the Prime Minister responded positively to the House and the national will to preserve South Moresby and honourably signed a Memorandum of Understanding with Premier Vander Zalm.

The Premier is now waffling on his part of the bargain and Canada is waffling on its duty to recognize and affirm the rights of the Haida people in South Moresby.

Will the Deputy Prime Minister use his good offices and those of the Prime Minister to get the Premier of British Columbia to honour the agreement he has already signed and to reach an agreement between Canada and the Haida people for their homeland?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I appreciate the Hon. Member's continuing support for this initiative. The answer is yes, I am sure the Office of the Prime Minister, indeed, my office, will be used in attempting to encourage the Government of British Columbia to comply with the Memorandum of Understanding that was signed and agreed to about a year ago. I hope to do that in the next day or so, perhaps even in the next few hours.

EFFORTS TO CONCLUDE CANADA—HAIDA AGREEMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is also directed to the Deputy Prime Minister. The Deputy Minister of Justice and other senior officials have been working overtime to try to reach suitable wording with the Council of the Haida Nation on a Canada-Haida agreement.

Will the Deputy Prime Minister assure the House that those efforts will be expedited because tourists from around the world are already arriving on the Queen Charlottes? There is a need to get on with the job both in terms of the agreement with the Haida people and in terms of developing the area for people coming from around the world.

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, we have had discussions, and other offices of the Government have had discussions with the Haida Nation. We have offered to put in place management structures that would allow participation by the Haida people.

I have written to Miles Richardson and stated that those management structures, those park sub-agreements for the national park reserve, could be considered to be incorporated into a claims settlement when that takes place.

We have attempted to provide opportunities for participation of the Haida people in the national park reserve and will continue to do so.

* * *

UNEMPLOYMENT INSURANCE ACT

MATERNITY BENEFITS—REQUEST FOR AMENDMENT TO ESTABLISH TWO-TIER SYSTEM

Mr. John Reimer (Kitchener): Mr. Speaker, my question is directed to the Minister of Employment and Immigration.

In recognition of the excellent work pioneered by the Fathers for Justice of Kitchener, in particular Ron Sauve, in lobbying for changes made to the Unemployment Insurance Act in the John McInnis case, and in view of the fact that the Canadian Human Rights Commission, the "Equality for all Report", the Forget Commission, and the Standing Committee on Employment and Immigration all recommended a two-tier system of maternity benefits, will the Minister amend the Unemployment Insurance Act to apportion the present 17-week benefit period to give: (1), an exclusive period of recovery for the mother; and (2), the parents the flexibility to divide the remainder as they so choose?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration)): Mr. Speaker, before the changes were made to Bill C-116, no biological father was recognized and eligible for unemployment insurance benefits. Since these changes were made, if the mother dies or is unable to care for her child, we can recognize the biological father and he can receive unemployment insurance benefits. And I might add that a case was heard in Federal Court for the recognition of biological fathers in general. Once the decision is announced, we will consider it and take action.

* * *

• (1440)

[*English*]

AIRPORTS

CONSTRUCTION OF TERMINAL 3 AT PEARSON INTERNATIONAL AIRPORT—PAYMENT OF HYDRO LEVY

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Acting Minister of Transport. It concerns Terminal 3 being built by a private developer at Pearson International Airport. The Government has honoured its commitment part way to make information public. We now know that the developers of Terminal 3 project will make a profit on equity of 33 per cent per year for the next 60 years. Will the Minister undertake that the developer will pay the hydro levy when that levy is assessed? It will be in the order of $3 million or so. Will he undertake that will be paid because the developer is a private developer, and not hide behind federal immunity or federal non-responsibility to pay municipal and hydro levies?

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I think it is quite impossible to give a specific response to that question because it really involves a lot of legal implications. I think the Minister of Justice may well have to give an opinion on that point. So I am unable to give a specific response today.

REQUEST THAT DEVELOPMENT AGREEMENT DOCUMENTS BE MADE PUBLIC

Hon. Bob Kaplan (York Centre): Mr. Speaker, this is a question the Parliamentary Secretary can certainly answer. Yesterday, on the direction of officials of the Department of Transport, the developers would not make copies of pages from the development agreement so they could be taken back by the media to their offices to digest, and they were very complicated documents. Will the Parliamentary Secretary change that decision and allow copies of these documents to be made public, consistent with the commitment that was made by the former Minister of Transport, presently the Minister responsible for international trade? he said these documents would be made available, but they are not allowing us to copy them.

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, it is true, though, that the Minister has released the documents that were within the purview of the federal Government to release. Documents that belong to a third party, under the Access to Information Act, of which my friend knows intimately well the details, we are simply not able to release without the consent of the third party. I notice in Mr. Stein's article that he pointed out that Huang and Danczky were more obliging and co-operative. It is just that they did not permit photocopies of parts of the documents to go. But the reporters were there for a number of hours and could make notes and comments on anything they wished.

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GOVERNMENT ADVERTISING

ADVOCACY ADVERTISING—GOVERNMENT POLICY

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I would like to return to the question of advocacy advertising and address my question to the Deputy Prime Minister. The record clearly shows that the Progressive Conservative Party appeared to object in principle to advocacy advertising in 1982. Given what it is now intending to do with respect to advertising of the free trade agreement, have the Government and the Progressive Conservative Party abandoned the principle they appeared to have in 1982? I wish the Deputy Prime Minister would answer that question instead of going on and on about what the money is being spent on. Would he address the question of the principle of whether the money should be spent in this way at all?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Well, Mr. Speaker, if providing information and ensuring that the Canadian people are well informed—

Mr. Benjamin: Before the legislation is passed?

Mr. Mazankowski: —not disinformed by the Socialist Party of Canada, which would do anything to kill the free trade deal, surely, Canadians are entitled to know the details of the agreement.

Mr. Althouse: Why don't you give them both sides, then?

Mr. Mazankowski: As far as I am concerned, we live in an age of access to information and freedom of information—

Ms. Mitchell: But to both sides.

Mr. Mazankowski: Why would any Government of the day—

Mr. Althouse: You only keep them half the story.

Mr. Mazankowski: —want to give important information like this secret? The Hon. Member would be the first person to complain if we did not come clean with all the information and all the ramifications of the trade initiative, and that is precisely what we are doing.

CANADA-UNITED STATES FREE TRADE AGREEMENT CAMPAIGN

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, the irony is that there are some 210 Conservative Members of Parliament over there, and people all across the country who are trying to get Tory Members of Parliament to come and defend the free trade deal can hardly get anyone to come to these forums.

Miss MacDonald: Are you kidding?

Mr. Blaikie: Now it is going to spend $30 million. I say to the Deputy Prime Minister that he has all kinds of Members over there. Why does he not use them, or are they ashamed of the deal? So I go back to the Deputy Prime Minister and I ask him if he personally, because he is someone who has been known in the past to have some respect for Parliament, abandoned the principle that the Government has no right to promote something which has not been passed in this House of Commons by the duly elected people of Canada? Has he abandoned that principle?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am certainly not ashamed of the trade deal that has been signed.

Mr. Blaikie: Your back-benchers are because they won't show up for anything.

Mr. Mazankowski: I find it appalling that the Hon. Member would take exception to the fact that here we are promoting international trade and attempting to secure a $200 billion trading relationship with the United States of America.

Mr. Rodriguez: It has not passed Parliament.

Mr. Cassidy: It has not passed Parliament.

Mr. Mazankowski: Surely Canadians are entitled to know what the deal contains, its positive effects, what it is going to do for every region, what it is going to do for every sector, and we intend to follow up with that.

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CORPORATE AFFAIRS

CDC LIFE SCIENCES INCORPORATED—TAKEOVER BID BY FRENCH STATE ENTERPRISE

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. The Minister will know that on April 13 there was a hostile takeover attempt by the *Institut Merieux*, a Government of France controlled enterprise of CDC Life Sciences Incorporated. The Minister will also know that CDC Life is the holding company which owns Connaught Laboratories, the leading Canadian biological manufacturer and a world leader in the development of a number of important medical products.

What is the Government of Canada doing to ensure that this highly regarded research and development company stays in Canadian hands?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, my recollection is that the Director of Investigation and Research of the Competition Bureau was set to initiate an action before the Competition Tribunal when in fact the offer by *Institut Merieux* was withdrawn because of violations of provincial security Acts. But we were certainly prepared to take action to prevent the takeover under the terms that were made known to us at that point in time. It became unnecessary because of subsequent provincial action, but if anything else were to happen in this respect, my Department will certainly take action.

CANADIAN OWNERSHIP

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my supplementary question is directed to the same Minister. The Minister and the House will realize that this particular company is a world leader in the development of a number of important medical products including polio vaccine, insulin, and penicillin production technology. In view of the Minister's previous comment, would he give an assurance and undertaking to this House that this particular company, a world leader, will remain in Canadian hands? Will he give a clear and unequivocal undertaking to all the Canadian people that it will remain in Canada for Canadians, doing research and development for world-wide interests?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I indicated that my Department was ready to act a few weeks ago when this first came up. I do not understand the Hon. Member's accusatory language. He is

two or three weeks out of date. Had he been paying attention he would have realized that we acted when in fact it looked liked this very reputable and important firm was to be taken over by *Institut Merieux*. I do not know why he should make this accusation now as if we have been negligent. He should wake up to the fact that we acted three weeks ago. He is three weeks late with his question.

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[*Translation*]

NATIONAL DEFENCE

PROPOSED FIRING RANGE FOR CF-18 AIRCRAFT IN SAGUENAY-LAC-SAINT-JEAN—MINISTER'S POSITION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is for the Minister of National Defence and concerns the proposed F-18 firing range in the Saguenay—Lac-Saint-Jean region. Given the strong and growing public opposition shown at recent hearings of the Bédard Commission and the position of the Secretary of State, Mr. Bouchard, who refuses to speak in favour of it, will the Minister finally announce that he will cancel this dangerous, costly project?

• (1450)

[*English*]

Hon. Perrin Beatty (Minister of National Defence): Mr. Speaker, as the Hon. Member mentioned in his question, there is a commission under way holding public hearings at the present time, sponsored by the Government of Quebec. This was requested by the Government of Quebec. The Department of National Defence is participating fully.

We know that the NDP is opposed to anything that will improve our capacity to defend Canada. This Government is not.

[*Translation*]

QUERY CONCERNING WHO SPEAKS FOR GOVERNMENT

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my supplementary question is for the same Minister. The Minister of National Defence is pushing ahead with the firing range project as he is pushing ahead with the folly of nuclear submarines, but his colleague, the Secretary of State, Mr. Bouchard, refuses to give his support to this project. My question for the Minister is very simple: Who speaks for the Government on this matter of the firing range, the Minister of National Defence or his colleague, the Secretary of State?

[*English*]

Hon. Perrin Beatty (Minister of National Defence): Mr. Speaker, the Government's position is well known. The Government is continuing to participate in front of the public inquiry. What is much more confusing when one reads statements of the NDP is who speaks for the NDP on defence policy, is it the Hon. Member for Brant, or is it the Hon. Member who just posed the question?

* * *

RESEARCH AND DEVELOPMENT

FUNDING FOR UNIVERSITIES

Mr. William C. Winegard (Guelph): Mr. Speaker, the Minister of State for Science and Technology announced that the universities of Canada were to receive another $440 million over the next five years—$240 million was for the Centres of Excellence program, and $200 million was for the granting councils. This is in addition to the $80 million scholarship program.

I think that the universities of Canada are interested in knowing the answer to my question. Will the Minister say with respect to the $103 million for NSERC, the $61 million for MRC, and the $36 million for SSHRC, if any of the funds are earmarked, or are the councils free to use them as they wish?

Hon. Frank Oberle (Minister of State (Science and Technology)): Mr. Speaker, I am grateful for the question. It was with a degree of satisfaction that we announced last week an increase in funding to universities amounting to $520 million.

Indeed, $240 million, as my hon. friend has indicated, is earmarked for the Centres of Excellence program, moneys to be spent in pursuit of excellence comparable to international standards.

Some $200 million to the funding councils is to be allocated to universities in the normal fashion. I assume of course that a large part of this money will go into fundamental basic research, which is so important as we put additional demands on universities to keep us equipped with highly qualified people and the expansion of our knowledge base.

* * *

FUR TRAPPING INDUSTRY

EFFECT OF BRITISH CAMPAIGN ON SALE OF CANADIAN FURS

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, my question is for the Deputy Prime Minister. Anti-fur lobbyists in Britain seem to be winning in their attempts to have the British Government pass a regulation which would not only discourage the sale of Canadian fur in Britain but which would destroy tens of thousands of Canadian jobs, many of them in the Canadian aboriginal community and other rural communities in Canada.

During his visit to Britain did the Prime Minister succeed in persuading Prime Minister Margaret Thatcher and her

Ministers to back down on this issue? Or did he come away from No. 10 Downing Street empty-handed?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I welcome the Hon. Member's interest in this question, and trust that he and members of his Party will work with us and work with other Members of the House who have already indicated their determination to try to change the mind of the British Government.

The answer to the Hon. Member's question is that we have not yet changed its position. I raised the matter vigorously and at length in conversations 10 days ago with the British Foreign Secretary, Geoffrey Howe. It has been raised by my colleague, the Minister of Finance, and by a number of others.

We know how vitally important this is to the livelihood of more than 100,000 Canadians, but particularly to Canadians of Inuit and Indian origin, many of whom have no other means of livelihood.

What we have to do is make the British understand that what is at issue here is the livelihood of Canadians who have no alternatives, Canadians to whom we all owe a special obligation. I will welcome the company of the Hon. Member and his Party in making that case to the British Parliament and Government.

REQUEST FOR BOYCOTT OF BRITISH PRODUCTS

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I will pose another question to the Secretary of State for External Affairs.

Given the fact that Canada's fur exports which amount to about $350 million annually and which involve, as he says, the jobs of about 100,000 Canadians, and the fact that these furs are primarily sold in Britain and other European markets, will the Minister take the lead in planning a boycott of certain British products as a means of retaliation to fight the proposed fur labelling regulation, instead of leaving it to the resource Ministers at the provincial level to do that job for him? Will he take that lead?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member has proposed a specific means which I think may well turn out to be counter-productive. What I think is important now is that we continue together to make the strongest possible case to the British Government about the effect that this will have upon Canadians generally, but upon Canadian native people in particular. I think that that is a case that Canada can win, if we make it consistently and effectively. I think were we to divert ourselves to become involved in threats at this stage that may not be as helpful as the course we are now following.

With regard to territorial and provincial Governments, we are working very closely with them. I have been in touch with them. My colleagues in the Government have been in touch with them. We take this issue very seriously. I have appreciated the work of the Hon. Member for Yukon and others from other Parties who have joined their support to our efforts. I hope that we will continue to have that kind of consistent support from the Hon. Member and his colleagues.

Mr. Brisco: Supplementary, Mr. Speaker.

Mr. Speaker: The Hon. Member for Regina West.

* * *

AIR CANADA

PROPOSED PURCHASE OF NEW AIRCRAFT—TECHNOLOGICAL BENEFITS OF OFFSET PROGRAMS

Mr. Les Benjamin (Regina West): Mr. Speaker, I have a question for the Deputy Prime Minister. This morning officers of Air Canada appeared before the Transport Committee with respect to their annual report. I want to say to my hon. colleague that I sorely missed him and the kind of questions he asked when he was transport critic for his Party.

I asked the officers of Air Canada whether or not the Government had requested them to give consideration in their negotiations for the purchase of new aircraft to the economic impact and technological benefits of offset programs. For example, the winning company could agree to subcontract work with companies in Canada for certain amounts over a defined period of time. I want to say to the Deputy Prime Minister that the answer was no, they had received no such representation: "We are not taking it into consideration".

Will the Government and the Minister at this late stage make such a request of Air Canada before a decision is made on what aircraft it will purchase?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am pleased that the Hon. Member missed me. I must say that sometimes I miss those transport committee hearings as well.

In regard to the economic impact offset program to which the Hon. Member refers, I can say to him that the airline responded in the proper fashion. It is the duty of the airline to determine which aircraft is best suited to meet the mandate or the mission that is required. It does it strictly on the technical basis, price, and the fulfilling of a mission. That policy is consistent with past practices.

The role of the airline is to ensure that it procures the best airplane suitable and capable of fulfilling that particular mandate.

POSITION OF AIRLINE

Mr. Les Benjamin (Regina West): Mr. Speaker, in a further question by my colleague from Thunder Bay—Atikokan this morning the chief executive officer of Air

Canada was asked if Air Canada was taking that into consideration prior to making a decision on what aircraft it will purchase. Mr. Jeanniot said "Wardair doesn't have to. Canadian Airlines doesn't have to. Why should we have to?"

Before Air Canada is even privatized—it is still a Crown corporation owned by the people of Canada and paid for by them—can Air Canada now say like the private airlines: "To hell with Canada"?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I must say that I am a bit surprised at the Hon. Member's question and his interpretation. The current Air Canada legislation provides that Air Canada should be run as a commercial operation in anticipation of profit and with the least amount of political interference.

• (1500)

I am sure that the Hon. Member would be the first one to pounce upon us if we were to impose new conditions and guidelines and interfere with Air Canada's decision on which aircraft to buy.

Mr. Benjamin: I did not ask that.

Mr. Mazankowski: I repeat, Mr. Speaker, the airline is quite capable of determining which aircraft is best suited to fulfil a certain mission or mandate, and we leave that up to it.

The Speaker: One last question from the Hon. Member for Glengarry—Prescott—Russell.

* * *

NATIONAL CAPITAL COMMISSION

NEPEAN BOY'S FLOWER SELLING BUSINESS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Minister of Public Works. The Minister will be aware that the National Capital Commission, in its quest for a pure and law-abiding society, has now extended the long arm of the law to stop a 14-year old boy, Eric Leclair, of Nepean, Ontario, from selling flowers in a semi-rural area on the grounds that the property in question is rented by the boy's father from the NCC.

Does the Minister of Public Works approve of this type of activity from the National Capital Commission?

If this is all that the NCC has to do, should it not find real work instead?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, this Government encourages entrepreneurs, young and old. The National Capital Commission will ensure that this boy stays in business.

Some Hon. Members: Hear, hear!

ASSURANCE THAT BOY MAY CONTINUE BUSINESS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I know that the NCC probably would not be bothering this kid if he was doing such things as stealing cars or selling drugs.

Some Hon. Members: Oh, oh!

Mr. Boudria: Can the Minister of Public Works give his assurance here and now that this kid will be able to continue that operation on the same property where he is doing so now? Will the Minister give this authorization today?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, if the Hon. Member needs tomato plants this weekend, I recommend that he visit the premises of this boy.

Mr. Boudria: I was there last night.

GOVERNMENT ORDERS

[*English*]

TOBACCO PRODUCTS CONTROL ACT

MEASURE TO ENACT

The House resumed consideration of Bill C-51, an Act to prohibit the advertising and promotion and respecting the labelling and monitoring of tobacco products, as reported (with amendments) from a legislative committee.

The Acting Speaker (Mr. Paproski): Call in the Members.

• (1520)

The Acting Speaker (Mr. Paproski): The question is the following one. Ms. Mitchell moved:

Motion No. 19

That Bill C-52 be amended in Clause 20 by adding, immediately after line 30 at page 13 the following:

"(3) Clause 6 shall expire on January 1, 1993."

The House divided on the motion (Ms. Mitchell), which was negatived on the following division:

(Division No. 371)

YEAS

Members

Althouse	Epp	Heap
Angus	(Thunder Bay—Nipigon)	Hopkins
Benjamin	Finestone	Hovdebo
Berger	Frith	Isabelle
Blaikie	Fulton	Kaplan
Boudria	Gauthier	Keeper
Caccia	Grondin	Langdon
Cassidy	Guilbault	Lapierre
Copps	(Saint-Jacques)	MacLellan
de Corneille		Manly

Marchi
McCurdy
McDonald
(Broadview—
Greenwood)
Mitchell
Murphy
Nunziata
Nystrom
Orlikow
Ouellet
Parry
Penner
Riis
Rodriguez
Rompkey
Rossi
Tobin
Turner
(Vancouver Quadra)
Young—45

NAYS

Members

Andre
Beatty
Belsher
Bernier
Bertrand
Blackburn
(Jonquière)
Blais
Blenkarn
Bosley
Bourgault
Boyer
Brightwell
Brisco
Cardiff
Carney
Clark
(Yellowhead)
Clinch
Coates
Collins
Comeau
Cooper
Darling
Domm
Dorin
Duplessis
Edwards
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Friesen
Gagnon
Gormley
Gottselig
Gray
(Bonaventure—Îles-de-
la-Madeleine)
Grisé
Guilbault
(Drummond)
Halliday
Hamilton
Hardey
Harvey
Hawkes
Hnatyshyn
Hockin
Howie
Jardine
Jepson
Johnson
(Bonavista—Trinity—
Conception)
Kelleher
Kempling
Ladouceur
Landry
Lanthier
Leblanc
Lewis
MacDonald
(Kingston and
the Islands)
Malone
Mantha
Marin
Martin
Mazankowski
McCrossan
McKenzie
McKinnon
McKnight
Merrithew
Nicholson
(Niagara Falls)
Nickerson
Oberle
Oostrom
Peterson
Plourde
Porter
Price
Redway
Reid
Reimer
Ricard
Schellenberg
(Nanaimo—Alberni)
Siddon
Stackhouse
Stevens
Tardif
(Charlesbourg)
Taylor
Thacker
Towers
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa—Carleton)
Van De Walle
Vankoughnet
Vézina
Warner
Wenman
Wilson
(Swift Current
—Maple Creek)
Witer—97

The Acting Speaker (Mr. Paproski): I declare the motion lost.

Hon. Jake Epp (Minister of National Health and Welfare) moved that Bill C-51, as amended, be concurred in.

Motion agreed to.

The Acting Speaker (Mr. Paproski): When shall the Bill be read the third time?

Mr. Lewis: Mr. Speaker, I rise on a point of order. I think you would find there is unanimous consent in the House to move immediately to third reading.

The Acting Speaker (Mr. Paproski): Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Riis: Yes, Mr. Speaker, we are quite prepared to give unanimous consent to move on this issue also recognizing that immediately following, hopefully, a vote later on today on this important Bill will be another vote on the Private Member's Bill.

Mr. Epp (Provencher) moved that the Bill be read the third time and passed.

Mr. Prud'homme: Mr. Speaker, I missed the other vote but since there will not be another vote, my name will not appear as having been here. I am very reluctant to be absent. I vote for this one.

Mr. Epp (Provencher): Mr. Speaker, mine is a very pleasant task this afternoon. I will be brief because I believe most of the issues relating to Bill C-51 have been expressed in the House and in committee earlier.

The Acting Speaker (Mr. Paproski): If there are conversations, I wish Members would go behind the curtains or in the lobby. Order, please, if there are any conversations to be held, I would ask Hon. Members to go behind the curtains. This is very important legislation.

• (1530)

Mr. Epp (Provencher): Mr. Speaker, as I said, I will not be very long but there are two or three things I would like to say this afternoon.

The purpose of the Bill is to provide a legislative response to a national public health problem of substantial and present concern. It is intended to protect the health of Canadians in light of conclusive evidence implicating tobacco use and the incidence of numerous debilitating and fatal diseases. It is also intended to protect all Canadians, especially young Canadians, from inducement to use tobacco products and consequent dependence on them. A further aim is to enhance public awareness of the health hazards of tobacco use by ensuring the effective communication of pertinent information to consumers of tobacco products.

The proposed ban on all tobacco advertising and most tobacco promotion is part of a wide-ranging anti-smoking policy that includes education measures, restrictions on public and workplace smoking, and financial assistance to tobacco farmers who wish to convert to alternative economic activity. This concerted government effort is aimed at promoting and eventually achieving a smoke-free society. These strong measures are an essential response to the pervasiveness of a man-made health problem which has reached epidemic proportions world-wide.

The most conspicuous triumphs of modern preventive medicine have concerned the control of infectious diseases, including smallpox, typhoid and polio. The most conspicuous failure has been in the area of tobacco-related illnesses, the leading public health concern of our time. Each year in Canada alone 35,000 middle-aged and older people die prematurely of tobacco-related illnesses, and thousands more suffer from tobacco-related chronic disabilities. These diseases,

which cause one out of every six deaths in Canada, can be prevented. However, a new vaccine is not the answer. The solution has to come from society as a whole and our collective willingness to strip tobacco of its falsely alluring image.

That really is the essence of the Bill, so I am not going into its various details again. However, I received one piece of additional information which will possibly make the argument one more time to those who might be skeptical or those who say the tobacco industry and its advertising arm are not interested in inducing young Canadians to smoke. I have in my hand *Maclean's* magazine of May 30, 1988, and I do not think I can get any more current than that. In that magazine there is an ad for pipe tobacco with a clip-out coupon. The ad in this national news magazine says:

> New Amphora Cherry Cavendish. It's cool, smooth and easy-smoking. For a free pouch of Amphora Cherry, send the label from your regular tobacco or cigarette brand with this coupon to Delpro,—

It then gives the address. I had one of the young people who work with me call that company today at noon. They were asked what is required. They said, "Send a note with your name, address and phone number, and your name will go into a computer bank so we can send you our tobacco newsletter. Tell us which brand you smoke and we will send you your free pouch of pipe tobacco". There is no cost, there are no questions, and there was no reference to age. Anyone who can dial a number or fill out the coupon can do it.

You might say that most young Canadians might not want their first experience with tobacco to be pipe tobacco. However, the tobacco industry from day one has wanted to attract more people to their products so they could sell more of them. Anyone who denies that flies in the face of every piece of evidence. I say that in a country where we spend so much time protecting health, where we look for cancer cures and cures for heart disease, lung disease, and try to develop a better quality of life, it is time for this Parliament to speak.

It is a testimony to the tobacco industry that it is the only industry, with the exception of the 1908 law, with no restrictions on it by law. You tell me whether you can buy any consumer product on which there are not some restrictions. Tobacco has escaped.

People say, what about freedom of speech? The Charter of Rights and Freedoms is not a charter for companies, it is a charter for individual Canadians. Some people say there will be a challenge to this Bill with respect to the right to advertise. I say, "Challenge us. Challenge the Parliament of Canada. Challenge Canadians. At the same time, explain why you want to protect an industry responsible for more self-induced illness and death than any other in Canada today". Those are pretty strong words, but I mean them, not only as an individual but as Minister of National Health and Welfare.

The time has come where Ministers responsible for health cannot simply utter nice, comforting words about health. Action has to be taken. Therefore, I call on this Parliament to take that action. I also call on the other place to prove that it understands that Canadians of all ages expect it to look to their interests first, not corporate interests.

The last task I have today is to thank a number of people. I want to begin by thanking my Parliamentary Secretary who I think has exemplified, both in the House and in committee, the very best of parliamentary expertise.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): I want to thank my government colleagues in this House who have from time to time had difficulty with the Bill, not in any negative sort of way but over the question of what is the legitimate role of Government in the area of health promotion and changes in lifestyle. I want to thank as well members of the Opposition. Although we might tangle here from time to time, the fact is that on this Bill both Liberal and NDP Members have not only been co-operative but have taken the national interest to heart, and I thank them for it.

• (1540)

Third, I want specifically to thank the Member for Broadview—Greenwood (Ms. McDonald). Without her personal tenacity on this issue this item may not have been brought to the point at which it is today. It is important, regardless of our partisan differences from time to time, to recognize the contributions of others on the other side of the House.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): Finally, I want to thank health groups which, from time to time, are criticized for asking for greater fees or a high percentage of the health care funding. When I introduced Bill C-51 I said that the Bill would pass if health care groups really cared. I do not want to attempt to name all the groups and individuals because there were so many, but I would like to mention the Non-Smokers' Rights Association. I mention them because they have often used methods which were a little less than orthodox, and even got under some people's skin from time to time. However, it has been my experience that if you want to push health promotion you sometimes have to get under people's skin.

Mr. Turner (Vancouver Quadra): So you understand why we put questions to you.

Mr. Epp (Provencher): Yes, now I understand why the Opposition gets such fine answers from me to the questions which they ask me. Seriously, there have been a lot of people who have really pushed this legislation. I can say, and not because this is government legislation or because I had the opportunity to bring it in, that many people in the international scene see this as progressive legislation which I believe will again put Canada in the vanguard of health promotion. I thank everyone who has helped.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I would first like to join in thanking the Member for Broadview—

Greenwood (Ms. McDonald) who brought this issue to the fore with a little political sleight of hand. Were it not for the Government's leap-frogging intention last night we would be here today debating and voting on Bill C-204. However, I am glad that the Government has finally had its bluff called and has come forward with Bill C-51. We are, of course, most happy to do everything we can to assist in its speedy passage.

The Minister has spent some time thanking health groups. The Canadian Cancer Society, the Non-Smokers' Rights Association, the Canadian Medical Association, the Dental Association, and the Canadian Nurses' Association have all contributed, and the list goes on and on. Frankly, many of us are breathing a sigh of relief because at one point in the discussion we thought that the perils and travails of Mr. William Neville and company were going to prevent this Bill from ever seeing the light of day.

The original Bill was certainly stronger. It has been watered down. In some cases there have been accommodations and in some cases unacceptable compromises in relation to the timing of certain parts of the legislation. However, I think the Minister came forward with what he considered to be achievable under the circumstances. I am hoping that he will move quickly to have Royal Assent were the Government to be in a position to call an election this fall, which frankly I doubt.

I have some concerns relating specifically to some of the Minister's amendments. He was not in the House this morning when I had a chance to speak to them. I would like to point out specifically my very serious concern in relation to Motion No. 1, subclause 4(3). In my mind that subclause draws an unfortunate link between the Free Trade Agreement, which has just been signed by the Government, and this legislation.

You will no doubt be aware of the comments of the Minister of Agriculture (Mr. Wise) who stated that free trade could stop Bill C-51. The Minister of Agriculture said that C-51 may be unworkable in a climate of free trade with the United States. He said on Monday afternoon that the legislation is flawed as it would stop domestic manufacturers from promoting their products here but would be powerless to stop American publications entering Canada from advertising American tobacco products.

I was distressed to see a specific amendment which, in my mind, offers protection to the Americans, specifically, Clause 4(3). The Minister himself introduced this amendment in committee and stated:

> For greater certainty, subsection (2)—

—which is the subsection relating to publication, broadcasting and dissemination—

> —does not apply in respect of the distribution for sale of publications imported into Canada or the retransmission of radio or television broadcasts originating outside Canada.

In the committee it was made very clear by myself, among others, that we should retain the right in this legislation to limit material, including magazines and television transmission, which may be coming from the United States but is specifically targeted to the Canadian market-place.

Interestingly enough, in a study prepared for the committee by our legislative researcher, the concern about advertising coming in from the United States as a result of the trade Bill was highlighted because in the final agreement signed between Canada and the United States the Americans will be given preferential tax treatment in terms of advertising in the same way as when it was previously restricted to Canadian companies. The famous *Reader's Digest* legislation which led to preferential treatment being given to Canadian-based magazines is now also going to be accorded to magazines which are published in the United States.

Therefore, notwithstanding Bill C-51 and the good intentions to limit advertising in Canada, there is nothing that prohibits an American company, by way of American transmission by television or American transmission via American magazines, from targeting the Canadian market.

In committee we left the door open by saying "no person" so that we would limit the potential of an American tobacco company or an American advertising company being hired in the United States with the express purpose of targeting the Canadian section of American-based magazines. Now that the free trade agreement has re-introduced preferential tax treatment we may once again see Canadian editions of *Time*, *Newsweek*, and other American magazines, which disappeared when the previous Liberal Government in Canada said that if you want preferential tax treatment you must advertise only in Canadian magazines. Therefore, the free trade agreement is opening a loophole for American advertisers potentially to get tax deductions to advertise to the Canadian market. I believe that Clause 4(3) which is being proposed by the Minister—

An Hon. Member: You're wrong.

Ms. Copps: The Member was obviously not in committee. He does not know the issue. I wish he would follow the issue.

Mr. Gormley: I know more about C-58 than you ever will.

Ms. Copps: More about Bill C-51. I understand that the Member is extremely knowledgeable.

Mr. Gormley: Bill C-58.

Ms. Copps: This particular Bill was discussed at length in committee. It was determined that we wanted to have as wide-ranging a motion as possible. When we are bringing forward a Bill which says that Canadian advertisers no longer have the right to advertise, surely we do not want to leave the back door loophole open for American magazines and American television transmissions to come in here, get preferential tax treatment, and be able to sell American cigarettes, thus giving them a greater inroad into the Canadian market-place.

That was exactly the dilemma pointed out by the researcher who suggested that the introduction of the free trade agreement would, in the short term, increase consumption of cigarettes in Canada.

• (1550)

I certainly support the Minister's intention in introducing the Bill, but I am against the restriction he applies in the amendment which states:

> For greater certainty, subsection (2) does not apply in respect of the distribution for sale of publications imported into Canada or the retransmission of radio or television broadcasts originating outside Canada.

Many of us live in border towns where we are certainly subject to the onslaught of advertising from the United States. It should apply if the intention of the advertiser is to bypass Canadian law and utilize American publications to sell cigarettes in Canada. For greater certainty, the Minister should withdraw this particular clause.

In fact, the committee was rather general in the application of the publication ban in an effort to deal with the doors that are being opened as a result of the free trade agreement. That is not only the statement of the Liberal opposition Member. I refer specifically to the comments of the Minister of Agriculture when he gave a speech in Tillsonburg and told the community that Bill C-51 may be unworkable as as result of the trade agreement.

Surely we do not want Bill C-51 to be unworkable. We want it to work in Canada as it relates to Canadian advertisers, but we also want to prevent the kind of exploitation which may occur if the tobacco industry in the United States sees a chance to make inroads into the Canadian market-place and actually do so by getting preferential tax treatment.

When one looks at the final draft of the free trade agreement, one can see that American advertisers and American magazines will be extended the same kind of preferential tax treatment as is currently the exclusive purview of Canadian magazines. Rather than a hypothesis on our part, it is a real threat that American companies can decide to get into the Canadian market-place by way of American magazines, setting up Canadian sections, and be free to advertise in a way that violates the spirit of the free trade agreement.

I understand that from the perspective of other foreign magazines, such as *Paris Match* or *Stern*, that are imported into Canada, it would certainly be unworkable to prohibit the importation of all magazines that include cigarette advertising. Quite clearly, though, tobacco advertising in *Stern* is not targeted to the Canadian market-place. It is also quite clear that the decision to ban advertising here in Canada opens a potential market for American advertisers who can come in through the back-door and sell Canadian editions of American magazines in Canada, essentially avoiding the regulations that were established to try to prohibit that kind of advertising.

I do not believe that is the Minister's intention. That is why I believe he should eliminate clause (3).

An amendment originally moved in committee would have included in the clause not only anyone advertising in Canada, but anyone who directly or indirectly applies to the Canadian market. That might be a way to amend the clause and close the loophole being created as a result of the trade agreement.

I see the loophole as a potential for growth of the industry in the tobacco sector. Furthermore, if the Americans will be allowed to advertise while we are restricting our Canadian advertising at the same time, the price of the commodity from the perspective of Canadian farmers will be driven down while their American counterparts will essentially have *carte blanche* to advertise indirectly through various media in the United States that we all know have daily contact with Canadians.

I believe a stricter interpretation of this area will clarify that the Government's intention is not only to restrict Canadian advertisers in Canada but to restrict Americans who may see the introduction of the free trade agreement as a chance to make inroads into a market that is facing very valid and supportable restrictions in Canada.

There are some 30,000 people per year who have either quit smoking or who lose their lives as a result of tobacco-related illnesses. They are not being replaced on the Canadian market-place. We assume that the Canadian industry will not grow, and that is why we supported this legislation. It is a long-term strategy to reduce and ultimately eliminate tobacco consumption.

However, if the Americans see that situation in the Canadian market on the one hand and, on the other, see an unfettered industry in the United States that will have access to the Canadian market-place by way of the free trade agreement, with the further preferential tax treatment which is now being accorded to American magazines that may choose to target the Canadian market-place, an entire new market will open up that they will be very anxious to enter. We should close that loophole before it has a chance to take hold.

[*Translation*]

Mr. Speaker, we support the principle of Bill C-51, since its purpose is to eliminate, once and for all, the most dangerous threat to health in this century.

Many deaths and many diseases are caused by smoking. I don't think there is a Member in this House who doesn't know someone who either died of cancer or had an operation or a mastectomy because of cancer, and I think we all know there is a well-established link between smoking and cancer.

I just want to point out to the Minister, because we are always being told that the free trade agreement has no connection with our standard of living, that in his own motion, Motion No. 1, which is about the rules for prohibiting tobacco advertising in Canada, he says specifically, and I quote:

> (3) For greater certainty, subsection (2) does not apply in respect of the distribution for sale of publications imported into Canada or the retransmission of radio or television broadcasts originating outside Canada.

We do not support this motion, Mr. Speaker, because we believe it opens a tremendous loophole for American tobacco companies, when they see a legal vacuum has been created by the statement that there will be no more advertising in Canada. If they see that loophole—and according to the free trade agreement, there will be preferential tax treatment, specifically directed to American magazines, in the same way that now exists for Canadian magazines—American companies will say: Okay, we are going to try and sell Marlboros in Canada. Since there is no Canadian market because of the lack of advertising, let's expand and use advertising in American magazines to reach the Canadian market, because a vacuum has been created there and we want to fill that vacuum. By leaving this exemption in the Bill, the Minister is leaving a big loophole which may be used by the big American tobacco companies to enter the Canadian market and also by advertising agencies to conduct campaigns.

Mr. Speaker, it might not be a problem in certain remote areas of our country but I doubt it, because once when I was in Moose Jaw, I was able to watch the news from Detroit on TV because through cable TV, networks are able to broadcast just about anywhere.

Right now, the Americans have a voluntary ban on the advertising of tobacco on television, but if they decide to change their minds, there is nothing to prevent American companies from directing advertising specifically to Canadians.

We see this happening near my home.

[*English*]

Near my home in Hamilton it is quite obvious that the Buffalo television stations advertise to attract the Canadian market. They are very specific. They direct their advertising toward Hamiltonians and Torontonians. While there is currently in the United States a voluntary ban on the advertising of tobacco on television, if that ban were lifted we should still, by way of this legislation, reserve the right to restrict not only advertising that is originating in Canada but also advertising which directly or indirectly is targeted to the Canadian market-place.

• (1600)

Specifically in relation to magazines, I think we are opening here a potential can of worms with the clause which states quite clearly that this does not apply to any magazines coming in. If we do have magazines such as *Time* which decide to re-establish a Canadian base, particularly in relation to tobacco revenues, which at the moment constitute about 20 per cent of revenues for magazines in Canada, and if Americans decide that they are going to—

[*Translation*]

. . . filling that vacuum by publishing a Canadian edition, according to the free trade agreement they are given preferential tax treatment and on top of that, the Minister says they will not be affected by Bill C-51.

So I would like to ask the Minister whether he would withdraw this new amendment, Motion No. 1 or at least the third part which says publications imported into Canada will not be affected. Otherwise, I think it will give American companies and American advertising agencies a chance to make inroads into the Canadian market when they see this vacuum created by an Act of Parliament.

[*English*]

I think that the Minister's intention is obviously to reduce tobacco consumption, not to freeze off the market to allow another country to come in to fill that market. I believe that by changing the specific exemption that he has allowed for in clause (3), perhaps he will send a clearer signal to the industry, whether it be the Canadian tobacco companies or their American counterparts, that there is no way they will be able to get around this lobby. The intention is to restrict and prohibit advertising and to limit gradually sponsorships, and not to open a market for Americans to come in as a result of the trade agreement. Given the difference in tax treatment that is now being accorded to American magazines as a result of the trade deal, it would be extremely important for the Minister to make that clarification so that people know that this is not only going to restrict advertising in Canada but that there is no way that a company can come in through the back door via Buffalo or a tax loophole with respect to an American magazine and advertise to a Canadian market.

If that is dealt with, I think it will close what I see as a potential danger and a potential loophole as a result of the trade agreement. Certainly, the intent of the legislation in general is very positive. It is certainly legislation that will be supported by my Party.

Mr. Gormley: Mr. Speaker, I rise on a point of order. I want to clarify briefly my heckling of the Hon. Member. I indicated that I knew more about Bill C-58 than she ever would. That of course is the Bill that deals with the tax treatment of cross-border advertising. I know that she had interpreted me as thinking that I was referring to Bill C-51. However, Bill C-58 does some good things for communications, and Bill C-51 does some great things for the health community.

I wanted to clarify that for the Hon. Member in case it were indicated that I meant something else.

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, today is a historic day for the health of Canadians. We have in the House two important Bills which will be voted on, Bill C-51 at third reading debate now and my own Private Member's Bill, Bill C-204, which will be voted on this evening.

These Bills are complementary. I urge Hon. Members to support both of them. I thank Hon. Members in all Parties who are indeed supporting both of them and doing so very actively. I compliment the Minister for his work on Bill C-51. I hope to see his support on Bill C-204 at the appropriate time.

He will know that my Party is facilitating passage of Bill C-51. Indeed, we were vigorous supporters of Bill C-51, perhaps

more vigorous than some members of his own Party. We are today facilitating moving directly through Bill C-51. The health of Canadians will be aided if both Bills achieve third reading today and move on to the Senate.

The two Bills deal with advertising. My Bill is a little bit more thorough than the Government's Bill C-51 in terms of not allowing any sponsorship of tobacco companies for sporting or cultural events. There is a limited amount allowed in the Government's Bill. I would like to have seen the Government more thorough in banning it. I would like to have seen the advertising ban come in more promptly. However, it is an important Bill. It is a step in the right direction. It will begin to turn the tide, I hope, for the young people who are starting to smoke, indeed, at the ages of 10 and 12.

We know we are not winning the battle. For those who take the view that we can sit back, that we do not need legislation or that one Bill will do it and we do not need anything more, I say that we are not winning the battle. Consumption continues to rise. Anyone who looks at the billboards will see a new wave of cigarette advertising using culture, sports, the outdoors, the environment, to give the impression that smoking is still good for us and that it is something that is part of the good life. This deception continues. Until this Bill is passed and is in force, or until my Bill is passed and is in force, there will be Canadians who will be deceived by the advertisers into thinking that smoking is all right.

Bill C-51 would begin to deal with this matter seriously. It would do something that my own Bill does not address, that is, the labelling issue. It would ensure that there is accurate labelling of the products of tobacco so that we would not just have the message go out. We would cancel the positive message going out that tobacco is good for one and, indeed, the negative message, the detailed message of the consequences, would be part of the information that would go to consumers. This is information that is terribly important for consumers, something which they have needed for all these decades.

We have the information as to the unfortunate consequences of smoking. We know what the statistics are—35,000 Canadians at least every year die directly from the effects of tobacco, from heart disease, cancers of various sorts and emphysema. We also know that the death toll is in the area of hundreds for those who die not from their own smoking but from having to breathe the cigarette smoke of other people in offices, homes or both. The number of deaths is in the hundreds in the case of people who are killed in fires caused by smoking. There are also perinatal deaths. We will begin to see this death toll diminish as consumption goes down.

We cannot directly control consumption. However, if we stop the advertising we can stop an inducement to take up smoking. We can aid the educators to put out their positive health message which gets cancelled if there are the billboards of the good life, if there are the magazine advertisements of the good life. Once we get rid of these the educational message will be very much easier to get out. It is extremely important that that happen.

For those who think that if we pass Bill C-51 all will be well and that this is all that is needed, let me be very clear as to the complementary nature of the aspects of my Bill. If both Bills are passed, Bill C-51 as a government measure will take precedence. My own Bill has been amended in committee to ensure that it will be the Government's Bill, the Tobacco Products Control Act, which will take precedence, and so that the Hazardous Products Act will not be used in that case. The Government has the right to legislate. My Bill had to give way to that.

However, Bill C-51 does not have those aspects that my Bill has with respect to transportation and a smoke-free workplace. Right now employees who come under Treasury Board guidelines are getting some protection. We hear the good news of that. People appreciate it. I have had public servants say to me that they feel a lot better at their place of work. They are not getting the same number of headaches. Efficiency is improving because of having a decent working environment.

However, that measure only protects those who come under Treasury Board guidelines. The great majority of people under federal jurisdiction are not public servants under the Treasury Board. All the people who work for the RCMP, whether they are officers or civilian staff, people in the Armed Forces, people in all the Crown corporations, Air Canada, the CBC, the transportation companies, VIA Rail, CN, CP, the banks, do not get protection by Treasury Board guidelines. They have been asked to act; some of them have, and some of them have not. Some of them have responded very inadequately and are providing very little protection to their employees. Employees only have the option of taking a grievance, which is very time-consuming and is not always successful. In the case of the RCMP, grievances have not been successful. The RCMP states: "Our policy is to allow smoking. If you don't like it, tough luck". Therefore, grievances have not worked. We would like to believe that under common law all people have a right to a safe working environment, but it has not been achieved. It seems to me unfortunate that a person has to go to a court of law to demand his or her rights.

• (1610)

Some improvements are needed on the Hill for employees. I spoke with a woman not too long ago who was pregnant on the job and was forced to work on the Hill in a smoking environment. That harmed not only her health, but the health of her foetus. We know that infants born underweight as a result of maternal smoking are at risk. More of them become ill. The rate of death of underweight infants is higher than for infants who are born of mothers who have not smoked and have not been subjected to other people's smoke.

For the protection of the health of our employees in all of those other agencies, apart from the federal Public Service, for people on the Hill or for people who travel, those aspects of my

Bill were watered down in committee. I would have liked to have seen much stronger support for people in transportation. However, we are moving in the right direction. In my Bill there is a clause, and the Government can bring in the regulations, to increase access to smoke-free transportation in the airlines, in trains, and in buses. At least the framework is there. Whether or not it is used will be up to the Government, but I would think that the health community would urge action to bring in regulations consistent with protecting the health of travellers. That framework is in my Bill. I think that Canadians will want to see that.

We know that both Bills have the support of the vast majority of Canadians. Public opinion polls show this, and many Canadians have written to us directly. Members of Parliament will have received post cards, letters, and petitions that ask Parliament to pass both of those Bills.

I wish to refer to a list of organizations that have supported my Bill. I believe that all of them are also supporters of Bill C-51, and indeed there may be further supporters of Bill C-51 who are not on this list. At the risk of boring people, I would like all Members to know the very large number of important health organizations and other organizations that have given their support. The list includes: the Canadian Medical Association, the Canadian Nurses Association, the Canadian Cancer Society, the Lung Association, the Canadian Dental Association, the Canadian Council on Smoking and Health, the Canadian Hospital Association, Physicians for a Smoke-Free Canada, the Canadian Institute of Child Health, the Canadian Heart and Stroke Foundation, Alcohol and Drug Concerns, National Cancer Institute of Canada, the Royal College of Physicians and Surgeons of Canada, the Canadian Association of Optometrists, The College of Family Physicians of Canada, the National Federation of Nurses' Unions, the Alberta Association of Registered Nurses, the Ontario Nurses Association, the Canadian Association of Hospital Auxiliaries, the Canadian Association of Occupational Therapists, the Canadian Association of Pathologists, the Canadian Chiropractic Association, the Canadian Council of Cardiovascular Nurses, the Canadian Pharmaceutical Association, the Canadian Physiotherapy Association, the Cancer Treatment and Research Foundation of Nova Scotia, the Cancer Control Agency of British Columbia, the University of Alberta Cross Cancer Institute, the Hamilton Regional Cancer Centre, the Ontario Cancer Institute. These are major national organizations, universities, and regional bodies.

Let me mention some local bodies and provincial bodies: the Porcupine Health Unit, Ottawa-Carleton Regional Health Unit, Public Health Association of Nova Scotia, Manitoba Medical Association, Medical Society of Nova Scotia, Alberta Medical Association, British Columbia Medical Association, Ontario Public Health Association.

It is a very impressive list, and I am not yet finished. I think Hon. Members ought to know the quantity and quality of support of these major professional bodies that are supporting both Bills today. The list also includes: Allergy Information Association, Fort McMurray and District Health Unit, East York Health Unit, Northwest Territories Hospital Association, Ontario Thoracic Society, Central Kootenay Health Centre, South Peace Health Unit, Alberta Public Health Association.

There are also a number of labour bodies because employees are affected by my Bill. Major unions under federal jurisdiction are also supporters, including Canadian Labour Congress, Canadian Auto Workers, Public Service Alliance of Canada, Canadian Union of Public Employees, both the National Office and the Airline Division; and on the issue of a smoke-free workplace, ACTRA.

There are other citizens' organizations that represent millions of Canadians: National Action Committee on the Status of Women, Canadian Teachers' Federation, Canadian Home and School Parent-Teacher Federation, Ontario Federation of Home and School Associations.

A number of churches and individual religious leaders have written with their support for this legislation, including: Evangelical Lutheran Church in Canada, Evangelical Fellowship of Canada, the Salvation Army, the United Church, and the Presbyterian Church in Canada.

A number of Bishops have also written, including Reverend James MacDonald, Bishop of Charlottetown; Gilles Ouellet, Archbishop of Rimouski; Bishop Sotirios of the Greek Orthodox Church; and Cardinal Carter, Archbishop of Toronto.

Finally, a number of anti-smoking bodies, the National Program to Reduce Tobacco Use and Non-Smokers' Rights Association, have been organizations prominently involved in this struggle.

It is a long list, Mr. Speaker, but it is very important for people to understand the extent of support that there is for this Bill.

The Public Service Alliance of Canada has just sent a letter by hand addressed to the Minister of National Health and Welfare (Mr. Epp), and to the Minister of Labour (Mr. Cadieux), urging that Bill C-204 achieve third reading. The letter states: "On behalf of the 180,000 members of the Public Service Alliance of Canada . . . " and, after all they are a major sector of people who will be affected by the legislation " . . . I would urge you to support this Bill . . . ".

I can see that my time is running out. I would like to finish by reading a letter from Mrs. Betty Fox, mother of the late Terry Fox. The letter states:

> I am sure you can remember my son Terry's personal dedication to better health for Canadians through medical research on cancer. Our son Terry really wanted to make the world a better place in which to live.
>
> I am writing to you today to do your part to help carry out Terry's dream. I ask you to do all you can to support Bills C-51 and C-204 which are before Parliament. This will be a significant move to curb the curse of smoking-related cancer which the World Health Organization has pointed out is "fuelled mainly by intensive and ruthless promotional campaigns on the part of the trans-national tobacco companies".

Let's not waste precious medical research dollars on a problem that we can help prevent in the first place.

Let me say that both these Bills deserve our support today. I hope that all Hon. Members will achieve this historic day for Canada. The 35,000 Canadians who die every year, the hundreds of Canadians who are affected in many other ways by sickness and death in their families, count on Parliament to provide protection against this curse. Tobacco-related diseases are preventable. Today we have the opportunity with both Bills to take a step forward to protect the health of Canadians.

Mr. Chris Speyer (Cambridge): Mr. Speaker, I am compelled to rise today because I disagree with the philosophy of Bill C-51. My disagreement has been evidenced in committee, and many of the submissions that I have made have been in committee. Therefore, I am sure many people are aware of them, but it is important at third reading that the debate not conclude without stating a few of the matters on which I disagree with the Minister.

Let me say at the outset, there is absolutely no doubt in my mind as to the sincerity with which the Minister holds his views, particularly with respect to smoking-related deaths. I do not disagree with respect to the medical evidence that is available. Smoking causes illness, heart attacks, and death. To me, that is not the issue in this particular Bill.

• (1620)

There are essentially two points on which I am at odds with the Minister with respect to the Bill. The first has to do with the question of freedom. The Charter of Rights and Freedoms, to which the Minister alluded a few moments ago, states that "everyone has the fundamental freedoms of freedom of thought, belief, opinion and expression, including freedom of the press and other media".

The Minister of Justice (Mr. Hnatyshyn), on November 20, 1987, received from the former President of the Canadian Bar Association a long letter with respect to the legality of this Bill and whether or not it was an unwarranted intrusion on freedom of expression. I would like to read one paragraph of that letter, which reads:

Section 2(b) of the new Charter of Rights and Freedoms guarantees "freedom of thought, belief, opinion and expression." Three Provincial Courts of Appeal have recognized that this guarantee extends to advertising (Manitoba, Quebec, and Alberta) and a fourth has confirmed that the guarantee protects all forms of expression (Ontario). Two Courts of Appeal, Quebec and Alberta, have indicated that total advertising bans never can be justified under the Charter.

There is absolutely no doubt in my mind that a blanket prohibition prohibiting the advertising of a legal product will be struck down. The challenge that was issued by the Minister when he spoke a few moments ago will certainly be taken up.

It is not only the former President of the Canadian Bar Association who has advised the committee with respect to this particular opinion. I am referring now to a cabinet document that was secured under freedom of information legislation. This was written by Martin Low, a scholar in the Department of Justice, who gives advice to all Governments with respect to the legality of certain legislation. He said:

On the assumption that commercial speech is protected by the Charter,—

And there is absolutely no doubt that it is. It goes on to say:

—I am of the opinion that a complete ban on tobacco advertising raises significant Charter concerns.

He goes on to say:

Blanket prohibitions severely restrict the exchange of information. They hamper on both the individual consumer's and society's interest in the free flow of information, particularly where the advertisements are neither misleading nor related to an unlawful activity.

Smoking is a lawful activity. Smoking tends to kill and it causes disease, but it is a legal activity. Certainly the individual who wrote this memorandum which was secured by the Brantford *Expositor* represented to the Government the problems the Government would have when this matter was challenged before the courts. I do not think there is any doubt about his conclusion. He says:

In conclusion, I believe that if a prohibition on tobacco advertising cannot be shown to affect tobacco use, a total ban on such advertising seriously risks offending section 2(b) of the Charter.

I sat through every committee hearing on the question as to whether or not there was a nexus between advertising on the one hand and reducing smoking on the other. There is absolutely no evidence that I heard that suggested that this would in any way reduce smoking. If someone could demonstrate to me that banning advertising would lead to the reduction of smoking, I would think again about this issue, but people are quitting smoking today for one reason, and that is, because they know that it is a serious health risk.

Let us look at the eastern European countries and at what is happening in Scandinavia where there are advertising bans. Read the evidence of what was said before the committee. If Hon. Members do not believe me with respect to this, they should read what Mr. Low said. He was advised, as indicated in this cabinet document, that the point of this Bill was that the advertising ban was for a purpose that was purely symbolic.

When the Hon. Member for Broadview—Greenwood (Ms. McDonald) asked a question in May of last year of the Minister of National Health and Welfare (Mr. Epp) with respect to this, the Minister acknowledged at that time that it was only a symbolic gesture and that there was no real expectation that people would reduce smoking.

This Bill will have profound consequences on amateur sports and culture. The committee heard from cultural organizations such as the du Maurier Art Council which is against this Bill. The council told us what the effect would be on the cultural community. No one can deny that testimony. One can disagree with it and say that the Bill is far more important, but there will be some substantial effects.

We heard people from Tennis Canada, people from the Canadian Open golf tournaments and many advertisers. Let us

make no mistake about it. There will be jobs lost as a result of this Bill, and I think it is thoroughly flawed legislation, from my particular vantage point.

I believe that one of the hallmarks of democracy is that we are allowed to choose even things which are not good for us. I do not doubt for a moment that smoking is bad, but one of the freedoms I think I have is the freedom to make that choice. I believe that it is far more intellectually honest to ban smoking than it is to ban the advertising of smoking.

Again, it may be my particular philosophy, but I also find that Government is far, far too intrusive into our lives. I am a little surprised at a Conservative Government that would bring in legislation such as this for only symbolic purposes.

I believe that in many ways, Bill C-204 is more intellectually honest than Bill C-51. It is one thing to say that people who go out for $100-dinners do not want others to ruin those dinners by smoking, and I really understand that, but it is another thing to ban the advertising of a legal product unless we can convince people that there will be a reduction in smoking as a result.

The fact is that the Hon. Member for Hamilton East (Ms. Copps) made a very valid point and it was this: is this socially useful legislation? Sixty-six per cent of all the magazine advertising that comes into Canada is American. We will tell *Maclean's* magazine and other Canadian magazines that they cannot advertise smoking, but we will allow *Time* magazine, *Sports Illustrated* and *Golf Digest* to do it. They form 66 per cent of the market.

Let us talk about the social utility of this Bill. The Hon. Member for Hamilton East was quite right. If we thought we could ban advertising, if anyone in the House is under the illusion that this Bill will ban the advertising of smoking, I say that it is nonsense. Sixty-six per cent of the magazines we read come from the United States.

Let us talk about what has happened in Canada previously. There is no advertising of smoking on television, and that is by way of agreement. There is none on radio and we do not see it in the newspapers. We see it on billboards and on signs in corner stores. Where we see it most often is in magazines, and that is what we are banning. It is socially useless to say that Canadian magazines are cut off while allowing American magazines to advertise smoking. Again, it comes down to a question of symbolism, but at what cost? The cost will be jobs, and, most important to me, a loss of freedom.

There is no doubt in my judgment that to advertise a legal product does not offend the Charter of Rights and Freedoms. We have the freedom to say what we want to say about legal products. I believe the legislation is flawed. I am troubled, because this is my tenth year in Parliament and in 10 years I have never voted against my Party. I have no tobacco farmers, to my personal knowledge—perhaps there is one—in my riding. There are no manufacturers of tobacco in my riding. There is no pressure within my riding from a political point of view to take up the cudgel with respect to this legislation, but I am annoyed by it because I think that it not only offends the Charter of Rights and the values I believe in, such as freedom of speech but, in addition, I think it is socially useless legislation.

• (1630)

Mr. MacLellan: Mr. Speaker, I would like to congratulate the Hon. Member for Cambridge (Mr. Speyer) on the position he has taken. I have listened to his speech very carefully and although I am a non-smoker myself and opposed to smoking, I agree with him that it would be more intellectually honest to outlaw smoking than to prohibit the right to advertise.

I agree with him that the position the Government is taking is directly contrary to the Charter of Rights and Freedoms. I realize it was not easy for the Hon. Member to make his speech. As one Member of Parliament, I appreciate the position he has taken and the trouble and courage he took to make his speech.

I have one question for the Hon. Member. Concerning statistics on whether advertising does encourage smoking, could he tell us what he has found in his research in that regard?

Mr. Speyer: Mr. Speaker, first, may I thank the Hon. Member for the very generous comments he has given me. I am most appreciative.

With respect to answering the Member's question, it seems to me that the pivotal point with respect to this legislation is whether or not it will in any way reduce smoking. We asked every witness about statistics in other countries on the effectiveness of advertising to reduce smoking. It was absolutely clear to me on the evidence that I heard that there is nothing to justify that. Not only am I buoyed in terms of the evidence I heard but I do not believe the Government believes it. Why would you have a cabinet document which said it was only being done for symbolic reasons? Symbolic reasons are not bad reasons, Mr. Speaker. It may be you want to show that there is some sense of moral opprobrium against smoking. Being symbolic is necessarily not legitimate, but there is absolutely no doubt in my mind that the statistics to not warrant the conclusion that this legislation will reduce smoking by one cigarette.

Mr. Keeper: Mr. Speaker, I have a question for my colleague. He is opposed to this legislation because he feels and said that advertising meant to promote smoking is ineffective and does not have any impact on whether people smoke or not. Why does he think that tobacco companies spend all the money they do on advertising if it is not to encourage people to smoke?

Related to that, the Member indicated he is opposing this legislation because of the Charter of Rights and Freedoms. What about the right to health? What about the right of the young person who will be induced to take up the habit of

smoking as a result of advertising? What about that young person's right to health? What about the right of the public not to have commercial enterprises promoting a habit detrimental to health which costs the public purse because people develop diseases from smoking? What about the right of families to be free of suffering? What about the 35,000 people who die as a result of diseases caused by tobacco?

Mr. Speyer: I thank the Hon. Member for his question, Mr. Speaker. It is a perfectly reasonable one. The essence of what my friend is saying goes to smoking itself.

I listened to him articulate with some degree of force all the problems of smoking with respect to health and emotional concerns. As a result of that, he arrived at the essence of the question which is whether we should ban smoking itself. On the one hand, how can one say we are going to allow smoking and yet, on the other hand, say we will not allow the advertising of a product which is legal? That concerns me. If we were talking about a product that is illegal such as cocaine, that is different.

I acknowledge there are limits on speech. For example, defamation, libel and slander are limits on speech. There have to be some limits on speech. When you take a broad blanket and say there will be no advertising whatever with respect to a product I believe that you are intruding on a person's right to make a decision. Why doesn't the Hon. Member have the courage to sponsor a Bill to prohibit smoking? That is the point. It is not the advertising but the smoking itself. In brief response—

Mr. Keeper: Why do the companies advertise?

Mr. Speyer: May I be permitted to answer the Hon. Member's question?

Mr. Keeper: Why do the companies advertise?

Mr. Speyer: I would like to address that. There is no doubt, tobacco companies want to sell cigarettes. That is why they advertise. The evidence that persuaded me is that of market share. If the Hon. Member took a look at the eastern European bloc countries where there is really no advertising, the incidence of smoking is higher than we have here. If you take a look at what has happened in some Scandinavian countries, the incidence of smoking has not in any way decreased. Those countries have done something symbolic, which is what the Minister and the Government are trying to do. I do not agree to that. If we want to be courageous we should pass a ban on smoking itself, not the advertising of it.

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I am very glad to have the opportunity today to address Bill C-51 and to speak in favour of albeit a very small step in the battle against tobacco addiction in this country. The short title of the Bill is the Tobacco Products Control Act, but I must say the short title is at variance with the long title. This is not really a tobacco products control Bill, it is a Bill of limited application. I believe it is of somewhat limited usefulness in the continuing struggle against tobacco addiction.

Nevertheless, a small step though this Bill will be, it is one that I and my Party support and a step that I believe all Members in this House should support. Bill C-51 has received the almost unanimous endorsement of health organizations in this country from the great national federations down to local clinics. It is a Bill that has received considerable public support. It has been the subject of a very targeted campaign against its passage by the smoking and tobacco products lobby but I believe there is no doubt that it is supported.

However, this sort of legislation must be seen in the context of other legislation that will be brought in, something I will return to later. What we have after all in the case—

[*Translation*]

As they say in French: *le tabagisme est un fléau.* It is indeed a plague that annually takes the lives of 35,000 fellow citizens.

[*English*]

That means that with some 30,000 to 32,000 people dying from smoking-related cancers and some 3,000 people dying from the effects of passive or side-stream smoking we have a loss in terms of the lives of Canadians that we cannot permit to continue.

• (1640)

The passive smoking problem is well-documented, much discussed and I will not comment on it in depth. However, I do believe the attention given to its effect is a clear indication that the social acceptability of smoking is declining. I believe that of course it must continue to decline and that any measure this House takes, even though it be seen by some as symbolic, is worth taking. I believe we will see a further decline in the social acceptability of smoking over the next few years. I believe it will soon come to be acknowledged that smoking in the presence, for example, of a child is a form of child abuse. I believe that society will recognize that smoking in the presence of one who does not desire to have the air polluted is indeed a form of assault. I believe that when it comes to workplace considerations, it can already be proven to be a civil tort if such a case were launched.

The Hon. Member for Cambridge (Mr. Speyer), who is perhaps now enjoying a coffee and cigarette, talked about free speech. He is a Member with enough experience and intellect, indeed he showed it in his speech, to recognize there are indeed limitations on the so-called freedom of speech in a free society. Any freedom exercised to the ultimate is mere libertinage. Any freedom pressed to its limits ends of course in the oppression of others. That is what happens on a daily, even hourly, basis, and even in these parliamentary precincts.

Let me talk about some of the limits on the concept of freedom of speech, limits which have come about in democratic societies as a response to the problems and antagonisms caused by licence instead of liberty in the exercise of free

speech. So it is we have laws against incitement to hatred. We have laws against sedition. As the Hon. Member for Cambridge mentioned, we have laws against slander, libel, and defamation of character. We also have laws against conspiracy. We have laws against the publication of hate propaganda. We have laws against the promulgation of pornography, which so many of us see these days as being a little more than hate propaganda directed against women and children.

I have to say that the Hon. Member for Cambridge, in talking about tobacco as a legal product, is not conducting an adequate historical analysis before applying that judgment. I believe tobacco's legality today is nothing more than an accident. It is a result of the fact that tobacco smoking was widespread in this country before we realized and scientifically demonstrated the degree to which tobacco consumption affected health.

I see the legality of smoking as being nothing more than an historical accident. Yet I will concede that were we to talk of but a moment in time, the Hon. Member's arguments would have more credibility than in fact they do. In judging time by a moment we ignore the expanse of history. We ignore the actual process in society of which this Bill is but a part.

Another point that I must take up is the mention of choice in the consumption of tobacco. The fact is that talking of people choosing to smoke or choosing not to smoke ignores the very persuasive evidence that tobacco is an addictive narcotic. The fact that a person continues to smoke, and I think as a non-smoker this is something I have to remind myself of continually, does not necessarily reflect a choice. It reflects the fact that many people are addicted to the product. I think it is incumbent upon us as a society to be gentle with people but tough on behaviour. Therefore, as individuals we have to raise with those who offend, when they do so against the norms of those of us who wish to have breathable air, a defence not only of our civil liberty to breathable air but also our health.

As an asthmatic, I of course have a very strong personal stake in legislation, regulation, consensus or agreement which reduces the amount of smoke I am forced to inhale. Therefore, I have to support Bill C-51 on that ground.

In conclusion, I would like again to pick up the point I was making earlier about the place of this Bill in a continuum or ensemble of measures designed to reduce smoking. It cannot be seen as legislation that stands on its own. Indeed, I believe the Hon. Minister never intended this Bill should stand on its own but saw it as part of a sequence. In order to demonstrate that point I would like to quote from page 24:21 of the legislative committee hearing on Bill C-51 on January 25, 1988:

> In an additional effort to improve Canada's health-oriented policy on tobacco, further amendments will be introduced in order to update the Tobacco Restraint Act, which has made it illegal since 1908 to sell tobacco products to persons under the age of 16. At the report stage—and we have checked this with our lawyers and I would like to do it today but I cannot do it because of the scope of the bill—the government will seek the consent of Parliament to repeal the Tobacco Restraint Act and incorporate such provisions, updated so as to be relevant to the 1980s and 1990s, into Bill C-51.

It seems to me that that objective has fallen somewhat by the wayside, but I believe the intent of the Minister was very clear. While I, too, hold the value of intellectual honesty which the Hon. Member propounds, I have to ask: Does adherence to that value justify the sacrifice in lives and health which we as a society are allowing to continue? It is in that context that I believe Bill C-51 is worth-while, must be supported, and should pass.

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

Mr. Winegard: Mr. Speaker, I will not take long but I wish to comment on what the Hon. Member had to say because in his last few words he put the issue extraordinarily well and clearly. I also want to pick up on some of the comments made by the Hon. Member for Cambridge (Mr. Speyer).

As a reformed sinner, with respect to smoking at least, I support the main thrust of this Bill, namely to reduce smoking. Used smoke now bothers me as well as other people, and I support the Minister in his attempt to promote our health and welfare and cause all of us to think twice about smoking. He is taking a direction that he and other Members of this House believe is right and appropriate, and generally I admire his advice, his integrity and great ability so much that I would automatically vote with the Minister. At the moment, however, what I cannot support is a complete ban on advertising of what is in fact at the moment, by historic chance or not, a legal and freely available product.

• (1650)

We are, I think, taking chances with our important concept of freedom of expression, but we may not accomplish our objectives, which is exactly what the previous speaker said. That is the trade-off in this debate. I think there are other ways to accomplish those objectives without jeopardizing the concept which, to me, is fundamental—the freedom of expression.

Mr. Parry: Mr. Speaker, I would like to thank the Hon. Member for his very kind words in relation to my speech. I believe that if we were all to approach this legislation with the measure of thought which the Hon. Member for Guelph (Mr. Winegard) has obviously brought to it, it would make for a very good debate.

I think many of us would like to have much more time to debate the principle of this Bill. I am still convinced of the correctness of my point. I am sure that those who feel afflicted by this legislation will seek a judgment in the courts regarding the applicability of the free speech provisions of the Charter of Rights to the commercial communication which, of course, the advertisers of tobacco would like to carry on unimpaired and unimpeded.

However, as I say, I believe that in a society in which people are responsible to and for each other, in which our laws are intertwined and interwoven economically and socially, we cannot, as a responsible society, pass up any measure which has the possibility of saving the lives and health of our fellow citizens.

Mr. Keeper: Mr. Speaker, I appreciate the opportunity to ask my colleague a question with regard to this legislation. It is basically the same question which I asked my colleague on the other side of the House a few minutes ago. What is the impact of the advertising which tobacco companies finance? Does the Hon. Member agree with Members on the other side of the House who seem to say that tobacco companies spend all this money advertising cigarettes without this advertising having any impact on people's behaviour? Does he really think that tobacco companies are stupid enough to waste their money in that way?

Mr. Parry: Mr. Speaker, I, too, cannot believe that these vast sums are spent without the idea of creating or persuading new smokers. Surely the fact is that they are spent in efforts to reinforce a climate of acceptability of smoking. Indeed, they are spent as well to get people to switch brands, but the overall message of the advertising campaigns of the industry is to try to ensure that smoking remains socially acceptable.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Before I recognize the Hon. Member for Crowfoot (Mr. Malone) on debate I will recognize the Parliamentary Secretary on a point of order.

[*Translation*]

Mrs. Tardif: Mr. Speaker, I think that if you ask the House, you will find there is unanimous consent for allowing the debate on third reading of Bill C-51 to continue during the time normally set aside for Private Members' Business.

[*English*]

The Acting Speaker (Mr. Paproski): It is the Private Members' motion of the Member for Kamloops—Shuswap (Mr. Riis) which is to be debated. Is there unanimous consent to carry on debate past five o'clock?

Mr. Riis: Mr. Speaker, it is not as though we have not thought about this debate at all. Private Members' hour does begin at five o'clock and I think we could conclude the debate and vote on this now. We are prepared to vote as quickly as possible. I say that we should get on with it.

The Acting Speaker (Mr. Paproski): It's not a question of a vote. A Member is rising to speak. If there is not agreement to allow the Hon. Member extra time, I will recognize the Hon. Member for Crowfoot on debate.

Mr. Arnold Malone (Crowfoot): Mr. Speaker, I rise today to speak on what I think is an historic day, not only for Canada in terms of health measures and the improvement of the health of Canadians, but an historic day for Parliament and its processes. There is an opportunity for private Members to vote in accordance with their own research and individual judgments and, equally important, for private Members to reflect on the health and well-being of all Canadians.

I have only a few moments to take on a couple of the arguments which I have heard in opposition to this legislation which I think need be addressed. First is the notion of freedom. There is the argument that I have the freedom to smoke, that it may be bad for me, but that somehow I have the fundamental right to smoke.

The only way smokers can claim that they have the right and freedom to smoke is if they never breathe out. People who breathe into other people's air are contaminators. Research for more than four decades in 50 countries has clearly demonstrated that smoking tobacco is a health hazard.

It is also curiously interesting that those persons who would argue on the other side of the issue do not take the position that smoking is harmful.

Mr. Riis: Mr. Speaker, I rise on a point of order. Since it is my Private Members' motion which is to be debated at five o'clock, I want to extend a courtesy to my hon. friend from Crowfoot. I do not want to curtail his comments and if he wants a few moments after five to round out his remarks I would suggest that we do not see the clock in order to allow him to complete his remarks, although I not agree to having more speeches.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, we on this side would give unanimous consent to that, provided that it is understood that at the end of the remarks of the Hon. Member who had the floor we put this motion to a vote. Could someone on the government side, perhaps the Minister, react to this? I would like it to be well understood that this Party is not trying to hold up this piece of legislation and do not want a long drawn out debate on it. We would be willing to give consent, provided we take a vote when the hon. gentleman sits down.

Mr. Epp (Provencher): Mr. Speaker, I believe that that is acceptable. I think we all want a vote on Bill C-51. There is also to be a deferred vote later in the day. The Member has been very supportive of Bill C-51. However, we do not want to eat into the time of private Members. I thank the Members opposite for the courtesy they have extended.

The Acting Speaker (Mr. Paproski): Is it agreed that after the Hon. Member for Crowfoot completes his remarks we will have the vote on Bill C-51?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): Agreed and so ordered.

Mr. Malone: Mr. Speaker, I would like to thank all Members of the House for the courtesy they have just

extended. As soon as I have finished speaking every Member will want to vote on the Bill anyway.

There have been comments circulating with respect to the amount of tax dollars the Government of Canada receives from the tobacco industry. There has been a comment circulating throughout the duration of this debate trying to convince us that if we cut off or curtail tobacco advertising and, by implication, its sales, there would be a negative impact on the Treasury of the federal Government. The truth of the matter, Sir, which should be understood, is that if there were to be a cost recovery program for the use of tobacco the tax presently on tobacco would increase sevenfold.

• (1700)

If we take into account the clinic times, the hospital times, the deaths, the lost time from wages, all of which are related to sickness and illness from tobacco—

Mr. Halliday: And fires.

Mr. Malone: And fires, as the Member for Oxford (Mr. Halliday) reminds me, if we took into account these costs, we would include in that formula seven times as much tax today to recover that cost to society. Even with 35,000 deaths per year directly related to smoking, and over 3,000 deaths from sidestream smoke, and the fact that the Treasury loses the billions of dollars it collects, there are still some who would argue that this noxious weed ought to be allowed to be sold freely to Canadians, as if this product could command the right to be advertised and promoted.

I want to go through the history of the tobacco industry. At one time its sales were primarily to males, promoting it as a male macho image. After the election of President Kennedy in the United States, who promoted the notion of a healthy America, the consumption of tobacco among males began to decrease significantly. The new thrust of advertising by the tobacco industry was for products like Virginia Slims. The message to females was: "You have come a long way, Baby". The theme was to capture a new market of female smokers.

More recently, when that market began to decline, it turned to young people. Now that it is being threatened by the activities taking place in the House of Commons, there has been a focus on Third World countries.

I have it from a very outstanding authority that Marlboro Country has gone to an African nation where their cigarettes are being promoted by people wearing white cowboy hats and white western uniforms while riding a white stallion and playing a banjo. They are given out to innocent people, cigarettes that have much higher tar content.

The World Health Organization will document the fact that they are moving their market increasingly into the Third World.

I do not believe those who suggest that tobacco advertising only shifts market brand. If that is true, why do Bell Canada or Alberta Government Telephones advertise their products? Why is there advertising in monopoly markets? The fact is that advertising does increase consumption.

It was most amazing to hear the advertisers try to convince the committee that their advertising is ineffective. I have never before heard any group or organization tell a committee that it is ineffective. Yet the theme of their submission was that they were only shifting the brand share from one to another. Even if one were to believe that, it does not give reason or logic as to why monopolies advertise their products.

There are those who believe that our freedoms are most important, regardless of the damage they do to society. They pretend that somehow freedom exists in isolation. There is no freedom except that freedom which is measured by an equal and corresponding set of responsibilities.

We have the freedom of speech, but that does not allow us to go into a theatre and shout "fire", just to watch people run. We have freedom of mobility, but that does not allow us to drive at any speed and on any side of the road.

The notion that freedom means we can smoke and blow it into the atmosphere knowing full well that some 35,000 people per year die from tobacco and another 3,000 die from sidestream smoke, does not make sense or provide an appropriate argument.

More than four decades of research and more than 50 countries has led to the conclusion over and over again that tobacco is harmful to our health. It has demonstrated that in some individuals the addiction to tobacco is as strong as the addiction to heroin.

Not only do those who deny the importance of that kind of research question the credibility of the medical and research profession, they place extreme doubt on the science itself. Science has compelling evidence to make us ask as a society to do what this Parliament has the opportunity to do. Let us move in the right direction to protect the well-being and health of our citizens.

We hear the argument that this is a legal product and cannot be banned. I suggest that if it were possible, this product might be made illegal. However, one-third of Canadians are addicted to it and they probably curse Sir Walter Raleigh for it. If it was an easy procedure, I suggest it might even be made illegal. Yet everyone knows that it cannot be done because one-third of Canadians are addicted to tobacco and we must gradually eliminate its use.

Let us consider the question of illegality. We cannot advertise prescription drugs, explosives or poisons. There are many products that may be legal but cannot be advertised. There is no justification to say that the product cannot be used on that basis.

I want to thank the Hon. Member for Kamloops—Shuswap (Mr. Riis) for the time he has gracefully given to me to make

some points. I want to thank all Parties for this opportunity to speak because I believe this is an important Bill.

While I wanted to go into some detailed analysis about job loss, suffice it to say that that argument falls pretty short when 35,000 people per year are dying. We do not need to be talking about some jobs lost here and there.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the yeas have it. Call in the Members.

Some Hon. Members: On division.

The Acting Speaker (Mr. Paproski): Carried on division.

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

The Acting Speaker (Mr. Paproski): It being 5.10 o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I rise on a point of order. I would like an explanation. I think I heard Your Honour say "Call in the Members". Then I heard no bells, then I heard that the Bill had passed. Could I get a clarification?

• (1710)

The Acting Speaker (Mr. Paproski): I made a mistake. I did not see anyone rise. Therefore I changed my ruling.

Mr. Guilbault (Saint-Jacques): Changed a ruling?

The Acting Speaker (Mr. Paproski): I did not see five Members rising. Therefore I should not have called: "Call in the Members". I regret if that has disturbed the Hon. Member.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, it is not that it has disturbed the Hon. Member. It is just that when Your Honour said: "Call in the Members" some Members who would like a recorded vote do not see the need to stand up because they have heard: "Call in the Members". To realize then that the Members are not being called in and that there is no recorded vote—

Mr. Baker: We want to know where those Members stand.

Mr. Guilbault (Saint-Jacques): Some of us want to know where those Members stand on this Bill in this House.

Mr. Baker: Especially the Tories.

Mr. Guilbault (Saint-Jacques): The difference it makes when we hear: "Call in the Members" is that no one stands up.

The Acting Speaker (Mr. Paproski): In my view the yeas had it. Therefore it was just as I said. I did not see anyone rising, which is why I called it that way. I regret if it causes the Hon. Member a problem.

The Hon. Member for Ottawa Centre (Mr. Cassidy).

Mr. Cassidy: Mr. Speaker, on a point of order. Are we now on Private Members' Business, M-143?

The Acting Speaker (Mr. Paproski): Yes, we are.

Mr. Cassidy: This is a motion that has been put forward—

The Acting Speaker (Mr. Paproski): Resuming debate on M-143 with the Hon. Member for Ottawa Centre.

Mr. Cassidy: Mr. Speaker—

Ms. Copps: Mr. Speaker, I rise on a point of order. It may be that the Standing Orders have been changed or not worth the paper on which they are written. However, according to the Standing Orders, if the Speaker says: "Call in the Members" there is to be a vote period. I would ask for a ruling on that point. That has been the time honoured tradition—

The Acting Speaker (Mr. Paproski): The only time I should have said: "Call in the Members" was when five Members were rising. There were not five Members rising.

Ms. Copps: The point is that the Chair said: "Call in the Members". According to the Standing Orders, that is the statement to call in the Members for a vote.

I understand the position of the Chair *vis-à-vis* the five Members not standing. However, the Chair said: "Call in the Members".

The Acting Speaker (Mr. Paproski): The Hon. Member does not see the position that the Chair is in right at this time. The Chair apologized to the Hon. Member. He did not see five Members. That was it. Therefore, it went on division.

Ms. Copps: There should be a vote.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): The Hon. Member for Ottawa Centre—

Ms. Copps: Mr. Speaker, on a point of order. I wonder if the Chair could refer me to the Standing Order which permits a vote to be cancelled on the basis of an apology. I do not mean to be picky but it could be this issue or any other—

Some Hon. Members: Oh, oh!

Ms. Copps: I would like to get a ruling from the Chair.

The Acting Speaker (Mr. Paproski): The vote can only be held if five Members rise. Five Members did not rise. Therefore, there was no vote. The Hon. Member for Ottawa Centre has the floor. I have made that ruling. That is it.

Ms. Copps: On a different point of order, Mr. Speaker. I would like to get a reference for the decision to nullify a statement made by the Chair *vis-à-vis*: "Call in the Members". I understand that five Members did not stand. Therefore—

An Hon. Member: That is the same point of order.

Ms. Copps: No, it is not. I would like to get a reference, if perhaps the Chair can reserve on advice to Hon. Members. I would like to know what Standing Order provides for a statement: "Call in the Members" which leads to a vote and then a nullity of that statement is made. I understand that the Speaker feels that he should not have said: "Call in the Members". But once Members are called in, the process is set in motion and Hon. Members must be called in by the traditions of the House.

The Acting Speaker (Mr. Paproski): I do not think that I will repeat it any more. I am just going to say this. When I did say that, I did not see five Members rise. I should not have said: "Call in the Members" because I did not see five Members rising. Whether I did or not, I retracted it. Therefore, I have ruled that the Bill has gone through on division.

Mr. Marchi: Mr. Speaker, I rise on a point of order. I rise on a point of order because I was in the lobby on the telephone. I clearly stopped my conversation, looked at the monitor to see Your Honour clearly say: "Call in the Members". I therefore proceeded to continue my conversation. I thought that there would be an opportunity for Members to be called in and to be asked how they stand on this particular Bill. Therefore, I believe, with all due respect that I have for you and the chair, Mr. Speaker, that you needed to follow up on calling in the Members. Therefore I think it would be—

Mr. Benjamin: He could not, it was a slip of the tongue.

The Acting Speaker (Mr. Paproski): This is the final time that I will say this. Five Members did not rise. I said: "Call in the Members" by mistake. I called it off immediately so that there was not a problem. Therefore, I will stick by that ruling. I will not hear any more points of order. I will ask the Hon. Member for Ottawa Centre to begin debate on Private Members' Business.

Some Hon. Members: Hear, hear!

Mr. Cassidy: Mr. Speaker, I am pleased to speak on Motion No. 143 which was brought forward by my hon. colleague from Kamloops—Shuswap (Mr. Riis) and which—

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I rise on a question of privilege.

The Acting Speaker (Mr. Paproski): The Chair recognizes the Hon. Member for Saint-Jacques on a question of privilege.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I would like to refer to your last intervention and to explain that the privilege of some Members on this side of the House have been affected by the fact that Your Honour was saying that he made a mistake and withdraws, having said: "Call in the Members". Your Honour has to realize that it has had an effect on what Members on this side of the House would have done. If "Call in the Members" had not been said, some Members would have stood up to request a recorded vote. However, once the Chair said "Call in the Members" it was already done.

I would like to remind the Chair that one way to request a recorded vote is for five Members to stand up. There are other circumstances in which a recorded vote is called without five Members standing up. Sometimes the Chair is able to perceive that the House is in a mood to take a recorded vote. We have seen this for years.

I humbly submit that Members have to be guided with what is happening in this House by what the Chair makes by way of decisions. When the Chair says "Call in the Members" Members who are listening sitting in the House expect the bell to start ringing. They do not expect to have to stand and to yo-yo, and to request a second time that the bell be rung because there is already an order from the Chair.

The Chair may wish to withdraw that and to say: "I made a mistake". But the Chair has to realize that it changes what has happened in the House. It has an effect on what subsequently happened in the House.

I submit that if Your Honour is willing to recant and review what it has done, then certainly Your Honour is availing himself of the privilege to do it a second time. I am asking the Chair to put the question in the proper tradition and fashion.

Mr. Malone: Mr. Speaker, I rise on a point of order. I apologize to the Hon. Member for Ottawa Centre whose time I know we are using.

While it is the case that what we in Parliament refer to as the green book contains many rules and orders, there are rules and orders in that book that we presume take precedence one over the other. The one that I think would be very near the top

of the level of precedence, and which it ought to be considered the most offensive for any Member of this Chamber to doubt or dispute, is to argue or to debate the ruling of a Speaker. I simply want to go on record, Sir, to say that whatever point of order a Member may feel he or she has, to dispute the Speaker on a matter such as this threatens Parliament itself. It is in you, your Chair, and in the symbol of the Mace that this place operates and functions, Mr. Speaker.

• (1720)

I submit that it is highly important that we proceed to Private Members' Business, that your ruling stand, now that it has been made, that it has to and must continue to be, and that we proceed with the business of the day without arguing with the authority of the Chair.

The Acting Speaker (Mr. Paproski): I wish to thank all Hon. Members. I would like to say one more time that I must have been a little fast on the draw, but I did not see five Members rise.

In Erskine May on page 236 it states, "He", the Speaker, "prevents a division which in his opinion is unnecessarily claimed". The Hon. Member, who was a Chair officer himself, can look at the "Precincts and Organisation of Parliament" on page 236 and look at the ruling himself.

I regret that this has happened. It is unfortunate sometimes when we reach this time of the day that these things happen. We have had a great debate today, and I thought that everybody had agreed on the way these things were proceeding. I did not see five Members rise, and I claimed that the Bill went on division. That should be sufficient for the Hon. Member for Saint-Jacques (Mr. Guilbault).

The Hon. Member for Ottawa Centre (Mr. Cassidy) on debate.

Mr. Cassidy: I was fearing that my privileges would be jeopardized by being unable to speak to this particular motion.

Ms. Copps: Our privileges are jeopardized in reverse.

Mr. Benjamin: Just because you were asleep over there.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

FINANCIAL INSTITUTIONS

ADVISABILITY OF INFORMING DEPOSITORS WHEN DEPOSITS ARE UNINSURED

The House resumed from Monday, April 25, consideration of the motion of Mr. Riis (Kamloops—Shuswap):

That, in the opinion of this House, the Government should consider the advisability of co-operating with the provinces in establishing a system whereby those individuals who deposit money in financial institutions not covered by deposit insurance be required to sign a waiver form indicating that they are fully aware that their deposits are not insured in the event that the institution goes bankrupt.

Mr. Mike Cassidy (Ottawa Centre): Perhaps I can say, while I am on debate, that last week I was a little hasty in criticizing the Chair when perhaps we made a bit of a slip-up in terms of what was happening at about the same time. Perhaps the Liberals' interventions were related to the fact that they intended to have five people stand and did not do so at the appropriate time.

The motion in front of the House right now is a motion proposed by my colleague, the Hon. Member for Kamloops—Shuswap (Mr. Riis), asking that the Government, in conjunction with the provinces, establish a system whereby people who deposit money in financial institutions, and who are not covered by deposit insurance, be required to sign a waiver form to indicate that they are fully aware that their deposits are not insured, in the event that the institution goes bankrupt.

There have been a number of instances before the House where exactly that has happened. It happened in a number of cases where companies have played a bait and switch game with money that they have accepted from depositors. The depositors were led to believe that the money they were putting in was insured. They had been prudent in not putting more than $60,000 in a particular account with a particular institution. Yet, nonetheless, they found that they came up short, and in certain cases have lost all or a substantial amount of their life savings because of having put the money into an institution where it was not insured.

There is a very general problem that when there is insurance, people who put money on deposit, often some substantially in excess of $60,000, feel secure as a consequence of the insurance, and feel that as long as they spread their risk and do not put all the money into one institution, they do not have to worry and can go for absolutely the top rate of interest on their deposits without looking at the reputability or credibility of the institution.

Currently, steps are being taken to improve regulation of financial institutions. The Superintendent of Financial Institutions has received greater powers, new legislation, more staff, and has moved his locus of activities into the financial district in Toronto rather than being shut up here in Ottawa. Ottawa is the area that I represent and has many natural advantages, but perhaps it is a little distant from some of the things happening in financial markets.

The question of individual responsibility is a different question from that which I wish to deal with at the moment. I would not mind if a Government said that there should be a certain co-responsibility so that in the event of a financial failure the investor of over $10,000, bore a small proportion of the loss rather than being fully compensated, as is the case at the present time with insured deposits.

The present situation in which people put money into a trust company and believe that the money is an insured deposit, and

then find out that there was no such insurance, because through one device or another the money had been put into an uninsured form of investment, creates tragic results. The purpose of this motion is to attempt to ensure that that does not occur.

The background is as follows: between 1923 and the late 1970s there were few, if any, financial institutions in this country that failed. Therefore, people who put their money into deposits, particularly after the advent of mortgage insurance, felt relatively secure. The only exception was the Atlantic Acceptance affair in the 1960s. I recall looking at that situation when I was a financial journalist with the *Financial Times*. In the wake of that, there was the deposit insurance which provided great deal of security. At the beginning of the 1980s that financial insurance was substantially increased in value in the wake of the Seaway and Greymac affair in Ontario, in which I was also involved as an MPP.

An increasing number of financial institutions have got into trouble. That is a product of a number of causes. For example, globalization of finance, the advent of new financial institutions, the entry of Schedule B banks into Canada, the creation of small trust companies, the growth of the credit union movement, and at times some difficulties experienced by credit unions together with their rapid and important growth, the collapse of the Commercial Bank and the Northland Bank in western Canada, a collapse that the Government was prepared to bail out. It was an indication of the difficulties that financial institutions have, and also of the difficulties of regionally based banks. It will be some time before we again see the emergence of regionally based banks, except those that are supported by large foreign banks such as occurred with the Hongkong and Shanghai bank acquisition of the Bank of British Columbia.

Not only have there been collapses, but also near misses. In many cases, these are covered by deposit insurance. However, we must be aware of the fact that there are a substantial number of investment instruments which are not insured. At the same time, there is a broader proportion of Canadians who, for various reasons, have funds to insure. There is an increasing number of Canadians who put money into RRSPs because they are self-employed, or because they are moving from job to job and can take out their pension fund from one employer and put it into an RRSP without a tax penalty, self-administer it, or give it to the trust of a financial institution, in order that they can keep in touch with it. In fact, in many cases people are encouraged to do so by the employer whom they leave, or are forced to do so because the employer that they left was shut down and no longer in business.

There are many investors who may not be very sophisticated. There are people in the agricultural community who perhaps are selling off their family farm, or a portion of it, in order to get a pension fund and are putting money into various type of investments in order to provide themselves with a retirement income. Perhaps there are people who regrettably are forced out of a job because of economic adjustment, forced by the trade agreement or other factors like that, who receive a sizeable amount of money and prudently put it into investments rather than spending it all. They find that they are looking at a combination of security and return, and one cannot always get both of those, yet people naively try to ensure that they get both.

• (1730)

The investment dealers hold about $3.5 billion in deposits from their clients and their customers, and the only insurance on that is what is called a national contingency fund. We know from the collapse of the Osler brokerage firm in Toronto that one such collapse can leave the fund empty. That contingency fund had about $20 million in credit and about $16 million in cash. The claims against it under the Osler bail-out exceeded, as I recall, the total amount it had on hand, and one particular client, in this case the Canadian Co-operative Credit Society, has been left holding the bag as a consequence of that.

There are in addition hundreds of companies across Canada that offer financial services and fund their operations by issuing debt instruments which are totally uninsured. I think we have to find some balance. For example, for a debt instrument in the form of a bond of a company in the market, it would perhaps be wrong to have to require a waiver. We do not want to have paperwork where it is not necessary, but for an institution which is accepting deposits or deposit-like investments from the public and putting them into short-term and medium-term investments of at least up to five years, the argument of my friend from Kamloops—Shuswap is that if that money is not going into an insured form, the investor should be required to sign a waiver.

If the investor signs a waiver and then later, if the company goes bankrupt and the deposit cannot be repaid, says the company should have told him or her, there is not much we can do except to say: "We are awfully sorry, but you were told". If a person were led to sign a waiver through fraudulent action on behalf of a company, then he or she may wind up in the courts or may take action like that. Nonetheless, this particular proposal would, it seems to me, at least avoid some of the most egregious and difficult problems we have had, particularly with companies that are just on the borderline and just outside the frontier of the Canada Deposit Insurance Corporation or the provincial equivalent to provide deposit insurance to certain provincially-run institutions.

The resolution proposes that there should be co-operation with the provinces when dealing with those institutions that do not fall under federal jurisdiction directly. The federal Government should seek co-operation at the provincial level in order to make sure that shysters and fast-buck artists do not simply transfer their area of activities to the provincial level in order to avoid this measure being taken at the federal level.

The Acting Speaker (Mr. Paproski): I regret, but the Hon. Member's time has expired. I have given him a couple of extra minutes. Perhaps he would like to close off his comments.

Mr. Cassidy: I beg your pardon. I thank you for your attention, Mr. Speaker, and I hope very much that Members of the House will support this motion.

Mr. Alan Redway (York East): Mr. Speaker, I appreciate the opportunity to rise to say a few words in connection with this motion of the Hon. Member for Kamloops—Shuswap (Mr. Riis), which is a request for the Government to consider the advisability of co-operating with the provinces in establishing a system whereby those individuals who deposit money in financial institutions not covered by deposit insurance be required to sign a waiver form indicating that they are fully aware that their deposits are not insured in the event that the institution goes bankrupt.

This is a very laudable motion. It deals, of course, with the question of consumer protection. That is something that I believe every one of us in the House can fully support. We support measures which will protect consumers, and particularly measures which will protect consumers of products of financial institutions.

All Hon. Members and all Canadians are aware that we have had problems in the recent past with financial institutions. I suppose the ones that come to my mind most readily are the failures of the Canadian Commercial Bank, the Northland Bank and the Principal Group in the West. All of these have been high-profile items in Parliament and across Canada. Certainly they have had an enormous impact on Canadians, regardless of whether or not they had deposits in those institutions.

Hon. Members will recall the debates that ranged in this House with respect to the Government's efforts to assist depositors in the Canadian Commercial Bank and in the Northland Bank. Those efforts were in fact the sorts of efforts that seem to be represented in the motion that is before us today. They were efforts to protect the consumers of the services of financial institutions.

I was disturbed, as I am sure you were, Mr. Speaker, by the attitude of members of the Opposition with respect to those efforts of the Government of Canada to protect consumers, and in particular, the attitude of members of the Opposition with respect to the failures of the Canadian Commercial Bank and the Northland Bank. Members of the Opposition, Members who are putting forward this motion and are supporting this motion and the concept of consumer protection for depositors in financial institutions, in effect took great umbrage at the Government's efforts to protect consumers in those cases, and in fact characterized those consumer protection efforts on the part of the Government as being efforts to bail out the big investors in the Canadian Commercial Bank and the Northland Bank. You and I, Mr. Speaker, know very well that that was not what was happening at all. In fact, the effort made on behalf of the Government, the successful effort, was an effort at consumer protection. It was an effort to protect the depositors in those banks.

While the depositors in those banks, to all intents and purposes, had huge deposits, those huge deposits represented the funds of a lot of little people. Those deposits included pension funds and deposits on behalf of credit unions. There were all sorts of large deposits which reflected the money of little people across Canada, the money of people who could not afford to lose their life savings if those banks went under. These people could not afford to lose their pension funds and the funds they had deposited in credit unions and institutions of that sort.

It was that effort on behalf of the Government to protect consumers in those cases that I personally believe was extremely laudable. I could not understand the attitude at that time of opposition Members in opposing those efforts and in trying to characterize them as some heinous crime rather than an effort to protect the average Canadian's savings through some sort of consumer protection for deposits in financial institutions.

In the case of the Principal Group failure, I also found it somewhat disconcerting to find that the argument of members of the Opposition had been reversed and flopped over. In that case, the Government clearly had a jurisdictional difficulty because the Principal Group was regulated provincially instead of federally, but now opposition Members were calling for exactly the opposite thing.

Instead of telling the Government that it should not help depositors, it was telling the Government that it should be rushing in to help with the Principal Group depositors, while in fact the Principal Group was a group of provincially-regulated institutions. It seemed inconsistent to me at that time. In fact, it seemed shocking to me that the Opposition would not want to protect consumers in the cases of the Northland Bank and the Canadian Commercial Bank but would want to have the Government protect consumers in the case of a financial institution which fell under provincial jurisdiction, not federal jurisdiction. That seemed inconsistent to me.

• (1740)

It seems even more inconsistent and inconceivable that here we now have a motion presented by the Hon. Member, laudable as it is, to protect consumers in this sort of a situation. While the principle is an outstanding one, and I certainly would be the last one to quarrel with it because I supported the Government in all of its efforts to protect consumers, I find it somewhat inconsistent and perhaps a little hypocritical to put forward this kind of a motion now.

Having said that, Mr. Speaker, you know and I know that Canadians are interested not in buck-passing, not in seeing one Government say it is somebody else's fault—"It is not our fault and we will not do anything"—Canadians are interested in seeing some action, making sure that whoever is in office as far as a Government is concerned, federally or provincially, that it acts in their best interests and does everything to protect them as best it can. That is what the Government has been

doing over the past four years or so since it took office in September, 1984.

The Government has introduced a number of measures to protect the consumer of the products of financial institutions, not only the ones to whom I have referred previously with respect to the Canadian Commercial Bank and the Northland Bank, but it also issued a Green Paper in the spring, 1985, setting out some principles with respect to the regulation of financial institutions and the reform of the financial sector. Those principles, as you may recall, were as follows. First and foremost, it was to improve consumer protection; second, the strict control of self-dealing; third, to guard against abuses of conflict of interest; fourth, to promote competition, innovation and efficiency; fifth, to enhance the convenience and options available to consumers in the market-place; sixth, to broaden the sources of credit available to individuals and business; seventh, to ensure the soundness of financial institutions and the stability of financial systems; eighth, to promote international competitiveness and domestic economic growth; and ninth, to promote the harmonization of federal-provincial regulatory policies.

Embodied in those principles, first, is consumer protection, protecting the consumers of the services of financial institutions. As well, embodied in there is the principle of promoting harmony between federal and provincial regulatory policies. That, in effect, is the essence of the motion we are debating this evening. It is exactly that, and those are the principles on which the Government has been proceeding.

I see, Mr. Speaker, that you are signalling me that my time is running out. I wanted to point out a number of specific problems which this motion raises, notwithstanding that the principle is a laudatory one and one that I support, but I guess you are telling me that I do not have time to do so on this occasion. Perhaps Members of the House would give me unanimous consent to continue but if that is not the case, I will bow to your authority as members of the Opposition should have done a few moments ago.

The Acting Speaker (Mr. Paproski): I would love to hear the Hon. Member carry on but I must recognize the Hon. Member for The Battlefords—Meadow Lake (Mr. Gormley)

Mr. John Gormley (The Battlefords—Meadow Lake): Mr. Speaker, it is a pleasure to rise to speak on Motion No. 143 presented by the Hon. Member for Kamloops-Shuswap (Mr. Riis). I know I join Members on all sides of the House in applauding what I think is the general intent of the motion. The Hon. Member suggests in the motion that the Government of Canada, in co-operation with the provinces, establish a system where, in his words, individuals who deposit money in financial institutions not covered by deposit insurance be required to sign a waiver form indicating that they are fully aware that their deposits are not insured in the event the institution goes bankrupt.

In the context in which the Member introduced this motion, it is a motion for which he should be commended. Obviously, for those of us in western Canada who have seen some considerable difficulties develop over the past few years and the resulting difficulties that depositors have suffered, this motion is well intentioned. As well intentioned as it is, does this motion address clearly both the problem and the solution?

When a Member of Parliament talks with a person who has literally been bilked out of his or her entire life savings, it is obviously the type of situation which evinces from all of us not only compassion and sympathy but more than a little outrage. Obviously a Member of Parliament is very concerned that the Government serves to protect the depositors and serves to protect those involved in financial institutions. This motion as it is worded does not first identify the problem and clearly does not move toward the solution.

I would refer Hon. Members to a couple of recent Bills which the Government has passed, namely, Bill C-42 and C-56, both of which deal with the financial sector. One deals with the issue of deposits. We should look at the role of the Canada Deposit Insurance Corporation. This is the cornerstone of the system for protecting depositors. No one other than a member institution of CDIC can represent itself as being insured by CDIC. This was the case even before Bill C-42. But the Government went further, and in that Bill we improved the supervisory powers of the CDIC and added three further elements to clarify and extend the scope of the supervisory powers of the Canada Deposit Insurance Corporation. I want to touch briefly on those three points, Mr. Speaker.

First, there was some question regarding the extent of the prohibition on people making an unauthorized representation that their institution was covered by CDIC. The reforms now clearly indicate that the existing ban applies both to an institution and to all persons acting as agents for an institution. There is some clarity now in terms of prohibiting unauthorized representations from being made. Second, the regulations in Bill C-42 now state that this, assuming an uninsured deposit, must be indicated in writing by the institution on the deposit contract. This is a new feature of the legislation. Third, Bill C-42 extended to all members of the CDIC the requirement that institutions which solicit funds for investment on behalf of their investment company subsidiaries or other non-members of the CDIC must give notice to investors that such funds are not insured by CDIC.

Hon. Members will remember that during the debate on Bill C-42 we considered it in tandem with Bill C-56. Provisions of that legislation will help protect consumers who are not making conventional deposits but are, in effect, using deposit-like instruments. This Bill lays the groundwork for the creation of protection plans in the insurance industry. The Government is working with representatives of the industry to develop annuity and policyholder protection plans that will extend the type of protection CDIC does with the chartered banks.

The Government has been actively pursuing other avenues as well. We are all aware that the future of the financial sector is going to be very different from its past. New associations of companies and functions have already started to appear, and I think we all expect, as time goes on, that there will be more in the way of services being offered to consumers and more flexibility as both technology and regulation progress. New instruments inevitably will be found, some of which will be very much like deposits which may not be protected under CDIC guidelines. There should exist the type of vehicle that other deposit instruments are protected by. For that reason, it is of paramount importance that we continue to work along with the provinces and along with the specific industries to ensure that protection exists.

I want to speak a little about the need for this type of motion and question whether it is required at this time. The Hon. Member for Kamloops-Shuswap, when he introduced the motion, and I quote from a *Globe and Mail* story dated March 1, 1988, said:

> As financial deregulation proceeds and competition for consumer deposits increases, the temptation to mislead consumers greatly increases—

• (1750)

I guess that goes to the fundamental view one has of not only the financial community but of life itself.

Members of the NDP say that as one begins to open up competition, particularly in the financial sector, this will somehow turn human beings into essentially law-breaking, evil people who will be compelled to take advantage of others. That grossly oversimplifies the financial community and human nature. I do not think that one can assume, as a result of the moving of the four traditional pillars, that financial institutions are going to be out bilking the aged and those who are less able to protect themselves. If you accepted that faulty premise, as the NDP has, would you then suggest that the alternative is signing a piece of paper, a waiver?

We all know about the so-called fine print. All of us, in getting something as simple as a car loan all the way up to more complicated contracts with banks and financial institutions, routinely sign certain pieces of paper. In fact, this is an argument we have all been following with respect to bank service charges where people are given notice of bank charges and they sign documents which indicate they are willing to accept the service charges. Yet there is controversy.

My point is that if there is great evil in the world and people will be encouraged to bilk widows out of their life savings, would they not do it even if you compelled them to sign a piece of paper? Clearly they would. The answer to the problem has to be a careful analysis of what we find in Bill C-42 and Bill C-56 through increased supervisory powers of the CDIC and increased opportunity to find methods to provide CDIC-like insurance for other types of investment instruments.

I want it to be clear that the kind of spirit with which all concerned Members of Parliament deal with aggrieved constituents, people who have indeed been misrepresented, leads us to be concerned to the extent that we move towards more progressive legislation. The Government has done that through Bill C-42 and Bill C-56. It also might lead Members, as the NDP has, to move to this signing of waivers.

In closing, I believe the way to go is to ensure that we have greater compliance, greater supervision, and while there might be a role at some point for this kind of approach, I do not believe it is suitable at this point. I think other Members want to speak on this issue and I will therefore yield to those who have some views on the usefulness of this type of motion and its place in the financial community.

Mr. Ross Belsher (Fraser Valley East): Thank you, Mr. Speaker, for allowing me to comment on this motion today. It raises a number of very appropriate questions about consumer protection and other aspects of the financial system, so I am happy to have this chance to speak. Nonetheless, I am not happy with certain assumptions it makes, and so I feel the House ought not to accept it.

This is now the third occasion on which we have had this motion before us, and Members opposite have ably expressed their opinions and not just about the subject of the motion. Their comments earlier in this debate are an attempt to criticize the federal Government for not exercising responsibility it does not have. The Hon. Member for Kamloops—Shuswap (Mr. Riis) wants the federal Government to assume an authority it does not have and intervene where it has no right to go. He wants us to take over the responsibilities of the Government which is responsible.

The previous Speaker referred to the Principal Group and comments in a newspaper article attributed to the mover of the motion. However, let us be very clear about this question of responsibility. Of the 127 different companies in the Principal Group, not one was federally regulated. Only one company, Principal Savings and Trust, was even a member of the CDIC. That Corporation moved quickly to discharge its responsibilities. In just over three weeks it arranged to pay out the insured deposits of 47,000 depositors through an agency agreement with Metropolitan Trust. Total pay-outs on that account have reached $116 million.

I have no trouble with the motion's call for co-operation between the provinces and the federal Government on consumer protection. Our reforms have set an example. We are proud of the work we are doing in this sector because we know that a new regime is necessary to ensure protection of the interests of depositors, borrowers and shareholders. Yet we cannot take responsibility for what is outside our jurisdiction. The federal Government has no desire to intrude on provincial jurisdiction. However, as a Government we hope the provincial authorities will study our regime carefully and work with us to ensure thorough and capable measures for all consumers throughout Canada.

I now want to turn to the reforms we have carried out already in the financial sector, reforms which have already strengthened the consumer protection regime. Bill C-42 and Bill C-56 made major changes to the regulatory framework in response to the demands of the institutions and the needs of consumers. We instituted the office of the Superintendent of Financial Institutions and made important changes to the CDIC. We will be proceeding as quickly as possible with changes to the Trust and Loans Companies Act, the Insurance Companies Act, and other Acts to ensure that consumers are protected and the sector encouraged.

Even prior to these reforms, a non-member of CDIC was prohibited from representing itself as being insured by the CDIC. There has been a requirement for some time that uninsured instruments should be stamped as such. Bill C-42 added three important further elements to these measures.

First, it cleared up a question about the existing ban on unauthorized representations of insured status of member institutions or deposits received by them. This ban now clearly applies both to the institution and all persons acting as its agents.

Second, the Bill put into the Act a provision previously in the regulations. It is now a statutory requirement that when an institution takes a deposit which is not insured, this must be indicated in writing on the deposit contract.

Third, it instituted a new requirement that institutions, which solicit funds for investment on behalf of their investment company subsidiaries or other non-members of the CDIC must give notice to investors that these companies are non-members and that such funds are not insured by the CDIC. The draft trust and loans legislation takes account of this by enabling the Governor in Council to make regulations imposing terms and conditions on the activities that companies undertake in the areas open to them. Similar provisions will be incorporated in the legislation governing banks and insurance companies.

I see that my time is running out. I was going to comment further on Bill C-56 but I will conclude with this. I believe that what is now in place, and those provisions now being implemented, will provide an appropriate degree of protection for consumers, that is depositors, borrowers and investors. I believe our approach to the question's federal-provincial dimension is also sound; we are not trying to impose our solution but are trying to work out a mutually agreeable solution. I am confident that our Government's approach is a good one.

[*Translation*]

The Acting Speaker (Mr. Paproski): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 36(2), the order is dropped to the bottom of the list of the order of precedence on the Order Paper.

• (1800)

[*English*]

It being 6 o'clock p.m., pursuant to Standing Order 13(4)(a), the House will now proceed to the taking of the deferred divisions at report stage of Bill C-204.

PRIVATE MEMBERS' BUSINESS--BILLS

[*English*]

NON-SMOKERS' HEALTH ACT

MEASURE TO ENACT

The House resumed from Monday, May 30, consideration of Bill C-204, an Act to regulate smoking in the federal workplace and on common carriers and to amend the Hazardous Products Act in relation to cigarette advertising, as reported (with amendments) from a legislative committee; and the motions of Ms. McDonald:

Motion No. 1.

That Bill C-204 be amended in Clause 2 by striking out lines 16 to 18 at page 1 and substituting the following therefor:

"(a) for an office building or other enclosed work space constructed prior to January 1, 1990 an enclosed space, and

(b) for an office building or other enclosed work space constructed on or".

Motion No. 2.

That Bill C-204 be amended in Clause 4 by striking out line 33 at page 3 and substituting the following therefor: "other enclosed work space provided by an employer,".

Motion No. 3

That Bill C-204 be amended in Clause 5 by striking out line 4 at page 4 and substituting the following therefor:

"(b) a passenger ship registered under the Canada".

Motion No. 4

That Bill C-204 be amended in Clause 5 by striking out line 6 at page 4 and substituting the following therefor:

"(c) a passenger railway train operated by a company".

The Acting Speaker (Mr. Paproski): Call in the Members.

• (1810)

[*Translation*]

Mr. Gauthier: Mr. Speaker, on a point of order. I would like to suggest that since we are now dealing with Private Members' Business, it is customary to proceed with a different kind of vote, a recorded vote since it is a free vote, and to have the Chair start as usual on the Chair's right, row by row.

Mr. Speaker: Does the House agree to have the vote taken row by row?

Some Hon. Members: Agreed.

• (1820)

[*English*]

Mr. Speaker: Once again, I would like to remind Hon. Members that the voting will begin with those Members who are in favour of the motion in the rows to my right by rising by row, and then with those Members in the rows to my left by rising by row.

Later, I will ask those Members who are opposed to the motion in the rows to my right to rise, and then those Members opposed to the motion in the rows to my left.

The first question is on Motion No. 1. A vote on this motion will also apply to Motion No. 2.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 372*)

YEAS

Members

Althouse
Angus
Baker
Benjamin
Berger
Blaikie
Blenkarn
Bosley
Boudria
Boyer
Brisco
Caccia
Cardiff
Cassidy
Collins
Copps
Darling
de Corneille
Dingwall
Epp
(Thunder Bay—Nipigon)
Friesen
Fulton
Gagliano
Gauthier
Gottselig
Grondin
Halliday
Heap
Hopkins
Hovdebo
Isabelle
Jardine
Jepson
Kaplan
Keeper
Kilgour
Langdon
Lapierre
Layton
Lopez
MacLellan
Malone
Manly
Marchi
McCrossan
McCurdy
McDonald
(Broadview—Greenwood)
Mitchell
Murphy
Nicholson
(Niagara Falls)
Nickerson
Nystrom
Orlikow
Parry
Penner
Redway
Reid
Reimer
Riis
Robinson
Rodriguez
Rompkey
Rossi
Schellenberg
(Nanaimo—Alberni)
Stackhouse
Thacker
Tobin
Turner
(Ottawa—Carleton)
Waddell
Wenman
Wilson
(Swift Current—Maple Creek)
Witer
Young—73

NAYS

Members

Andre
Belsher
Bernier
Binns
Blackburn
(Jonquière)
Blouin
Bourgault
Brightwell
Carney
Clinch
Comeau
Cook
Cooper
Corbett
Domm
Dorin
Fennell
Ferland
Fontaine
Forrestall
Gagnon
Gray
(Bonaventure—Îles-de-la-Madeleine)
Grisé
Guilbault
(Drummond)
Hamilton
Hardey
Harvey
Hawkes
Johnson
(Bonavista—Trinity—Conception)
Jourdenais
Kelleher
Kempling
Ladouceur
Landry
Lanthier
Leblanc
Lewis
MacDonald
(Kingston and the Islands)
MacDougall
(Timiskaming)
Mailly
Martin
Masse
Mazankowski
McKnight
Merrithew
Oberle
Plourde
Porter
Shields
Siddon
Sparrow
Speyer
Stevens
Taylor
Towers
Tremblay
(Lotbinière)
Van De Walle
Vézina
Vincent
Wilson
(Etobicoke Centre)—60

• (1830)

Mr. Speaker: I declare the motion carried. I therefore declare Motion No. 2 carried.

Mr. Speaker: The next question is on Motion No. 3. The vote on this motion will also apply to Motion No. 4.

Mr. Riis: Mr. Speaker, I rise on a point of order. I think you would find that there would be a disposition to apply the last vote to this vote as well as the subsequent vote.

Some Hon. Members: No.

Mr. Speaker: I heard the Hon. Member for Kamloops—Shuswap (Mr. Riis). I am afraid there is not such a disposition.

The Hon. Member for Regina West (Mr. Benjamin).

Mr. Benjamin: Mr. Speaker, there would be one exception. If I am on a passenger cruise liner and standing on the open deck and wanted to have a smoke, I presume that I could?

The House divided on the motion, which was agreed to on the following division:

(*Division No. 373*)

YEAS

Members

Althouse
Angus
Baker
Belsher
Berger
Blaikie
Blenkarn
Bosley
Boudria
Boyer
Brightwell
Brisco
Caccia
Cassidy
Collins
Copps
Darling
Dingwall
Edwards
Epp
(Thunder Bay—Nipigon)
Fulton
Gagliano
Gauthier
Gormley
Gottselig
Grondin
Halliday
Heap
Hopkins
Hovdebo
Isabelle
Jardine
Jepson
Kaplan
Keeper
Kilgour
Langdon
Lapierre
Layton
Lopez
MacLellan
Malone
Manly
Marchi
McCrossan
McCurdy
McDonald
(Broadview—Greenwood)
Mitchell
Murphy
Nicholson
(Niagara Falls)
Nickerson
Nystrom
Orlikow
Parry
Penner
Redway
Reid
Reimer
Riis
Robinson
Rodriguez
Rompkey
Rossi
Schellenberg
(Nanaimo—Alberni)
Stackhouse
Thacker

Tobin
Turner
(Ottawa—Carleton)
Van De Walle
Waddell
Wenman
Wilson
(Swift Current
—Maple Creek)
Witer
Young—74

NAYS

Members

Andre
Bernier
Binns
Blackburn
(Jonquière)
Blouin
Bourgault
Cardiff
Carney
Clinch
Comeau
Cook
Cooper
Corbett
Domm
Dorin
Fennell
Ferland
Fontaine
Forrestall
Gray
(Bonaventure—Îles-de-
la-Madeleine)
Grisé
Guilbault
(Drummond)
Hamilton
Hardey
Harvey
Hawkes
Johnson
(Bonavista—Trinity—
Conception)
Jourdenais
Kelleher
Kempling
Ladouceur
Landry
Lanthier
Leblanc
Lewis
MacDonald
(Kingston and
the Islands)
MacDougall
(Timiskaming)
Mailly
Martin
Masse
Mazankowski
McKnight
Merrithew
Oberle
Plourde
Porter
Shields
Siddon
Sparrow
Speyer
Stevens
Taylor
Towers
Tremblay
(Lotbinière)
Vézina
Vincent
Wilson
(Etobicoke
Centre)—57

● (1840)

Mr. Speaker: I declare the motion carried. I therefore declare Motion No. 4 carried.

Ms. Lynn McDonald (Broadview—Greenwood) moved that the Bill as amended, be concurred in.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Speaker: Shall I dispense with the bells?

Some Hon. Members: Agreed.

The House divided on the motion, which was agreed to on the following division:

(Division No. 374)

YEAS

Members

Althouse
Angus
Baker
Belsher
Benjamin
Berger
Blaikie
Blenkarn
Bosley
Boudria
Boyer
Brightwell
Brisco
Caccia
Cardiff
Cassidy
Collins
Copps
Darling
de Corneille
Dingwall
Dorin
Edwards
Epp
(Thunder Bay—
Nipigon)
Friesen
Fulton
Gagliano
Gauthier
Gormley
Gottselig
Grondin
Halliday
Heap
Hopkins
Hovdebo
Isabelle
Jardine
Jepson
Kaplan
Keeper
Kilgour
Langdon
Lapierre
Layton
Lopez
MacLellan
Malone
Manly
Marchi
McCrossan
McCurdy
McDonald
(Broadview—
Greenwood)
Mitchell
Murphy
Nicholson
(Niagara Falls)
Nystrom
Orlikow
Parry
Penner
Redway
Reimer
Riis
Robinson
Rodriguez
Rompkey
Rossi
Schellenberg
(Nanaimo—Alberni)
Stackhouse
Thacker
Tobin
Turner
(Ottawa—Carleton)
Van De Walle
Waddell
Wenman
Wilson
(Swift Current
—Maple Creek)
Witer
Young—77

NAYS

Members

Andre
Bernier
Binns
Blackburn
(Jonquière)
Blouin
Bourgault
Carney
Clinch
Comeau
Cook
Cooper
Corbett
Domm
Fennell
Ferland
Fontaine
Forrestall
Gagnon
Gray
(Bonaventure—Îles-de-
la-Madeleine)
Grisé
Guilbault
(Drummond)
Hamilton
Hardey
Harvey
Hawkes
Johnson
(Bonavista—Trinity—
Conception)
Jourdenais
Kelleher
Kempling
Ladouceur
Landry
Lanthier
Leblanc
Lewis
MacDonald
(Kingston and
the Islands)
MacDougall
(Timiskaming)
Mailly
Martin
Masse
Mazankowski
McKnight
Merrithew
Nickerson
Oberle
Plourde
Porter
Reid
Shields
Siddon
Sparrow
Speyer
Stevens
Taylor
Towers
Tremblay
(Lotbinière)
Vézina
Vincent
Wilson
(Etobicoke
Centre)—58

Mr. Speaker: I declare the motion carried.

Ms. McDonald (Broadview—Greenwood) moved that the Bill be read the third time and passed.

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

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Mr. Speaker: The motion is agreed to on division.

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

* * *

BUSINESS OF THE HOUSE

Mr. Lewis: Mr. Speaker, I rise on a point of order. I wish to advise the House that tomorrow, immediately after Routine Proceedings, we will resume the procedural debate on the admissibility of Bill C-130, the free trade Bill. We understand that the Speaker may wish to reserve judgment and, therefore, we will not call the Bill. We will immediately move to resume debate on Bill C-129, the Air Canada privatization Bill.

Thursday, provided that the Air Canada privatization Bill, Bill C-129, is passed, we are trying to arrange progress on certain items of legislation under the jurisdiction of the Minister of Indian Affairs and Northern Development (Mr. McKnight).

Mr. Speaker: It being 6.50 p.m., this House stands adjourned until tomorrow at two o'clock p.m., pursuant to Standing Order 3(1).

The House adjourned at 6.50 p.m.

HOUSE OF COMMONS

Wednesday, June 1, 1988

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 21

[*English*]

HUMAN RIGHTS

DEATH OF PAVEL WONKA, CZECH DISSIDENT

Miss Aideen Nicholson (Trinity): Mr. Speaker, today's events in Moscow lead me to raise again in this House the question of 35-year-old Czech dissident, Mr. Pavel Wonka, who died suddenly in a jail near Prague on April 26 last. The Governments of West Germany, Great Britain, the U.S., and France have requested the establishment of an independent group to examine the cause of his death.

Mr. Wonka was known as a supporter of human rights in Czechoslovakia. In 1986 he tried to run for public office, human rights groups report. He was arrested and charged with the offence of inciting a rebellion against the republic even though his election manifesto was said to be in harmony with the concepts of openness and reconstruction of the U.S.S.R. During his prison term Amnesty International adopted Mr. Wonka as a prisoner of conscience.

Glasnost is an encouraging concept but we have yet to see that it is truly practised. Let us hope that the events in Moscow this week will lead us to see concrete examples of improvements in human rights.

* * *

IMMIGRATION

SENATE DELAY IN PASSAGE OF REFUGEE LEGISLATION

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, the events of the past week have shown again that unscrupulous individuals are prepared to take advantage of Canada's flawed refugee determination system. Bills C-55 and C-84 would correct this problem. Canadians should be aware that the Senate has continually refused to pass these Bills in the form in which they were endorsed by this democratically elected Chamber. Twenty-one hundred of my constituents have condemned this action.

I am disappointed in the Senate. However, I am more disappointed with the media for not challenging the undemocratic behaviour of the Senate.

• (1405)

Before 1984, as a private citizen, I would have thought that our free press would have been the first to condemn the continued obstruction of initiatives from the House of Commons. That has not happened, and I think that reflects poorly on all of us and is a source of sadness to everyone who cherishes democratic ideals.

* * *

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—EFFECT ON FOOD PROCESSING INDUSTRY

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, both the Minister for International Trade (Mr. Crosbie) and his predecessor say that the free trade agreement will not hurt our food processing industry. They are wrong.

On March 25, I reported that the Vice-President of McCain's Foods predicted 100,000 jobs would be lost in the agri-food sector in the next 15 years under the free trade agreement.

His boss, Harrison McCain, was quoted in the current issue of *Maclean's* as saying: "Don't dupe us in the food industry". He went on to ask Peter Newman that, if the deal is so wonderful, why are the company presidents across Canada not standing up and talking about doubling or tripling capacity?

Mum's the word for these presidents of these processing companies because they know they will have difficulty competing with cheaper U.S. raw material and cheaper U.S. labour, and they know they will have to close plants in Canada and make their expansions in the United States. They know the Mulroney-Reagan deal is bad news for Canadian agriculture, for its farmers and for its food processing workers. The Government is wrong to push this deal forward.

S. O. 21

ADMINISTRATION OF JUSTICE

CHARLES NG—CALL FOR EXTRADITION

Mr. John Oostrom (Willowdale): Mr. Speaker, Charles Ng, an illegal immigrant from Hong Kong who is wanted in the United States for committing 12 murders, is still sitting in a Canadian jail awaiting extradition. The State of California applied to have Mr. Ng extradited on February 17, August 26, and November 3, 1987. Each time his lawyers were successful in delaying his extradition by using the Charter and the fact that the State of California has a death penalty for murder.

Mr. Ng is an illegal alien and I feel he should not be accorded the same protection as Canadians. Further, these legal manoeuvres, especially since any decision will be appealed to the Supreme Court, will be very costly.

The Canadian taxpayers should not be footing the bill to defend, protect, and house an individual who is a cold blooded mass murderer and had no compassion for his victims. Canada cannot become a haven for death penalty fugitives.

I urge the Government to explore the possibility of having him extradited to a state that does not have the death penalty and let California obtain him through the American legal system. His victims deserve justice.

* * *

[*Translation*]

ECCLESIASTICAL AFFAIRS

TRIBUTE TO CARDINAL PAUL GRÉGOIRE

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, when I went to the Sainte-Thérèse Seminary at the age of 13, I met Father Grégoire, who was then headmaster and father confessor. Later, when I studied law at the University of Montreal and became president of the law students association, our chaplain was someone who was affectionately referred to as Monsignor Greg. The students must have guessed that he was meant for great things.

The Pope has now appointed to the Sacred College this brilliant, humble and dedicated man, Paul Grégoire, Archbishop of Montreal. The appointment of His Eminence Cardinal Grégoire is an honour that reflects on Canada as a whole, an honour that is cause for rejoicing in Quebec and a source of great pride to the people of Montreal. We thank the Holy See and the Holy Father, and may Almighty God continue to guide, bless and protect my Archbishop and friend, His Eminence Cardinal Paul Grégoire.

[*English*]

AGRICULTURE

DROUGHT IN WESTERN CANADA—PROPOSED DEFERRAL OF TAXES FOR LIVESTOCK PRODUCERS

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, western cattlemen are encountering serious drought related problems. Owing to lack of stock water and feed, some ranchers are forced to sell off their cows.

The cattlemen are the last group in the economy to ask for direct government assistance. What they do request is to be allowed to defer income tax when they are forced to sell their breeding stock as a result of adverse weather conditions. The sale proceeds would be set aside to be used to buy back into the market when the drought conditions end.

• (1410)

In central Canadian terms, these cows are the factory or plant that manufacture beef. The deferral of tax would enable the replacement of the ranchers' factory at a later date when there is adequate water and feed to sustain it.

Feed and freight assistance programs often distort market decisions. The tax deferral proposal is market neutral and costs the government Treasury nothing in the long run. This proposal deserves serious consideration.

* * *

VIA RAIL

REFUSAL OF REFRESHER COURSE FOR LOCOMOTIVE ENGINEERS

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, it came to my attention on the May long weekend that VIA Rail had assigned two people who worked for VIA as switchmen in Winnipeg to Melville, Saskatchewan, where they were to begin immediately their work as locomotive engineers running passenger trains.

One of these men, for instance, trained as an engineer for CN in 1983, a freight engineer, and since 1984 has not run any kind of train at all—not even a yard engine. He has never run a passenger train.

CN, when it puts such people into service, gives them a two-week refresher course at Gimli, and other retraining. These workers asked for a similar refresher, but it appears that VIA cares less for the safety of its passengers than CN does for its non-human cargo. Property before people triumphs again.

I asked the Minister of State for Transport (Mr. St. Germain) to look into this early last week, hoping not to have to raise it publicly. But VIA is still refusing the refresher course for these individuals. It is satisfied that one of these men made one trip with a supervisor and then, now being retrained according to VIA's standards, is being sent out with

another man with similar inexperience—exactly one less trip—so that the one can train the other.

Shameful! VIA should be hauled up into the Minister's office and made to account for this lack of safety practice and made to change the policy.

* * *

THE FAMILY

IMPORTANCE AND VALUE

Mr. Jim Jepson (London East): Mr. Speaker, this week various groups are gathered here in Ottawa to a conference sponsored by Focus on the Family. The purpose of this conference and the focus of all the attending groups are to reinforce the importance and value of the family in Canada—indeed, in North America.

Clearly, history has revealed the strength of a nation is the family. The quickest way to destroy a nation is to destroy the family. Radical feminists have stated that thanks to their feminist movement the nuclear traditional family is a goner. What a sad commentary. Strengthening the family should not be a threat to equality for women. Every reasonable Canadian wants equality for women. This Government has made considerable progress in this regard.

I wish all those men and women attending the Focus on the Family conference a successful week.

* * *

HUMAN RIGHTS

CONDITIONS IN SOVIET UNION

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, as the superpower summit draws to a close today in Moscow we are encouraged that human rights top the agenda.

Today, let Canada's voice of support for Soviet dissidents and refuseniks be heard along with that of United States President Reagan. We hope the Soviets soon deliver on their familiar commitment to increase religious freedom, and the right to immigration for Soviet Jews and others.

The Soviet leader this week called President Reagan's human rights interventions interfering in the domestic affairs of the Soviet Union. We hope Mr. Gorbachev will change his mind and respect the Soviets' signature on the Helsinki Accord through more concrete action.

As a sign of Canada's support, Canadian friends of these refuseniks and dissidents call upon the Secretary of State for External Affairs (Mr. Clark) to direct our Canadian Embassy in Moscow to invite these people to cultural activities and celebrations inside the embassy on Canada Day. This action will be an example to the world of the freedoms that we in Canada enjoy, respect, and support world-wide for all peoples.

* * *

ENVIRONMENTAL AFFAIRS

UPGRADING OF SEWAGE DISPOSAL FACILITIES ADVOCATED

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, in Environment Week let us be aware that a critical environmental problem is the way bodies of water like Lake Ontario are being polluted, very often by raw sewage. In many municipalities such as the city of Scarborough existing sewer systems are not enough to cope during heavy rains. As a result raw sewage is actually deposited in the lake.

To protect one of our most vital natural assets, upgrading sewage disposal facilities is imperative. Senior levels of government, along with municipal ones, should make this a priority.

* * *

PARLIAMENT

MEMBERS' SUPPORT FOR ANTI-TOBACCO CONSUMPTION LEGISLATION

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, yesterday Canadians witnessed one of this Parliament's finest moments.

Most Members of Parliament work hard to make this place work, in the House of Commons, in its committees, and in those organizations associated with Parliament. However, there are special moments when Members rise to the occasion and demonstrate just how democratically and progressively our Canadian Parliament can perform.

One such occasion occurred on May 31, 1988, when Members of the House of Commons from all Parties from all sides of the House came together to support a Bill introduced by the Hon. Member for Broadview—Greenwood (Ms. McDonald), and a Bill standing in the name of the Minister for National Health and Welfare (Mr. Epp) which together will dramatically reduce tobacco consumption in our country.

With the passage of these Bills Canada enters the family of progressive, caring, and thoughtful nations that have taken major steps to reduce tobacco consumption and thereby the deaths and the illnesses associated with smoking.

As a result of the actions taken by the Members of this House yesterday, Canadians will be healthier in the future and Canada will be a better place.

• (1415)

HOUSING

RESIDENTIAL REHABILITATION ASSISTANCE PROGRAM—GLACE BAY TOWN COUNCIL REQUEST

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, on May 27, 1988, the Chief Administrative Officer for the Town of Glace Bay, Nova Scotia, wrote to the Minister of Public Works (Mr. McInnes) with respect to the Residential Rehabilitation Assistance Program for his municipality.

In his letter the Chief Administrative Officer said: "The Residential Rehabilitation Assistance Program has benefited many low and moderate income citizens in rehabilitating their homes. Many seniors would not be able to stay in their homes without this type of help. Our RRAP allocation for 1988 is $255,000. This means that of the approximately 1,000 applications on file possibly only 35 will be processed in 1988. On behalf of the Town Council of the Town of Glace Bay, I ask that you take the necessary action to increase RRAP funding so that such a worthwhile program will not be in jeopardy."

I urge the Minister to listen to the advice of the Town Council of Glace Bay, and increase the Rehabilitation Assistance Program to help and to benefit the many fine citizens of that municipality as well as of the many surrounding areas.

* * *

SCIENCE AND TECHNOLOGY

OZONE LAYER RESEARCH—AWARD WON BY CANADIAN SCIENTISTS

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, Canada's leading role in developing an international protocol to deal with chemicals having an attenuating effect on stratospheric ozone is well known. Depletion of the ozone layer, especially over polar regions, is of considerable concern to us.

What might not be quite as well known is that it was scientists in the Canadian Atmospheric Environment Service who developed the Brewer Spectrophotometer used to measure the amount of ozone or other gases in the atmospheric column, thereby making it an invaluable tool for atmospheric ozone research.

The receipt by those scientists of the "Excellence in Technology Transfer" award was extremely well deserved.

ORAL QUESTION PERIOD

[*English*]

SUPPLY AND SERVICES

CANADIAN PATROL FRIGATE PROGRAM—PARAMAX ELECTRONICS—CONTRACTUAL OBLIGATIONS

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, in the absence of the Minister of Supply and Services I direct my question to the Acting Prime Minister.

The Minister of Supply and Services is responsible, on behalf of the Government of Canada and indeed, more important, on behalf of the taxpayers of Canada, for supervising the performance of contractors involved in the Canadian Patrol Frigate Program.

My question to the Acting Prime Minister is the following. Is the Minister aware of correspondence between Saint John Shipbuilding Ltd. and Paramax Electronics of Montreal indicating numerous defaults by Paramax in meeting its contractual obligations?

Has the Government instructed officials of Supply and Services to conduct regular audits to ensure that Paramax is and was fully in compliance with all government regulations as a major participant in the Canadian Patrol Frigate Program?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, the Minister of Supply and Services is aware of the allegations raised by the Hon. Member.

The audit for 1986 has been completed. We are half way through the audit for 1987, and to date no irregularities or dissatisfaction have been uncovered. We are monitoring the situation closely. We are happy with the progress of the contract.

E. SYSTEMS CONTRACT TO SUPPLY RADIO SYSTEMS

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, less than one hour ago I spoke with Sergeant Elwick of the RCMP Special Federal Investigations Branch to arrange to turn over to Sergeant Elwick, tomorrow morning at ten o'clock, internal documents which came into my possession late last night.

My supplementary to the Acting Minister is the following. Is he aware, and I believe he was the Minister of Supply and Services at the time, of a dispute between Paramex Electronics of Montreal and a U.S. sub-contractor, E. Systems, in which E. Systems attempted to earn 100 per cent profit of taxpayers' dollars on radio systems supplied for the Canadian frigate program? The dollar amount in question is in the millions.

Can the Minister answer that question?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, I am unable to reply affirmatively or directly to that particular allegation, other than to repeat what I have said. We are auditing the contract, and to date no irregularities

have been uncovered. The Hon. Member has brought a situation to our attention, and I will see it is pursued to ensure that we are on course.

• (1420)

AUDIT OF CONTRACT PERFORMANCE

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, we are talking about a multibillion dollar defence contract. In the case of Paramex we are talking about a $1.25 billion subcontract. We are talking about more than fiscal year 1986.

The Minister just indicated that an internal audit is nearly completed and no irregularities have been found up until this time. Can he tell us when that audit is going to be completed? Will he make the information it contains available to the House of Commons?

Also can he tell the House whether or not in fiscal years 1984-85 and 1985-86 such audits were undertaken and whether or not the Government became aware of irregularities, many of which are noted in internal company documents I will make available to the RCMP tomorrow? They raise many questions of irregular practices.

Mr. Clark (Yellowhead): Why are you holding them?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, a number of allegations have been made with respect to this contract for the last couple of years. When these matters are brought to our attention we investigate them. This is a sizeable contract and the Government accepts responsibility to continue monitoring and we will do so. The Hon. Member brought a situation to our attention and I undertake on behalf of the Minister to respond very soon.

Mr. Forrestall: Why is he hanging on to the documents?

* * *

AGRICULTURE

DROUGHT IN WESTERN CANADA—GOVERNMENT ASSISTANCE

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Agriculture. The very serious drought in western Canada continues. Canadians all across the country are shocked by the images they see on television every night of dust storms, dry pastures, and cattle without feed.

The measures announced by the Minister yesterday for long-term well construction are appreciated and will be useful to the long-term supply of water. Can he say when he is going to announce a program for transportation of feed to the drought areas or movement of cattle out so as to stabilize a very uncertain situation for livestock herds in western Canada?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the tour of the drought area that my colleagues and I participated in Monday afternoon and evening was very useful. We saw it first-hand and of course there were no surprises whatsoever. My colleagues and I have been kept informed as well as our people in the field, primarily from PFRA. The meeting on Tuesday with farm leaders and our provincial counterparts was also very productive. The Hon. Member knows at that time we announced an additional $12 million to be used for the transportation of water supplies, the drilling of wells, purchase of pumps and pipes, as well as the hauling of water.

We have asked the drought committee to provide us with further recommendations within 10 days or two weeks to deal with what I like to term phase 3. That of course will be the response by both levels of government to deal with the livestock aspect of the drought.

PROPOSED CATTLE HERD STABILIZATION PROGRAM

Mr. Maurice Foster (Algoma): Mr. Speaker, in the fall of 1985 the Government made a commitment to establish a long-term disaster assistance program. It was very apparent to most people in western Canada that the drought was going to be very serious. Does the Minister really believe he can wait for another three weeks while more committee meetings take place before he announces a stabilization program for cattle herds? This might result in the dispersal of herds and a drop in prices, not to mention the uncertainty of livestock owners over whether or not they should disperse those herds because of the uncertainty over whether a program will be put in place and what the funding level will be.

I believe $50 per stock cow was provided in 1985 by the two levels of government. I hope the Minister could announce at least that much and perhaps a great deal more, because we are dealing with a drought in the spring of the year, not in the late summer.

• (1425)

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I must remind the Hon. Member that I did not say three weeks, I said a week, 10 days, or 2 weeks at the most. One thing we have to realize is that this is really at the request of the producers themselves. There is a good understanding between livestock producers and ourselves and a high level of confidence that they share with our Government because of the way in which we have responded to their problems in the past. We must recognize as well that decisions are already being made by producers based on their own particular situation.

Some producers in the Vulcan area have already decided to move liner loads of cattle from that area some 700 miles north to Peace River at a cost of about $1,500, many of which are cows. They will have to come back. If we have to get into phase 3, then everyone knows there will be retroactivity provisions anyhow.

People making those decisions today, who will make them tomorrow, and who made them yesterday, have made and are making them with the understanding that if we move in that direction obviously assistance will be retroactive.

Mr. Foster: Why wait?

* * *

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—PROPOSED CONGRESSIONAL LEGISLATION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is for the Minister for International Trade.

Since the U.S. implementing Bill on the trade agreement has now come from the two committees which had to handle it and since that Bill has, in fact, amended the agreement itself by references to moves against Canada in at least 12 economic sectors in the future, on everything from automobiles to oil and gas to zinc alloys, does the Minister himself consider it fair that the United States should, in effect, renegotiate this agreement while the Canadian Parliament is faced with a Bill which simply reflects the original signed agreement?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I would have thought by now even the hon. gentleman would recognize that there is a considerable difference between the two systems of government in the two countries. One is the congressional system where the President is independent of Congress, and a Congress is independent of the President. The Americans do not have party discipline like in the New Democratic Party where, if the Leader says "bray like a donkey", then New Democrats all bray like donkeys.

Some Hon. Members: Oh, oh!

Mr. Crosbie: In the United States the Americans do not have that.

What we have now are two key congressional committees, the Senate Finance Committee and the House Ways and Means Committee, which have resolved most of the differences between them. They have issued a press release with recommendations to the administration on what they feel should be in the implementing legislation.

The process has not stopped. The Energy Committee has to make its recommendations yet, but when they are all finished making their recommendations the administration will have to decide finally which legislation to introduce into Congress this month on behalf of the administration. Then everyone will have to vote straight up or down. But the Americans will vote, because in the United States they have not said that they will obstruct, try to hold up matters, or try to stop the majority from having their way. The Americans will do the democratic thing in the United States of America.

Mr. Langdon: Mr. Speaker, I would like to remind the Minister that Senator Max Baucus, who is a member of this joint deliberation process, on CBC on Sunday morning indicated very clearly that the administration had been part of the process which had formed these recommendations and it intended to support them.

[*Translation*]

REDUCTION OF TARIFFS ON PLYWOOD—GOVERNMENT POSITION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have the following supplementary. The Minister said that the Government protested against the decision to delay the reduction of tariffs on plywood, but the U.S. bill has maintained this decision. What is the Government doing now to protest this continuation?

• (1430)

[*English*]

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the hon. gentleman knows that we sent a note of protest with respect to the plywood matter to the U.S. administration. The process is not finished yet. No formal, completed piece of legislation has yet been put before the Congress. The process continues.

I have protested to Mr. Yeutter. We have protested to Secretary Baker. We will continue to take the position that in our view the suggested plywood provision is inconsistent with the free trade agreement, and if they proceed with it we will take action under the free trade agreement to challenge it, or we will take some other action of our own that will penalize the Americans just as we feel they are penalizing us.

I must say that the Americans do feel that they have a grievance in connection with plywood standards. We cannot be blinded to the fact that the other side may have an argument, and they think they have an argument, but I am putting forward with all of the strength and conviction that I can muster our objections to these suggested provisions.

Mr. Langdon: God help us if there is that much strength and conviction being put forward that the Minister himself would suggest that the Americans actually do have an argument in this case.

LANDING RIGHTS FOR FISH CATCHES

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, since the Government has protested against these other areas, why has the Government not protested against the provision in these Bills that allows the President and indeed requires the President to take action against Canada if we impose, as we promise to do, requirements for landing rights for western fish caught in Canadian waters? Why has the Government not made such a protest?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, in the first place the hon. gentleman has made an assumption that is not correct. Naturally we are protesting and we disagree with that language, but perhaps the hon. gentleman will read the clauses of the free trade agreement. I recommend this to the House.

I am initiating a $10-million campaign shortly so that Canadians will know of every facet of the agreement and how best to take advantage of the agreement. If, rather than opposing and obstructing, the hon. gentleman would look at the provisions of the agreement, he would see a clause in the Canada-U.S. Free Trade Agreement in which the Americans agree to the grandfathering of certain provisions with reference to the East Coast of Canada but reserve their rights to proceed under the GATT if they so wish in the future. That is a right that the Americans have that we cannot take from them, although we will strongly oppose any such action if they do commence any such action.

PROMOTION CAMPAIGN—CONTRACT WITH JOHN LASCHINGER

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Minister for International Trade and it concerns the juicy contract that the Minister for International Trade gave to his former leadership campaign manager, John Laschinger. The cost of running the trade office is somewhere in the area of $30 million. The previous ad campaign cost no less than $12.7 million. Now this new campaign with Mr. Laschinger will cost $10 million, for a grand total of $52,700,000.

How much of this latest $10-million goody contract will be going to the Minister's friend, Mr. Laschinger? Isn't that relationship just a bit too incestuous?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, one has come to expect this kind of low-life behaviour from the Hon. Member. It was Thomas Carlyle who once said about Algernon Swinburne, after someone said he would like to introduce him to Swinburne, that he did not want to meet someone who was sitting in a sewer and adding to it.

Some Hon. Members: Oh, oh!

Mr. Crosbie: The hon. gentleman is in the Swinburne category.

With respect to the question, we are planning a $10-million campaign so that Canadians will be better able to take advantage of the free trade agreement when it goes into effect. It will involve a series of seminars and conferences across the country. It will involve a series of studies of various industries to show them where opportunities lie for them in the United States market as the tariffs start to come off.

With respect to Mr. Laschinger's part in all of this, Mr. Laschinger is acting as a consultant. It is not a full-time job.

Mr. Boudria: Good justification there.

Ms. Copps: It's a part-time, $10-million job?

Mr. Crosbie: Mr. Speaker, if I might complete my answer, it is not like the contracts that used to be handed out by the former administration.

Some Hon. Members: Oh, oh!

Mr. Speaker: I think perhaps we should move to the next question and the Minister may be able to respond.

Mr. Boudria: Mr. Speaker, am I ever glad that this is not a full-time job, otherwise it would cost a lot of money.

[*Translation*]

REQUEST THAT CONTRACT BE TABLED

Mr. Don Boudria (Glengarry—Prescott—Russell): I would like to ask the Minister for International Trade whether he is prepared to table the contract in the House today, so that Canadians will know how much it costs to have Mr. Laschinger as the Minister's campaign organizer.

[*English*]

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, as I was saying, Mr. Laschinger's contract will likely be for a period of three months. It could be extended and it might very well be extended. He is one of the ablest people in this business that one could find.

The contract is for an amount of $25,000 including expenses, not $5 million as was suggested by the Member from Winnipeg yesterday nor any of the other fantastic figures that were suggested. His qualifications include a Master's in Business Administration and four years as a senior official in the Government of Ontario where he was Director of Small Business Development and Director of International Trade Development, apart altogether from all his other skills, skills he has used to tackle the impossible. He assisted me in my campaign for the Party leadership.

Some Hon. Members: Oh, oh!

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CHILD CARE

NATIONAL CHILD CARE STRATEGY—COST-SHARED FUNDING

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. According to media reports, the Government's child care strategy is delayed by funding problems. Would the Minister now recognize the real need for child care which he himself now admits will cost an extra $1.5 billion, money that he preferred before to put into tax measures? Will he reconsider his method of funding child care? Will he remove the cap from cost-shared funding so that the real cost of child care is shared more fairly with the provinces?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the allegation that I have agreed to anything is absolutely wrong. Number one, I think the Hon. Member should know that.

Second, we said right from the beginning that we would show federal leadership with the program and that we would have certain objectives. Those objectives are being met. In fact, time after time the Hon. Member said that it would not work, the provinces would not co-operate and they would not agree. The very opposite is happening, and that is why we now have before us proposals that we are examining.

We will have final agreements with the provinces and the legislation will come forward. I hope that the Opposition for once will be more co-operative on legislation than it has been on this issue so far.

NATIONAL OBJECTIVES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I am delighted that after four years of waiting there will be some federal leadership on this matter and some national objectives. I remind the Minister that the goal of 200,000 spaces over seven years will hardly respond to the needs of mothers, 60 per cent of whom are working mothers with children under 16. I would imagine most of them need child care.

• (1440)

The Minister referred to objectives. Will he establish, in the promised child care legislation, the national child care objectives as Meech Lake requires? Will these objectives cover funding for quality child care that is affordable and pays decent wages to care givers?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member again used the word "imagine". It seems to me that that is how most of her policies are put forward.

The point of the matter is that the plans that the provinces are putting forward and the plans that we put forward are solid plans backed up by federal leadership and money. As part of that operation wages and working conditions are improving as well, and thank goodness that is happening. That is part of the plan as well.

I am glad that for once the Hon. Member, who is nodding her head, recognizes that federal leadership is bringing the kinds of results which we always said it could.

PUBLIC SERVICE

PUBLIC SERVICE ALLIANCE OF CANADA—BAD FAITH BARGAINING DECISION

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, my question is addressed to the President of the Treasury Board. Last September the Public Service Alliance of Canada, on behalf of the Education Group which includes 2,300 language teachers, agreed to a settlement. They agreed to ratify it and then they bargained in bad faith, as was recently ruled by the Public Service Staff Relations Board.

This PSAC action is a disgrace and a betrayal of the collective bargaining process. I want to know what the Minister and the Government intend to do to resolve this outstanding matter on behalf of the language teachers who do not have a contract at this time.

Hon. Pat Carney (President of the Treasury Board): Mr. Speaker, the decision by the Public Service Staff Relations Board is important because it does point out that the integrity of the entire bargaining process is at stake. It was very important that the PSSRB found bad faith bargaining on the part of the union in the case of this particular group.

With regard to what we are going to do, the Hon. Member knows that we are ready to listen to any constructive proposals put forward at this time. We are ready to resume negotiations at any time according to the provisions of the law governing labour relations.

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[*Translation*]

DAY CARE

FEDERAL GOVERNMENT'S PARTICIPATION IN CREATION OF SPACES—MINISTER'S POSITION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. He is no doubt aware that two days ago, the Province of Quebec submitted a request to his Department to create 60,000 day-care spaces in the Province of Quebec. He also knows perfectly that the Province of Ontario has already planned for 30,000 new spaces to expand its existing system. Could the Minister give the House the assurance today that these spaces will receive full federal funding?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I can guarantee the Hon. Member, as I have right along, that the federal plan, along with the co-operation we are getting from the provinces, and the 200,000 quality spaces that we have projected in our plan will be delivered.

Ms. Copps: Mr. Speaker, in other words the federal Government has slammed the door on the needs of millions of

children who are not being represented in plans to expand child care spaces across the country.

GOVERNMENT POSITION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I would like to ask the Acting Minister of Finance why the Treasury of Canada and the Prime Minister are slamming the door on the promise to Canadians that we would launch a national child care program.

Why will the Government not at least, in the House today, commit that it will finance, as promised in federal-provincial discussions, the 30,000 spaces proposed in the Province of Ontario, the 60,000 spaces proposed in the Province of Quebec, and the thousands of other spaces across the country for the children who are in need, the millions of children who are in need?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the federal Government is slamming no doors shut. Frankly, that kind of stupid comment that is made so often by that Member adds nothing to either child care or debate in this House.

The point of the matter is that we are negotiating with the provinces. We do have a plan with the provinces. Obviously I am not going to put forward—

Ms. Copps: You're breaking your word.

Mr. Epp (Provencher): I am not breaking my word. Last Friday the Hon. Member said I was in Ottawa when I was in Alberta. She said I was doing things with regard to blood when I wasn't, I was on a drug strategy. That is how accurate the Member is, both here and everywhere else.

Mr. Speaker: Order.

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FUR TRAPPING INDUSTRY

PROPOSED BRITISH FUR LABELLING LEGISLATION

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development and is with regard to the question of British fur labelling. As the Minister knows, there has been a delay in the tabling of the fur labelling legislation in Britain but we do expect that it may come on very soon as an urgent matter.

We appreciate the efforts of the Secretary of State for External Affairs and the representations that he has made on this issue to high level members of the British Cabinet. I have recently returned from the United Kingdom where I met with a number of British Members of Parliaments and Lords.

What is the Government doing to let British Members of Parliament and members of the House of Lords know about the position of Canadian parliamentarians regarding this fur labelling?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, I appreciate the support of the Hon. Member and her Party on the fur issue as it relates to Canadian hunters and trappers and their ability to maintain a way of life.

It is important to note that my colleague, the Secretary of State for External Affairs, has formally expressed the concerns of Canada. We have been able to participate in the British Museums Show to assist indigenous survival and to assist the aboriginal groups who are putting forward a very important message. I hope British parliamentarians and the British Government will take seriously the impact of this action on the ability of these groups to earn a living, to have an economic activity, and to maintain a recognized cultural pursuit.

The actions of the Commissioner, Mr. McMurtry, in delivering Canada's message, and continued pressure by the Member for the Yukon and other Members on both sides of the House to have Great Britain understand the importance of this industry to Canada's people are very important.

GOVERNMENT SUPPORT FOR INFORMATION CAMPAIGN IN BRITAIN

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, we all know that the proposed British legislation is not only anti-trapping legislation but anti-fur legislation. It is, therefore, very important to act very forcefully.

Can the Minister tell this House how much money the Canadian Government has spent in Britain on an education campaign specifically directed to politicians? Some of the other organizations are directing such programs toward the public at large but my information is that there is very little information going to British politicians in general.

Could the Minister tell us approximately how much money been spent in the United Kingdom to counteract the anti-fur legislation?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, External Affairs has spent some $8.1 million on a program. Those dollars are being used to assist aboriginal and trapping groups, including the Canadian fur industry, in putting forward very forcefully the point of view that the Government and Members in this House have expressed.

I am pleased to have the support of the Hon. Member and her Party in this very difficult time when not only trapping but the fur industry in Canada are being threatened. I hope that support will continue. I would appreciate if she would keep her contacts up with her counterparts in Great Britain and attempt to convince them, as we have tried to convince the British Government, to act on behalf of this Canadian industry.

[*Translation*]

UNEMPLOYMENT INSURANCE

REQUEST THAT MINISTER WITHDRAW BILL C-50

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Last Thursday, I had the pleasure of meeting hundreds of early retirees from the Trois-Rivières area who object to Bill C-50, which will cut unemployment insurance benefits for older workers. Tomorrow, I will be in the beautiful riding of Lac-Saint-Jean, and I will meet the same people, hundreds of them, who feel it is totally unacceptable that this Bill should deprive them of their benefits. Could the Minister inform the House, considering the flexibility she has shown as the new Minister responsible for Immigration, whether she intends to withdraw Bill C-50 in order to eliminate this discrimination against older workers who, even if they lose their jobs and look for other work, are not entitled to full unemployment insurance benefits because they are drawing on their pension fund? Would she be prepared to amend the Bill to eliminate this discrimination?

• (1450)

[*English*]

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I have no plans to amend this legislation at this time. We are watching the situation very carefully.

As the Hon. Member knows, reasonable settlements were made with a great many of the people involved, so that we are really talking about a very few. We will continue to ensure that the legislation is fair for everyone.

[*Translation*]

DEMAND FOR EXPLANATIONS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I wish the Minister would do her homework, because there are still 40,000 cases, and tomorrow I will meet older workers in the area of Saguenay-Lac-Saint-Jean, and Mr. Clean, Mr. Bouchard is in trouble because of this Bill. How will the Minister explain to Canadians and to older workers that her Government wastes $30 million to sell its free trade propaganda, wastes huge sums of money on frigates, while workers who need help are denied benefits to which they are entitled and which they paid for out of their salaries? How will the Minister explain to these people that she cannot withdraw this Bill to give them a fair deal?

[*English*]

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member knows that some $137 million was paid as a result of the passage of Bill C-50. He also knows that the unemployment insurance account cannot be used as a form of supplementary income. Those funds belong to the people who paid into it from all across Canada. We take their payments into this as essentially being their own money and we do not use it as a form of supplementary benefit.

* * *

FUR TRAPPING INDUSTRY

ATTITUDES OF OTHER COUNTRIES—FORTHCOMING ECONOMIC SUMMIT IN TORONTO

Mr. Bob Brisco (Kootenay West): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. It concerns the fur issue.

Historically the indigenous people of Canada have relied very heavily on the fur industry. Within the next couple of weeks we will be host to an economic summit, with some 5,000 media world-wide in attendance.

Can the Minister seize the opportunity as a means of conveying to the world, including leading nations of the world, our concerns about policy and attitudes that have been expressed by some countries with regard to the fur trade?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, my colleague puts forward a very interesting suggestion and one I would like to explore with him and other Members of the House. I am aware of the excellent report of a standing committee of the House chaired by the Member for Wetaskiwin, co-chaired by the Member for Timiskaming, and on which the Hon. Member also served.

I believe there is an opportunity to explain to the media of the world, indeed to Europe, how opportunities will be denied, how pride will be denied, how a standard of living and indeed a tradition and culture of the indigenous people of Canada will be denied if this continues.

Another important concern is the fur industry which is very important right across the nation. I appreciate the Hon. Member's suggestion and would like to explore it.

* * *

ENERGY

BRITISH COLUMBIA HYDRO—EFFECT OF THERMAL PLANT ON AIR QUALITY

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, the federal Government is about to give permission to British Columbia Hydro to fire up its Burrard thermal plant in Port Moody, British Columbia. This is not for emergency power or load balancing, but for export of power to the United States.

Is the Minister of Energy, Mines and Resources aware that the air quality and ozone layer in the Fraser Valley in British

Columbia are very fragile? Why is the Government about to give approval to this export of power? Why not put the interests of Canadians ahead of the interests of our American neighbours for once?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, the Government will, of course, consider both the interests of Canadians and the interests of B.C. Hydro. In 1980, the utility requested permission for all units to be able to export energy. At the time, the Government refused to allow exports from the area where the Burrard thermal plant is located, since the plant had failed to obtain existing pollution control permits. Since then, the province authorized and granted the pollution control permits, and B.C. Hydro is now making a new submission to the National Energy Board, which has yet to reach a decision, Mr. Speaker.

[*English*]

REQUEST THAT GOVERNMENT NOT APPROVE APPLICATION

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, the Minister will be aware that British Columbia does not have the highest requirements in terms of the environment, to put it mildly. Why does the Minister not tell B.C. Hydro that the federal Government will not approve this application? Otherwise, we will have to tell the old people in Fraser Valley that they will have to stay indoors this summer because of the pollution levels that will be caused in order to run American air conditioners in California. Stop accommodating the interests of the Americans and stand up for Canadians.

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, Parliament has adopted certain procedures, and I think it is the responsibility of the Minister of Energy, Mines and Resources to abide by them. The request is now before the National Energy Board, and it is up to the Board to deal with the matter and make recommendations to the Minister, and then, and only then, will I make a decision, bearing in mind the interests of all concerned.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

WATER—SCIENCE COUNCIL OF CANADA REPORT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in the absence of the Minister of the Environment my question is directed to the Minister of Fisheries and Oceans. The Science Council of Canada once again brought to the attention of the public the Government's inability to deal with emerging water issues.

The Council says in the report released yesterday that Canadians must be made to realize that their supply of safe, clean water is seriously threatened and that governments have to recognize the threat and start spending more on water related issues.

Will the Minister recognize the error of his Government in cutting personnel and water related programs since 1984, and move immediately to reinstate such programs so as to deal with the emerging problems described in the Science Council report?

Hon. Frank Oberle (Minister of State (Science and Technology)): Mr. Speaker, perhaps the Hon. Member will allow me to answer the question. We have every reason to be rather pleased with the report because it underscores and endorses the initiatives that have been taken by the Minister of the Environment and the Government. These initiatives are reflected in the federal water policy which was announced last fall.

The Minister is absent today because he is at McMaster University announcing a very exciting program which includes significant federal spending precisely in this area.

DEPARTMENTAL FUNDING AND STAFFING

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the initiatives to which the Minister is referring are not worth the paper they are written on unless there are people and programs and funds to implement them.

Does the Minister realize that in Environment Canada alone, over the last three or four years, some $70 million has been lost to inflation and over 300 scientists and technicians have been displaced because of the Government's fiscal policy?

Hon. Frank Oberle (Minister of State (Science and Technology)): Mr. Speaker, any objective observer comparing the record of the Minister of the Environment of the present Government with the Minister of the Environment of the former Government would obviously come to the conclusion that things are on track.

I told the Hon. Member that the Minister of the Environment is at McMaster University today to announce the establishment, together with the private sector and the university, of an industrial chair for industrial waste water treatment.

There are numerous initiatives like that, all of which are reflected in the Freshwater Act. If the Hon. Member would take the trouble to read it, I am sure he would be as excited as the rest of us with the prospects for the future.

• (1500)

INDIAN AFFAIRS

BAND MEMBERSHIP LISTS—MONITORING OF TRANSFERS

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, my question is addressed to the Minister for Indian Affairs and Northern Development. It arises out of a concern expressed to me by the Chief of Sandy Lake, the largest of the 51 reserves in my riding.

The Government is presently compelling Indian bands which have taken over their membership codes to maintain two lists, one for the Department and one for those who are band members under their code. I would like to ask the Minister this. Since apparently the Department has no provisions to ensure that transfers are actually registered, how is it that a Department which is always crying poor and says that it cannot provide extra lands—nor can it provide enough money under C-31, the reinstatement law—can avoid double-funding situations if there is no mechanism to remove somebody from the list of the band from which they are being transferred?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am not aware of the system of maintaining the memberships that have been transferred to band Governments, the proposition which the Hon. Member puts forward. I will check into it.

However, it is the responsibility of the bands now to maintain their memberships when they request that responsibility. The Member asks a question for which I do not have an answer at this time with respect to duplicate maintenance of membership. I will check into it and report back to him.

SELF-GOVERNMENT DISCUSSIONS

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, my supplementary question is for the same Minister who must be aware from press reports today of the frustration expressed by national Chief George Erasmus as regards the lack of progress on self-government.

Can the Minister tell us when the Government will be reopening talks on self-government? Particularly in view of such concerns as double membership lists, can he assure this House that those talks will be about genuine self-government and not simply about the delegation of administrative powers?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, with respect to the matter of self-government, we have had discussions with representatives of the aboriginal groups with a view to reinstituting serious discussions. Unfortunately, the AFN was the only aboriginal group that did not agree to proceed with a plan which would have involved us going together to canvass with the provinces the prospects of a legitimate and serious reinstitution of these talks.

If the Hon. Member has any influence on Mr. Erasmus, now that his election is over, will he ask him to please get on board with the other aboriginal groups? Let us get on with this task.

Mr. Speaker: In view of the hour this will be the last question. The Hon. Member for London East, a single question.

* * *

PORNOGRAPHY

BILL C-54—REQUEST FOR SECOND READING DEBATE

Mr. Jim Jepson (London East): Mr. Speaker, my question is for the Minister of Justice. The Minister well knows that he has had overwhelming support for his pornography Bill, Bill C-54. Yet it seems stuck at first reading.

Can the Minister tell the House when he might expect Bill C-54 to come forward for second reading and be allowed to go to committee so that Canadians can have an opportunity to make some input to the Bill?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I very much appreciate the Hon. Member's great interest in this very important topic. Unfortunately, in some ways the Opposition must not want this matter to get to committee but insists on filibustering the situation.

When we are trying to bring in legislation which in effect gives protection against exploitation of children, and which gives protection against the degradation of women, I think the people of Canada agree with the Hon. Member and will say to themselves: "Thank heavens we have Members like the Hon. Member for London East who have pressed this matter forward".

Some Hon. Members: Hear, hear!

Mr. Speaker: Under the circumstances I will take a single question from the Hon. Member for Windsor West.

* * *

MEMBERS OF PARLIAMENT

STATUS OF MEMBER FOR ROSEDALE

Hon. Herb Gray (Windsor West): Mr. Speaker, after that answer I was tempted to ask the Deputy Government House Leader when was the last time he called Bill C-54. We cannot filibuster a Bill that the Government does not want even to try to bring before the House.

Some Hon. Members: Hear, hear!

Mr. Gray (Windsor West): Mr. Speaker, I do want to ask the Deputy Government House Leader this question. If, as stated in the Order in Council issued March 31, 1988, the former Secretary of State and Hon. Member for Rosedale was to start today as a commissioner to inquire into and make recommendations regarding the future of the Toronto Waterfront, I would like to know when that Member resigned his seat as the Hon. Member for Rosedale. If he resigned his seat either yesterday or today, why has the Government not called immediately a by-election to fill the vacancy as was done when Lucien Bouchard was named Secretary of State and the Hon. Member for Lac-Saint-Jean resigned his seat forthwith and a by-election was called forthwith?

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I will certainly inquire as to the whereabouts of the exact letter of resignation in order that I can satisfy my friend's curiosity. We would want to give my hon. friend the same opportunity to find a candidate as he had in the last by-election.

Mr. Gray (Windsor West): We have had one nominated for a year.

Mr. Lewis: I know there was a great deal of difficulty in finding one.

ROUTINE PROCEEDINGS

[*English*]

CANADIAN INTERNATIONAL TRADE TRIBUNAL ACT

PRESENTATION OF REPORT OF LEGISLATIVE COMMITTEE

Hon. Bob Layton (Lachine): Mr. Speaker, I have the honour to present the report of the Legislative Committee on Bill C-110, an Act to establish the Canadian International Trade Tribunal, and to amend or repeal other Acts in consequence thereof, in both official languages.

[*Editor's Note: See today's Votes and Proceedings.*]

* * *

NATIONAL TRANSPORTATION ACT, 1987

MEASURE TO AMEND

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, there have been discussions among the Parties. I think Your Honour would find that there would be unanimous consent to bring forward at this time and introduce the Bill which is on the Notice Paper in the name of the Minister of State for Transport (Mr. St. Germain) entitled an Act to amend the National Transportation Act, 1987.

[*Translation*]

Mr. Speaker: Is there unanimous consent?

Some Hon. Members: Agreed.

Hon. Otto Jelinek (for the Minister of State (Transport)) moved for leave to introduce Bill C-131, an Act to amend the National Transportation Act, 1987.

Mr. Speaker: Shall the Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

Mr. Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

* * *

[*English*]

PETITIONS

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is my privilege and honour to present a petition on behalf of a number of petitioners from western Canada who are concerned that the federal Government lacks a mandate from the Canadian people to conclude a free trade deal with the United States. They believe that the trade agreement negotiated by the Government threatens the very fabric of our political and economic sovereignty since it removes the power of the Canadian Government to control effectively foreign ownership. It removes the power of the Canadian Government to develop Canadian energy resources in the best interest of Canadians. It certainly eliminates our ability to equalize opportunities between the regions of Canada.

They believe that this agreement would deny Canada the policy freedom to determine its own economic future, and it undermines our ability to build a society distinct from that of the United States.

Therefore, the petitioners humbly pray and call upon Parliament to dissolve now to allow the people of Canada the opportunity to accept or reject the proposed trade deal during a national general election.

• (1510)

EQUALITY OF CHOICE IN CHILD CARE

Mr. Paul Gagnon (Calgary North): Mr. Speaker, I have the honour and privilege to present a lengthy petition signed by 4,712 Canadians from Victoria to Quebec; 24 towns and villages in Alberta, eight in British Columbia, three in

Saskatchewan, two in Manitoba, 15 in Ontario, Cap de la Madeleine and Trois Rivieres in Quebec, and Whitehorse in the Yukon.

This petition was designed and brought forward by Kids First, a 1,200 member organization. It was started by two Calgarians, Teresa Del Frari, who has a Bachelor of Commerce degree and is a chartered accountant, and Brenda Ringdahl, who has a Bachelor of Science in Nursing, and is a registered nurse.

This petition states: "It is becoming increasingly common to learn of accounts of government encroachment upon the parental responsibility of child care decision-making; and government child care incentives do not consider the validity of parental care as a viable alternative to out-of-home child care; and parents are in the best position to determine what is the most appropriate and beneficial form of child rearing; and a considerable number of Canadians believe that the state, and their tax dollars, have no place in the area of child care which is a parental responsibility, except in cases of demonstrated financial need."

The petitioners humbly pray and call upon Parliament to act upon the problem of this limitation in choice for child care, and restore to the system fairness and justice, by opposing any form of national child care policy that does not provide equality of choice, thereby leaving the child care decision-making process with the parents where it belongs. In duty bound your petitioners will ever pray.

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I have the honour and duty to present to the House two petitions. One petition is from members of the communities of Shellbrook and Holbein in my constituency who call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the free trade agreement during a national general election. The petitioners state that the Government did not have a mandate to proceed with the agreement, and it compromises the sovereignty of Canada.

CALL FOR RESEARCH INTO PREVENTION AND CURE OF SCHIZOPHRENIA

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, the second petition is from a group of residents in my constituency who call upon Parliament to ensure that research efforts related to schizophrenia will, in the future, be commensurate with the seriousness of the illness in Canada.

The petitioners point out that schizophrenia is a major illness in Canada, affects a large number of people, and that only minimal support is given to it.

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I have a petition from a number of Canadians who indicate that the Conservative Government had no mandate from the Canadian people to conclude a free trade agreement with the United States, and that the Prime Minister (Mr. Mulroney) promised in the course of the bilateral trade negotiations that Canadian sovereignty would not be compromised.

The trade agreement negotiated by the Mulroney Government threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to effectively control foreign ownership, to develop Canadian energy resources in the best interests of Canadians, or to equalize opportunities between the regions.

Therefore the undersigned petitioners humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed trade agreement during a national general election.

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Gordon Taylor (Bow River): Mr. Speaker, I have great pleasure in presenting a petition signed by more than 100 Canadians from Airdrie, Crossfield, Calgary; and Ottawa, Limoges, and Gloucester in Ontario, which call upon Parliament to pass into law legislation that will protect the life of the unborn child from conception and at all stages of development, with the exception of the extremely rare situation in which an abortion is performed in order to save the life of the mother. As in duty bound, your petitioners will ever pray.

IMMIGRATION—INCLUSION IN FAMILY CLASS—SPONSORING OF PARENTS

Mr. Dan Heap (Spadina): Mr. Speaker, I have the honour and duty to present a petition from a number of residents of the constituency of Spadina and adjacent constituencies. The petition covers two points, one of which has already been addressed by the Minister. It is the matter of the inclusion of unmarried children of any age in the family class.

The other point that these petitioners have asked for has not yet been addressed. Two years ago, the then Justice Minister promised to eliminate the unfair distinction between Canadian citizens and permanent residents who have been here for three years or longer in order that people of either group would have equal right to sponsor parents of any age. This promise has not yet been addressed during the past two years. Therefore, the undersigned citizens and residents of Canada call upon the House of Commons to ensure that the Government fulfils its promise now.

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Dan Heap (Spadina): Mr. Speaker, I also have a petition signed by a number of residents of Spadina. The petitioners are concerned that the Prime Minister (Mr. Mulroney) has undertaken to negotiate with the President of the United States a so-called free trade agreement for which he has no mandate from the people of Canada. They point out that this will interfere with Canadian decisions by Parliament or others to develop our energy resources and to equalize the

development opportunities between different regions. They also point out that the goal of the agreement stated by the Prime Minister was to secure guaranteed access to the United States market, and that that goal has failed. Therefore, the petitioners request that Parliament dissolve and allow the people of Canada the opportunity to accept or reject this proposed trade agreement during a national general election.

IRRADIATION OF FOOD

Mr. Elliott Hardey (Kent): Mr. Speaker, it is my privilege to rise and present petitions from the people of Chatham and Kent County. Approximately 600 people have attached signatures to these petitions, which have been properly certified for presentation.

The petitioners humbly pray that food irradiation not become part of food processing in this country, and that unbiased agencies and scientists complete studies of the safety of consuming food that has been irradiated. In the event that any food irradiation is permitted, it should be clearly labelled "treated with ionizing radiation".

NATIONAL FILM BOARD—BILLY BISHOP FILM

Mr. W. R. Bud Jardine (Northumberland—Miramichi): Mr. Speaker, I am pleased to present a petition on behalf of 35 constituents from a number of communities in the southwest Miramichi area of my riding.

The petitioners humbly pray and call upon Parliament to urge the Government that the Minister of Communications (Miss MacDonald) instruct the National Film Board to take action to have the National Film Board production of *The Kid Who Couldn't Miss* removed from distribution because it defames, without proof whatsoever, Billy Bishop, V.C., Canada's most highly decorated serviceman. As in duty bound, your petitioners will ever pray.

BLOCK AVERAGING OF INCOME

Mr. Jack Scowen (Mackenzie): Mr. Speaker, I am pleased to present a petition from my constituency of Mackenzie. The petition is from farmers and fishermen who are worried about the change in their income, and humbly pray and call upon Parliament to take the necessary steps to retain block averaging for farmers and fishermen, as recommended by the Standing Committee on Finance and Economic Affairs in its report on the White Paper on Tax Reform stage one.

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, it is my privilege and pleasure to rise and present a petition which contains more than 1,300 names from residents of Niagara Falls and Niagara-on-the-Lake, gathered in the parishes of Saint Antoine, St. Thomas More, St. Vincent de Paul, and Our Lady of the Scapular.

The petitioners state that because the Supreme Court of Canada has stripped all legal protection from unborn children, and believing as they do in the sanctity of all human life, they call upon Parliament to immediately enact a new law to protect human life in all its stages, and with those sentiments I completely agree.

RESEARCH INTO PREVENTION AND CURE OF SCHIZOPHRENIA

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, I have the honour and privilege to present two identical petitions on behalf of residents of Newmarket, Aurora, Stouffville, Richmond Hill, and surrounding areas. The petitioners request that the Parliament of Canada ensure that research efforts related to the illness schizophrenia will be commensurate with the seriousness of this illness in Canada.

[*Translation*]

OPPOSITION TO CANADA POST PLAN

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I wish to table a petition signed by nearly 150 residents of the electoral district of Laval-des-Rapides who call upon Parliament to reject Canada Post's corporate plan and urge the Corporation to deliver priority post, registered mail, certified mail and parcels to 550 Henri-Bourassa Boulevard.

Mr. Speaker, the purpose of this petition is to prevent the closing of the local post office.

• (1520)

[*English*]

ARREST OF STUDENTS IN HONDURAS

Mr. Peter Peterson (Hamilton West): Mr. Speaker, I rise to present three petitions to the House on behalf of constituents of mine. The first petition concerns students in Honduras who were recently arrested by Honduran security forces. Because Canada provides aid to Honduras, the petitioners humbly pray and call upon the Government to denounce the use of torture during the interrogation of suspects. They demand that the physical integrity of the person being interrogated be respected, that internationally recognized legal procedures be used to determine innocence or guilt, and that human and civil rights be respected in that country.

RESEARCH INTO PREVENTION AND CURE OF SCHIZOPHRENIA

Mr. Peter Peterson (Hamilton West): Mr. Speaker, the other two petitions are from constituents of mine who would like to point out to the House the seriousness of an illness called schizophrenia. They would like the Government to increase research efforts to the point where it is commensurate with the seriousness of the illness in Canada.

OPPOSITION TO TRANSPORT OF PLUTONIUM OVER NORTHERN CANADA

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I have the honour and duty to present a petition signed by residents of Toronto, Ontario, Nova Scotia, and the Northwest Territories, concerning the agreement between the United States and

Japan on the transportation by air of plutonium over Canada. The petitioners are concerned that should this take place it will represent a severe environmental threat and, should the plutonium fall into terrorist's hands, the threat of nuclear proliferation. The petitioners are extremely concerned about this issue and call upon the Parliament of Canada to recognize and speak out strongly against the dangers of such flights and say no to the transport of plutonium over northern Canadian territory.

NORTHERN TAX ALLOWANCE

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I have the honour and privilege pursuant to Standing Order 106 to present a petition signed by some 90 residents of the communities of Kenora, Keewatin, Longbow Lake, and Redditt. The petitioners call upon Parliament to designate all communities in tier 3 ridings as eligible for the Northern Residents Tax Allowance.

PROHIBITION WITH REGARD TO KNIVES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have the honour to present on behalf of quite a number of my constituents who live in the downtown area of Vancouver their concerns about the high incidence of crimes, including murder, robbery and sexual assault, committed with knives. It has been established that this is on the increase in all major cities across Canada. They call upon Parliament to amend the Criminal Code to prohibit the carrying of knives by citizens in public places with the exception of those who use a knife for legitimate work or who carry it for religious reasons such as the Sikhs.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, if questions No. 259 and 311 could be made orders for returns, these returns would be tabled immediately.

Mr. Speaker: Is it the pleasure of the House that questions Nos. 259 and 311 be deemed to have been made orders for returns?

Some Hon. Members: Agreed.

[*Text*]

GOVERNMENT RESPONSE TO BADGLEY REPORT

Question No. 259—**Ms. McDonald:**

Has the government responded to any of the recommendations made in the Report of the Committee on Sexual Offences Against Children and Youth (the Badgley Report) and, if so (*a*) which ones (*b*) in what manner?

Return tabled.

GOVERNMENT EXPENDITURES ON ETHNOCULTURAL EVENTS

Question No. 311—**Mr. Epp (Thunder Bay—Nipigon):**

For (*a*) 1982 (*b*) 1983 (*c*) 1984 (*d*) 1985 (*e*) 1986 (*f*) 1987 did the government spend money on ethnocultural events and organizations and, if so, (i) on which dates (ii) in what amounts (iii) on which events and organizations?

Return tabled.

[*English*]

* * *

STARRED QUESTION

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, would you be so kind as to call starred question No. 315?

Because of the length of this starred question I ask that it be printed in *Hansard* as if it were read.

Some Hon. Members: Agreed.

[*Text*]

CANADA POST CORPORATION RATES OF PAY

Question No. 315—**Mr. Dorin:**

1. Are the staff of Canada Post Corporation divided into occupational levels and, if so (*a*) what are they (*b*) for each level (i) how many employees are there (ii) what is the average salary (iii) what is the average salary for the comparable industrial level?

2. What would be the cost of extending door-to-door delivery to all Canadian households?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): The Canada Post Corporation informs me as follows:

1. (a), (b) (i), (ii) and (iii) See below.

2. Canada Post Corporation conducted a study to determine the cost effectiveness of providing nationwide private door-to-door mail delivery service. It has been estimated that it would cost the Corporation approximately $1.3 billion, over a five-year period, to convert 3.6 million points of call and extend door-to-door delivery across the country.

1.	A - B	(i)	(ii)	(ii)	(iii)	(iii)
Barg/ Unit	Job Class	FT Population	Hourly Rate	Annual Rate	PRB 1987 Rates	TPF&C 1987 Rates
CUPW	PO-02	1535	$13.28	27,716		
1986	PO-04	15685	$13.43	$28,029	$25,712	26,401
	PO-05	1223	$13.55	$28,279	(labourer rate)	

Starred Questions

LCUC 1987	POEXT-01	16367	$13.83	$28,864		$26,234
	POEXT-02	2601	$14.29	$29,824	$25,712	
	POEXT-03	1223	$14.68	$30,638	(labourer rate)	
APOC 1986	POSUP-01	808	$15.52	$32,390		$32,349
	POSUP-02	1675	$16.05	$33,488		
	POSUP-03	540	$16.60	$34,638		
	POSUP-04	332	$17.23	$35,953		
	POSUP-05	134	$17.86	$37,282		
	POSUP-06	32	$18.53	$38,681		
IBEW 1987	EPSS-01	3	$18.68	$36,558	$35,805	
	EPSS-02	76	$20.61	$40,326	$41,455	$40,032
	EPSS-03	21	$22.66	$44,337	$44,918	
	EPSS-04	1	$24.65	$48,226	$51,437	
CPAA 1986	Semi-Staff	5898	$13.93	$29,072	$25,712	
	Revenue	3070	$10.03	$20,933	(labourer rate)	
PSAC 1986	AS-01	107	$15.35	$30,031		
	AS-02	173	$16.45	$32,178		
	AS-03	146	$17.43	$34,097		
	AS-04	40	$18.72	$36,623		
	AS-05	9	$21.76	$42,567		
	CR-02	84	$9.21	$18,017	$18,925	
	CR-03	730	$10.92	$21,366	$21,297	
	CR-04	958	$12.05	$23,577	$24,779	$23,284
	CR-05	135	$13.58	$26,575	$27,531	
	CR-06	1	$14.58	$28,524		
	DACON-01	10	$9.93	$19,424	$17,408	
	DACON-02	30	$10.76	$21,059	$20,563	
	DACON-03	2	$11.71	$22,915	$22,452	
	DACON-04	1	$12.76	$24,972		
	DAPRO-02	20	$11.90	$23,274	$21,586	
	DAPRO-03	44	$13.20	$25,829	$25,205	$24,281
	DAPRO-04	27	$14.59	$28,553	$27,971	
	DAPRO-05	2	$16.13	$31,562	$34,243	
	DD-02	2	$13.05	$25,543	$25,517	
	DD-03	6	$14.38	$28,130	$29,742	
	DD-04	11	$15.73	$30,776	$33,968	
	DD-05	7	$17.18	$33,615	$38,327	
	EGESS-02	1	$12.10	$23,666		
	EGESS-05	1	$15.06	$29,507		
	EGESS-06	1	$16.34	$31,968		
	EGESS-07	44	$17.58	$34,398		
	EGESS-08	43	$19.89	$38,926		
	EGESS-09	10	$21.80	$42,660		
	FI-01	53	$15.51	$30,355		$30,308
	FI-02	26	$17.31	$33,862	$33,721	
	FI-03	10	$19.14	$37,459	$40,852	
	FI-04	1	$22.41	$43,848	$49,494	
	GLEIM-10	42	$16.15	$31,599		
	GLELE-02	7	$10.40	$20,349		
	GLELE-03	107	$10.85	$21,229		
	GLELE-04	5	$10.85	$21,229		
	GLELE-05	2	$10.85	$21,229		
	GLMAN-05	1	$12.75	$24,947		
	GLMAN-06	8	$12.75	$24,947		
	GLMAN-07	3	$13.40	$26,218		
	GLMAN-08	211	$13.85	$29,349		
	GLMAN-10	338	$15.00	$29,349		
	GLMAN-11	337	$15.60	$30,523		
	GLMAN-12	11	$16.15	$31,599		
	GLMAN-13	1	$10.40	$20,349		
	GLMAN-03	21	$11.95	$23,381		
	GLMAN-04	10	$11.95	$23,381		
	GLMAN-05	9	$12.75	$24,947		
	GLMDO-04	3	$10.85	$21,229		
	GLMDO-05	8	$10.85	$21,229		
	GLMST-09	1	$13.40	$26,218		
	GLMST-10	12	$13.85	$27,099		
	GLPRW-06	3	$13.40	$26,218		
	GLSMW-08	11	$15.60	$30,523		
	GLWOW-09	5	$15.00	$29,349		
	GSPRC-04	46	$10.85	$21,229		
	GSPRC-05	2	$13.40	$26,218		
	GSSTS-02	1	$10.40	$20,349		
	GSSTS-03	12	$11.95	$23,381		
	GSSTS-04	114	$12.75	$24,947		$24,027
	GSSTS-05	15	$13.40	$26,218		
	GT-01	1	$13.02	$25,471		
	GT-03	1	$16.54	$32,354		
	GT-04	1	$18.05	$35,311		
	GT-05	1	$20.71	$40,528		
	IS-01	2	$14.22	$27,826	$24,424	
	IS-02	8	$16.57	$32,429	$35,555	
	IS-03	21	$19.07	$37,318	$38,374	
	IS-04	22	$22.03	$43,100	$45,750	
	LS-01	1	$14.34	$28.057		
	LS-02	1	$16.11	$31,518		
	LS-03	1	$18.01	$35,236		
	OEDEO-02	1	$10.11	$19,786		
	OEMEO-02	2	$10.11	$19,786		
	OEMEO-03	9	$10.90	$21,329		
	OEMSE-02	2	$10.11	$19,786		
	PG-01	14	$14.88	$29,110	$28,946	
	PG-02	4	$16.81	$32,887	$34,947	
	PG-03	15	$18.61	$36,405	$40,763	
	PM-01	76	$14.95	$29,260		
	PM-02	66	$16.50	$32,281		
	PM-03	197	$17.75	$34,733		$32,088
	PM-04	50	$19.40	$37,966		
	PM-05	6	$23.07	$45,129		
	PORMC	1	$13.43	$28,029	$25,712	
	SI-01	2	$14.77	$28,899	(labourer rate)	
	STOCE-02	4	$10.30	$20,159		
	STOCE-03	72	$11.53	$22,553		$22,012
	STSCY-01	1	$10.22	$19,999		
	STSCY-02	12	$11.27	$22,055	$22,802	
	STSCY-03	13	$12.75	$24,952	$25,728	
	STSCY-04	2	$14.29	$27,963		
	STTYP-02	1	$8.64	$16,907	$19,073	
PIPS 1987	CS-01	38	$17.85	$34,934	$33,147	
	CS-02	101	$20.58	$40,273	$40,032	$36,980
	CS-03	93	$24.41	$47,765	$47,999	
	CS-04	37	$28.94	$56,630	$56,490	
1987	ENENG-02	3	$18.16	$35,538	$36,112	
	ENENG-03	24	$22.79	$44,584	$43,818	$42,086
	ENENG-04	13	$26.50	$51,841	$53,224	
	ENENG-05	14	$30.45	$59,588	$62,562	
1987	NUCHN-02	3	$16.34	$31,978		

Source: Population by Job Classification and Level—PDB (Jan/88) PRB rates—Compensation in Canadian Industry 1987 (Pay Research Bureau) TPF&C Rates—Comparison of CPC negotiated wage rates to market, as carried out by consulting firm of Towers, Perrin, Forster and Crosby.

Note: Regular hourly rates are converted to FT annual salaries by multiplying the rate per hour by regular annual hours for each job classification.

Current information with respect to CPAA population distribution by job classification is not available, therefore consolidated average wage rates are specified.

A tentative agreement with IBEW will result in a 3 per cent wage increase effective September 16, 1987, and a further 3 per cent increase effective September 14, 1988.

PRB average wage rates for labourers are used for comparison with CUPW, LCUC, and CPAA job classifications.

[*English*]

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

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Government is ready to move on Motion for the Production of Papers No. P9 in the name of the Hon. Member for Skeena (Mr. Fulton). I do not know if he has yet appointed an agent and I do not see him in the Chamber. If no one is prepared to move on his behalf then I ask that all Motions for the Production of Papers be allowed to stand.

Some Hon. Members: Agreed.

* * *

MOTION TO ADJOURN UNDER S. O. 29(1)

FUR TRAPPING INDUSTRY—CAMPAIGN ON SALE OF CANADIAN FURS

Mr. Speaker: I want to advise Hon. Members that I have received two applications for an emergency debate under Standing Order 29(1) with respect to the action of anti-fur lobbyists in Europe and the intentions of the British Government. The first application is made by the Hon. Member for Timiskaming (Mr. MacDougall) and I shall hear him, and then hear the Hon. Member for Yukon (Ms. McDougall) on the second application on the same point.

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, I rise today under Standing Order 29 to ask for an emergency debate on a subject which affects all parts of our country. The Canadian fur industry is being jeopardized by recent happenings in Europe and Britain. The anti-fur campaign has mounted an aggressive assault on our industry. European boycotts, called for by animal rights groups, seriously threaten Canadian trappers across our land, particularly our native people who harvest fur-bearing animals for their livelihood. Currently the British Government is considering harmful legislation requiring fur products to be tagged with labels in an effort to stop retailers from selling furs and the public from purchasing them.

As you know, in December, 1986, *The Fur Issue* report called for the Government to play an active role, along with the industry and its representatives, in supporting and promoting the industry, its trappers, and the aboriginal harvest activities. The Government was called upon to promote the industry in overseas posts and assist it in countering the threat posed by the animal rights campaign.

In writing that report a lot of hard work was done by Members on both sides of the House. Clearly this is a non-partisan issue, one that we as representatives must work on together to maintain the fur industry for not only the economic implications, but more important for the cultural continuity of our native and northern communities.

The economic importance of trapping and the fur trade to Canadians cannot be doubted. The fur industry is worth approximately $600 million annually, with a spin-off of $200 million to allied industries. For the last two to three years Canadian fur exports contributed approximately $350 million annually to Canada's balance of payments. It is estimated that 105,000 Canadians earn all or part of their income through the fur industry. Approximately 100,000 are trappers, half of those being aboriginal people. There are approximately 3,000 Canadians in the manufacturing end, and more than 80 per cent of retail fur sales in Canada are made through privately owned, family run, one store businesses.

Trapping and the fur industry are vital not only to Canadians whose livelihood depends upon them, but the country as well. To native people trapping involves more than simply trying to earn cash income. It implies a unique social, spiritual and cultural relationship with the land and its resources.

In closing, Canadians have been busy trying to resolve this problem, but I raise this issue today because I feel it is extremely important at this time to send a strong message to the British and European Parliaments and public. In this time of need we as Canadian parliamentarians must be active. We must remain steadfast in our support for the fur industry, our support for trappers across the country, our northern communities, and in support of our native communities and peoples for whom the fur trade is an integral part of their lives.

• (1530)

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I rise under the provisions of Standing Order 29 to seek leave to adjourn the House for the purpose of discussing the impending disaster facing the Canadian fur industry.

The proposed fur labelling in garments which is being proposed by the British legislature which will say, in effect, that furs may have been caught by leg-hold traps will have devastating effects on the Canadian industry. There is an urgent and pressing need to discuss this issue now because the Order which was postponed on May 20 will certainly be coming forward within the next week or two.

Further to that, Mr. Speaker, in my discussions with the British Trade Minister about this issue he clearly sees it as what he calls a minimal measure in response to the lobby. Those people who followed the seal issue and other Members who were here at that time will know exactly what the effects of such "minimal response" can be on an entire industry.

I feel there is a good case for this matter to be an urgent issue not just for northerners because this issue affects people from all provinces as well as the northern territories and it affects those in the industry, those who trap and farm furs. No one is under any illusion that this is not anti-trapping legislation being discussed here, but anti-fur legislation. I can assure you that in my conversations with British Members of Parliament they are clear on this. It is absolutely essential we now send a very strong message to British parliamentarians about the views of Canadian parliamentarians.

Over the past weekend I had the opportunity to speak to many trappers, aboriginal trappers and others, who are out now that spring is here cutting sections for their trap lines. They are devastated by this proposal and it is causing panic among trappers and those in the industry. They feel that their life-style and economic development will simply be wiped away. This is a particularly important issue to those people in Canada who do not have a number of economic opportunities available to them, especially people in rural areas for whom this is an extremely important activity. It is the harvesting of a renewable resource which should be supported by this House.

Therefore, I urge you, Mr. Speaker, to consider this request so that we may send a strong message to British parliamentarians.

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, speaking on behalf of the Liberal Opposition I want to indicate the support of my Party for these two applications for an emergency debate.

The entire fur industry is threatened. Threats are centred in our markets abroad, Europe and the United Kingdom, and are based mainly on misinformation which is reinforced by misdirected emotions propagated by those who espouse animal rights, that is, equating the rights of animals with the rights of human beings. Some people believe that animals should be protected by a Charter or a Bill of Rights. These people should clearly be differentiated from those who support Humane Societies working to protect animals from cruelty. But humane trapping has been developed and is used more and more in Canada.

When threats such as those which mostly affect the indigenous or aboriginal peoples of Canada, their livelihood, their well-being, the small degree of economic independence they presently possess and when a part of these threats come from Westminster, the Mother of Parliament which, when our Constitution was being patriated expressed deep and abiding concern for Canadian native people, I believe it is time for this Parliament to express clearly and unequivocally its support of the legitimacy of Canada's fur industry.

Therefore, I and the Liberal Opposition support the application presented to you, Sir, by my two hon. friends and colleagues from Timiskaming and Yukon.

Mr. Speaker: The disposition of the House is, I think, quite clear. Therefore, pursuant to Standing Order 29(8) this matter will be considered this evening at eight o'clock p.m.

Some Hon. Members: Hear, hear!

GOVERNMENT ORDERS

[*English*]

CANADA-UNITED STATES FREE TRADE AGREEMENT IMPLEMENTATION ACT

MEASURE TO ENACT

On the Order: Second reading and Reference:

May 24, 1988—Mr. Crosbie—Bill C-130, an Act to implement the Free Trade Agreement between Canada and the United States of America.

Hon. Herb Gray (Windsor West): Mr. Speaker, I rise on a point of order. It was understood when we completed the procedural arguments on the point of order on Monday that if there are other points of order about the acceptability of Bill C-130, to implement the trade agreement with the United States, that these points of order could be raised today. Therefore, I am rising to raise the first of two separate points that I want to bring to your attention.

Mr. Speaker: If the Hon. Member could excuse me, I want to be sure that the Minister of State (Mr. Lewis) is here. Could we have the Minister of State back in the Chamber for just a moment?

Mr. Lewis: Yes, Mr. Speaker.

Mr. Speaker: I very much appreciate the courtesy of the Minister of State. I just want to be absolutely sure for the record that the Hon. Minister of State expects this discussion to take place at this time and is in accord with it.

Mr. Lewis: Mr. Speaker, there was no intended discourtesy to my friend. I was called to the lobby. It is our intention, as my hon. friend said, to complete the debate on the procedural admissibility of Bill C-130. I will naturally be listening to my hon. friend and will be replying.

Mr. Speaker: I thank the Hon. Minister of State. I now recognize the Hon. Member for Windsor West (Mr. Gray) on continued discussion with respect to the admissibility of the trade Bill.

Mr. Gray (Windsor West): Mr. Speaker, Bill C-130 has a transitional section. It purports to amend not only statutes or Acts that have been adopted in the present session, which is quite normal, but also it purports to amend Bills which are currently before the House, which have not yet been adopted and which have not yet become statutes or Acts.

If you look at Bill C-130 you will note that Clause 149 seeks to amend Bill C-60 dealing with copyright and Clause 150 seeks to amend Bill C-110 on trade tribunals. I submit that this procedure, that is, to use the transitional section of Bill C-130 to amend Bills which are still under consideration by this House is something which is not in order. I submit the proper thing for the Government to do would have been to amend the Bills in question directly. There are opportunities for that through the committee stage of consideration and the report stage. It could be, although it is more difficult I admit, that under certain circumstances amendments would be possible on second and third reading.

To the extent that the Bills in question have not yet received Royal Assent and become statutes, it would be more proper to amend them directly rather than through the transitional section of Bill C-130.

Therefore, I challenge the acceptability of Bill C-130 because I submit that its Clause 149 attempting to amend Bill C-60 and its Clause 150 attempting to amend Bill C-110 are improper and taint the entire Bill. This is the point of order I wish to raise on the matter of the improper use of Bill C-130 to amend Bills which are still under consideration and have not yet themselves become statutes.

• (1540)

Mr. Speaker: I thank the Hon. Member for Windsor West (Mr. Gray). I think I have the point. It is a succinct one. I of course will consider it, but I would like to hear from the Hon. Minister of State (Mr. Lewis) and it may well be that the Hon. Member for Kamloops—Shuswap (Mr. Riis) or others may want to comment.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, with specific reference to my friend's point, he suggested that certain parts of Bill C-130, through the transitional section, are not in order because they amend Bills presently before the House. I would draw the Chair's attention to a ruling made by Mr. Speaker Lamoureux on April 20, 1970, recorded in *Hansard* of that day at page 6047 and 6048. The Speaker said that while the argument is not without merit, it is somewhat premature. If the Bill receives second reading and is referred to committee, it would then be considered by a committee of the House along with the other two Bills and it would be at the third reading stage that the argument could be presented with much more force and at that point should be considered very seriously.

Another ruling of Mr. Speaker Lamoureux appears at page 3712 of *Hansard* for February 24, 1971. The ruling dealt with the same question, can the House proceed with the second reading of a Bill that contains provisions related to another Bill not yet adopted. The decision was yes, the Bill was properly before the House and the question for second reading could be put. The Speaker said that the House should not be put in a position where contrary decisions could be taken in respect of similar Bills in the same session. In that case, as no final decision had been taken on any particular clause of either Bill, there was nothing procedurally wrong in having before the House at the same time concurrent or related Bills which might be in contradiction with one another, either because of the terms of the proposed legislation itself or in relation to proposed amendments.

I submit that these cases are on point and that the House is able to proceed with debate at second reading stage of Bill C-130.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I too want to address first the point raised by the Hon. Member for Windsor West (Mr. Gray). He mentioned that Bill C-130 involves legislation that is presently before the House.

Bill C-60 and Bill C-110 are complex Bills, and there is a good reason to question whether or not these Bills in their present form will be completed within this Parliament. It makes it very difficult for us to proceed with Bill C-130 because of the incredible complexity of that Bill and the fact that, as we said earlier in the week, when dealing with the various clauses of this omnibus Bill, we will also have to consider legislation that is presently before the House that is not moving particularly expeditiously. That simply makes it that much more difficult. If it does make a case, it would only make the case that once again, we should consider breaking up this legislation.

I would like to take a moment, while I am on my feet, to revisit two or three of the arguments put forward by the government House Leader on Monday in defence of the Bill and argue why I believe you should not be persuaded by the arguments he put forward in a most articulate fashion.

At page 15887 of *Hansard*, the Minister referred to the case that I cited during my argument in which a Speaker did in fact cause a motion that was before the House to be divided. The Minister of State (Mr. Lewis) said:

> I would distinguish that particular incident by pointing out to the Chair that the flag debate was on the question of a resolution which contained two propositions, and the Chair in that case, Mr. Speaker McNaughton, found that he had the authority and perhaps the duty to divide them.
>
> I would submit that here we are dealing with a Bill and the same precedent does not apply.

The issue that was finally decided by Mr. Speaker McNaughton on that day in 1964 was whether or not the

Chair had the authority to divide questions that were before the House. If I may, I will turn to the Speaker's ruling of that day. He said, according to *Journals* for Monday, June 15, 1964, the following:

> I must come to the conclusion that the motion before the House contains two propositions and since strong objections have been made to the effect that these two propositions should not be considered together, it is my duty to divide them . . .

Bill C-130, as I have argued, contains more than one proposition just as the flag debate resolution did in 1964. In that sense, there is absolutely no difference and it is not correct for the Minister of State to argue that this precedent cannot be referred to in this case. It is a precedent and it buttresses Beauchesne's Citation 415(1) which states:

> A motion which contains two or more distinct propositions may be divided so that the sense of the House may be taken on each separately. The Speaker has a discretionary power to decide whether he should divide a motion.

I think, Mr. Speaker, that if you read carefully the Minister's intervention, you will find that it is implied that there is almost no circumstances at all in which one could conceivably envision the Speaker being in a position to be able to intervene and order a piece of legislation to be split into its constituent parts. If that is the case, then Citation 415 of Beauchesne's should be struck out as being no longer applicable. I would suggest that quite the contrary is true. Although this power should be used with some degree of prudence, Citation 415 is still operative and can be invoked by the Speaker to restrain a Government's procedural excesses, and in this case, we have seen government excesses *par excellence*.

I would also like to respond to the argument of the Minister of State which was first made in Mr. Speaker Jerome's ruling of May 11, 1977, that the ability of Members of Parliament to bring forward report stage motions to delete certain clauses of an omnibus Bill allows those Members to effectively isolate those separate propositions or principles in a Bill and force a vote on them separately. There is no question that this may indeed be possible at report stage, but as the Hon. Member for Yorkton—Melville (Mr. Nystrom) made clear in his intervention on this point the other day, we are now about to commence second reading, not report stage.

Beauchesne and Erskine May describe second reading stage as the most important stage through which a Bill must pass. It is approval in principle of the whole Bill, not a clause-by-clause consideration but approval of the whole Bill. How can we give approval in principle to a Bill that contains more than one principle? We cannot isolate these principles at this stage. It is at this stage first and foremost that the Bill must be split into its constituent parts so that we can cast judgment on these individual principles. That is a fundamental right of Members of Parliament and it is rooted in history. It is fundamental to the operation of this place and cannot so easily be tossed aside.

Last, the Minister argued that unlike the Energy Security Bill of 1982, Bill C-130 has no elements which could stand apart independently of the entire Bill. With all due respect to my hon. friend and colleague, that appears to be untrue. The four principles I enunciated in my previous intervention could surely stand alone in separate Bills.

I do not want to unnecessarily prolong this debate. It is my belief that the 1964 precedent in combination with Citation 415 of Beauchesne's and buttressed by the four separate principles in the Bill presently before us can all lead to only one conclusion: in the interests of parliamentary democracy and the traditions and customs of the House of Commons, the Chair must exercise its clear and undisputed authority to divide the Bill so that we as Members of the House of Commons and the Parliament of Canada are not faced with having to vote on several propositions at one time. Thank you, Mr. Speaker, for this opportunity to intervene.

Mr. Speaker: I thank the Hon. Member. The Hon. Member for Vancouver—Kingsway (Mr. Waddell) has a short intervention.

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I was not here when the argument was made previously. Briefly, I had the experience of being involved in the bell ringing episode in a unique way. When the National Energy Program was introduced in one Bill, the bells were rung by the Official Opposition. Members of the Official Opposition did not show up for the vote and there was a parliamentary crisis.

I was involved in the negotiations for the settlement of that crisis along with Ian Deans, the then House Leader for the NDP, the Hon. Member for Beaches (Mr. Young), the now Minister of Consumer and Corporate Affairs (Mr. Andre), Mr. Erik Nielsen and for the Government, Marc Lalonde and Yvon Pinard, the then Government House Leader.

• (1550)

We were faced with the problem of what to do with a huge Bill. It was proposed that it be broken into, as I recall, 15 or 16 parts. We finally resolved to break it into eight Bills, I believe. The principle we applied was that of what parliamentarians would digest. You may call it digestibility. Could we digest the whole thing or did we have to break it into parts?

The energy committee considered all eight Bills. We did not have legislative committees then so the situation was a bit different. The solution we came to was to break the Bill into eight parts, to debate the eight parts together, and to refer them to one committee.

I do not think that is a legal precedent, but I thought I should bring my experiences forward to you, Sir, because your decision is obviously a very important one for the history of this House and the history of this country.

Mr. Dan Heap (Spadina): Mr. Speaker, I am very glad to have a chance to make a short intervention today although I have not usually taken part in these debates on points of order except when they touch me directly because I have high confidence in our House Leader, others of our caucus, and

yourself to resolve these matters. However, this one strikes me as of extraordinary importance.

I am concerned on the basis of the principle that has been referred to, Citation 415 of Beauchesne's, which reads:

> A motion which contains two or more distinct propositions may be divided so that the sense of the House may be taken on each separately.

I am concerned that what we have here is not only many separate propositions but, worse than that, propositions of two or three significantly different kinds. There are obviously propositions amending a couple of dozen existing Acts or Acts which are under consideration. They are as different as, for example, as referred to in Section 48, the Canada Agricultural Products Standards Act and, the Bank Act as referred to in Sections 50 to 52—

Mr. Speaker: I hesitate to interrupt the Hon. Member but, in fairness to all other Hon. Members in this place, it was my understanding that we would continue this discussion this afternoon in order to raise some matters that had not been debated previously. Hon. Members and the public will know that the entire day on Monday was set aside for argument. The important matter which the Hon. Member for Spadina (Mr. Heap) is addressing was addressed very fully and very capably at that time. Those interventions were of great assistance to the Chair.

My difficulty now is that in recognizing a number of Members who may very well like to say something, and were not here or were not recognized on Monday, I may be slipping into an error whereby I will be allowing something to take place which was not in the contemplation of the House Leaders when they had discussions with me and we arrived at a working arrangement. I will hear the Hon. Member for Windsor West (Mr. Gray) and the Minister of State on my concern.

Mr. Gray (Windsor West): Mr. Speaker, on reflection I do have to say that your point is well taken. I certainly do not want to impede other Hon. Members who want to contribute to the very important issue that you are being called upon to consider. However, I do have to be fair and say that it is my understanding, as a result of our consultations, that today was to be used for arguing points of order other than the one that was raised last Monday.

Of course, I am not saying this in any way intending to cut off other people who want to bring things to your attention, but I do have to be fair and state what my honest recollection is as to the understandings of the purpose of the discussions today on the acceptability of Bill C-130.

Mr. Heap: Thank you, Mr. Speaker. I certainly do not want to obtain a disruption of what was agreed to on Monday. I was about to come immediately to my second category of points. I do not know whether this was fully addressed on Monday or not and I stand to be corrected.

There is a difference of kind between the changes to a couple dozen of the Acts, to which I made a brief reference, and the transfer of powers as in Section 8 from Parliament to Cabinet in a generic way. As I understand it, Parliament would no longer have the right to debate all the matters referred to there. They would all be matters exclusively for Cabinet consideration by way of regulation.

This seems to me quite different from amending the Canada Agricultural Standards Act, the Bank Act, or whatever. It was this point upon which I wished to rise. I mentioned the others by example in order to set the contrast between, as I said, the amendment of a particular Act and a general principle of removing from Parliament the right to consider, debate, and vote on certain matters which is what seems to me would be enacted by Section 8 and perhaps also by Section 9.

As a sort of a third class, in addition to the Acts specified for amendment, with all future action relating to those apparently reserved to Cabinet only, the wording of Section 8 seems to me wide open in the sense that Acts which are not mentioned here for amendment may be, in effect, amended simply by Cabinet regulation without any opportunity of parliamentary consideration.

That seems to me an extraordinary departure from normal peacetime practice. It is almost like the War Measures Act. During war, and especially under conditions of secrecy, this sort of thing would be accepted. We discussed that in Bill C-77.

However, it says here: "Notwithstanding anything in any other Act or law, in the event of any inconsistency or conflict between" this Act and any other provisions the other provision "is inoperative and of no force".

We have very limited opportunity at this point to consider what Acts that might be considered to affect. It might be something quite unthought of even by the Cabinet or the American legislature but would come up two or three years from now, raised in the United States, brought to our Government, and dealt with by our Government simply by regulation with discussion behind closed doors, as is normal within Cabinet. Members of Parliament would be deprived of any opportunity to debate that, let alone to discuss it with interested members of the public, either by personal meetings, correspondence, or our committee process.

Therefore, I believe that at the very least Part I, Implementation of Agreement Generally, should be separated from the other parts because it is of a much more far-reaching and undefined nature.

Mr. Speaker: I thank the Hon. Member for Spadina (Mr. Heap) and I thank other Members for their patience. Keeping in mind the understanding upon which we came back to the House today, I must ask Hon. Members for their co-operation, not only with the Speaker but with the arrangements that were made in the House. I want to assure the Hon. Member for

Spadina that the point he raised is not one which has completely escaped the Chair but I will consider very carefully the remarks he has just made.

Mr. Gray (Windsor West): Mr. Speaker, I wonder if I could address to you some brief remarks with respect to the alleged precedent brought to the attention of this House by the Deputy Government House Leader. After he raised the precedent it struck me as being so interesting that I got the book and read it myself. I want to point out that the book in question, entitled *Selected Decisions of Speaker Lamoureux*, is really a series of précis of the actual rulings in question.

• (1600)

The précis with respect to the ruling cited by the Deputy Government House Leader under the heading "Background" says:

> On February 19, during debate on the motion for second reading of Bill C-224, an Act relating to ambient air quality and to the control air pollution, Mr. McGrath (St. John's East) raised a point of order to claim that the bill was not properly before the House because certain provisions were consequential upon Parliament passing Bill C-207, an Act respecting the organization of the Government of Canada, presently being considered in the Committee of the Whole. Bill C-224 defined "the minister" as the Minister of the Environment while Bill C-207 contained a clause proposing the creation of the Department of the Environment.

I have not had time to look at the actual decision as transcribed in *Hansard* but assuming that this précis under the heading "Background" is accurate, I respectfully submit that the ruling of Speaker Lamoureux dated February 24, 1971, is not relevant to the current situation which I have raised. It would appear that the point of order on which Speaker Lamoureux ruled in February, 1971, dealt simply with the matter of one Bill referring to something which had no meaning unless one took into account another Bill which was before the House at the same time.

There is no suggestion in this précis that one of the two Bills had a clause in it which attempted to amend a clause of the other Bill before the House. If that is the case, then the precedent in question is clearly distinguishable and in my opinion is not in any way relevant to the case we are considering.

I have argued that what is wrong with the trade Bill, C-130, is that it attempts to formally amend another Bill which is still under consideration before the House. Therefore, my point is that in order to amend another Bill before the House, that latter Bill itself has to be amended and it cannot be done in another Bill. My point is not that one Bill cannot be passed because it refers to something in another Bill which has not yet been dealt with by the House. That is the point dealt with by Speaker Lamoureux, but that is not the point I raised earlier this afternoon in the House.

Mr. Speaker: I understand that there is a short intervention by the Hon. Member for Essex—Windsor (Mr. Langdon).

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I want to refer to the point raised specifically by the Member for Windsor West (Mr. Gray) with respect to Bill C-110. I have been a member of the legislative committee that has now completed its work. The Bill itself has been amended in the process of that legislative committee in such a way that it is not consistent with the various amendments which are suggested here within this part of the Bill dealing with it. For instance, there is a suggestion on page 120 that Bill C-110 be amended to make reference to "Subject to Section 59". However, the legislative committee made a decision to strike out Clause 59 from the Bill itself.

I suggest this adds force to the fact that we are dealing with a situation that is becoming far too complicated by trying to draw in Bills which not only have not been passed but are in the process of amendment and may, in fact probably will come back to the House before such time as the trade Bill itself is discussed. At that point the reference will not make sense according to the changes which have been agreed upon by the legislative committee.

Mr. Gray (Windsor West): Mr. Speaker, I now want to raise a separate point of order. It is for that purpose that I want to draw your attention to Clauses 6 and 9 of Bill C-130. Clause 6 of Bill C-130 states:

> For greater certainty, nothing in this Act, by specific mention or omission, limits in any manner the right of Parliament to enact legislation to implement any provision of the Agreement or fulfill any of the obligations of the Government of Canada under the Agreement.

Clause 9(1) states:

> The Governor in Council may, where the Governor in Council is of the opinion that, for the purpose of giving effect in a province to Chapter Eight of the Agreement, regulations are necessary in relation to any matter dealt with by that Chapter, make regulations for that purpose including, without limiting the generality of the foregoing, regulations requiring or prohibiting the doing of anything in relation to which a regulation may be made under this subsection and prescribing penalties for the contravention of or non-compliance with any such regulation.

Clause 9(5) states:

> A regulation made under subsection (1) in respect of a province is binding on Her Majesty in right of that province.

Clause 6 implicitly, and Clause 9 explicitly, propose amendments to the authority of the federal Parliament and Government with regard to the jurisdiction of the provinces under the Constitution Act. The Constitution clearly provides that amendments to the federal-provincial division of powers require a special procedure, that is to say, not an ordinary Bill but parallel resolutions of both Houses of Parliament and of a specified number of the provincial legislatures.

While the citations are many and clear that the Speaker cannot be called to rule upon questions of law, including constitutional law, there are procedural aspects of the Constitution that Speakers can and do rule upon.

An example of this relates to the financial initiative of the Crown. This relates to the principle that no measure to create

an expenditure or to impose or alter the instance of a tax may be initiated by any Member other than a Minister.

While certain Standing Orders exist with regard to royal recommendations and to Ways and Means notices in order to assist the Chair with these matters, the fact remains that the financial initiative of the Crown is a constitutional principle. The Speaker is frequently called upon to rule on this constitutional principle and his rulings require a considerable degree of discretion and interpretation on his part.

The Standing Orders that flow from the Constitution, Standing Order 82, Standing Order 84 and Standing Order 86, provide only the bare bones for procedural rulings. Successive Speakers have been called upon and have answered the call to interpret these essentially constitutional points by defining and applying definitions as to what kind of proposals constitute expenditure for taxation.

As the House will recall, Standing Order 82 deals with the matter of Supply motions, Standing Order 84 deals with the matter of Ways and Means motions, and Standing Order 86 deals with the matter of the requirement that there be what is called a royal recommendation in order for the House to consider and adopt any matter that would call for expenditure. I submit that Standing Order 86 is basically a restatement of something which is set out very explicitly in our current Constitution, that is, that there cannot be any measure considered and adopted by this House unless it is preceded by the royal recommendation.

• (1610)

I have said that these Standing Orders provide only the bare bones for procedural rulings. I pointed out that successive Speakers have been called upon and have answered the call to interpret these essentially constitutional points. I repeat this because I think it is important.

I also want to say that these rulings often dwell upon extremely fine constitutional points, and the Chair's involvement in such matters clearly qualifies the general precept that the Chair does not involve itself in interpreting constitutional law.

Clauses 6 and 9 of Bill C-130 present similar cases in that here in the point of order that I am making with regard to Clauses 6 and 9, the Speaker is not being asked by me to rule on the constitutional legality of the clauses but, rather, on the procedural propriety of the Government in attempting to amend the Constitution by this method with another distinct procedure. I submit the more appropriate and correct procedure is set out in the Constitution Act.

In asking the Chair to rule that Clauses 6 and 9 of Bill C-130 make it impossible for the House to proceed with Bill C-130, I am not asking the Speaker to rule on the constitutionality or legality of these clauses. Instead, I am asking the Chair to determine that these clauses do in fact attempt to amend the federal-provincial division of powers set out in the Constitution, and as such require the special procedure for such amendments set out in the Constitution Act.

In this regard I want to stress that there is an alternate means of accomplishing what the Government wants to accomplish through Clauses 6 and 9 of Bill C-130. However, that alternate means is through the procedure set out in the Constitution Act. That is to say the adoption of resolutions by this House and the other place, and the adoption of resolutions by the appropriate number of provincial legislatures. I submit that the Government in not adopting that course of action is doing something which is procedurally wrong and which makes impossible the acceptability of Bill C-130 for second reading debate and its subsequent stages.

I repeat that in asking Your Honour to rule along the lines that I have just argued I am not asking Your Honour to delve into the matter of constitutional law which Speakers have hesitated to get into in the past. Rather, I am asking Your Honour to rule in the kind of area Speakers have made rulings upon on many occasions in the past, areas arising out of our Standing Orders 82, 84 and 86, all of which deal with the financial initiatives of the Crown, a definite constitutional principle. In fact, when it comes to Standing Order 86, that Standing Order reflects and is based on a specific clause of the Constitution Act. The other Standing Orders 82 and 84 arise out of a well-established constitutional principle with respect to orders for Ways and Means and orders for Supply.

Speakers have not hesitated to rule on issues arising out of those Standing Orders simply because in some way they deal with constitutional matters. Thus I am saying by analogy, or in like case, that you, Mr. Speaker, have the authority to rule, and I think that you must rule, along the lines I am submitting. Because Clauses 6 and 9 deal with the division of powers between the federal Government and the provinces, this Bill is not acceptable and instead must deal with what the Government intends to accomplish in Clauses 6 and 9 through the procedure for constitutional amendment set out in the Constitution Act.

I point out to you, Mr. Speaker, that it is a generally accepted principle followed in our courts that when they rule on the law they do not look behind the law at the procedure followed by Parliament in enacting it. They are not inclined nor do they accept arguments that a law should be struck down because there was some flaw in the procedure in adopting it in Parliament or a legislature. Therefore, Sir, I submit it is very much the responsibility of the Chair to ensure that all the procedural proprieties are followed. It is definitely incumbent upon the Chair to take up the point I am making at this time and to consider it on its merits.

In order to save the time of the House I want to raise a concern in the form of a point of order with respect to Clause 8 since I think that in relation to that clause there is something that I would say is a constitutional point of a procedural

nature in that Clause 8 gives Bill C-130 pre-eminence over all other federal legislation. Clause 8 states:

> Notwithstanding anything in any other Act or law, in the event of any inconsistency or conflict between
>
> (a) this Act, or any regulation made under this Act, or the Agreement, and
>
> (b) a provision of any other Act of Parliament or of any regulation within the meaning of section 2 of the *Interpretation Act*, other than a provision as enacted or amended by Part III or IV of this Act or any regulation made under a provision as so enacted or amended, the provision is inoperative and of no force or effect to the extent of the inconsistency or conflict.

Then there is a rather strange subclause (2) which states:

> No person shall, in the purported performance of duties or functions under any law of Canada, do any act, exercise any power or carry on any practice that is inconsistent with or contravenes this Act or any regulation made under this Act, or the Agreement.

I would argue that Clause 8 gives what might be called a constitution-like cast to the Bill, and has some grave implications for other legislation which I would say might be described as being of a quasi-constitutional nature, including such matters as the Official Languages Act, the Canada Elections Act, for example, dealing with election advertising, and many, many more statutes that are of a fundamental and organic nature and have what I might describe as a quasi-constitutional cast to them.

Also, there is a very serious problem with respect to Clause 8 in that it purports to give the Cabinet the power to amend other legislation. There is nothing in this clause giving Parliament any role in debating or passing upon the amendments that could be carried out under Clause 8. There is no way of defining or stating the extent to which under the exercise of this power the federal Cabinet would render a provision of another statute to be inoperative and of no force or effect.

Furthermore, if we look at subclause (2) we see that a person is forbidden, in the purported performance of his or her duties or functions under any law of Canada, to do any act, exercise any power, and so on, that is inconsistent with or contravenes this Act or any regulation made under this Act, or the agreement. People are put at risk not only of discipline within the Public Service, including the losing of their jobs, but also of possible criminal prosecution without being able to know exactly what it is they are not being allowed to do.

I can see a situation—and I hope it never arises—if this Act is passed of a public servant acting in good faith being deemed by his employer to be operating contrary to this subclause (2) and facing not only discipline up to dismissal but a possible criminal charge. It may be argued that there is nothing in this Act as such imposing criminal penalties for its breach. But if I am not mistaken there is a section in the Criminal Code imposing penalties for the breach of that section which creates a general offence of acting contrary to a federal statute.

• (1620)

Therefore, I say to you, Mr. Speaker, that what is stated in subclause (2) of Clause 8 may well be contrary to the Charter of Rights and Freedoms. I do not think it is appropriate for the House to put hundreds of thousands of people in jeopardy through the vague wording which creates vast, unspecified, and undefined powers given to the federal Government.

With respect to the duties and responsibilities of the elected representatives of the Canadian people, it is not proper to have Clause 8(1) in effect which would take away from Parliament and give to the Cabinet the vast powers it would appear to do to amend and change any present or future Act of Parliament without the public being aware of what will be done, and without giving the House of Commons and the Senate, on behalf of the Canadian people, the authority to debate these changes and say yes or no to them.

There are grave problems of what I call a constitutional procedural aspect with Clause 8, subclauses (1) and (2). I make my comments with respect to Clause 8 at this time in order to save the time of the House. I ask you to consider what I have said with respect to Clause 8, subclauses (1) and (2), quite apart from the distinct arguments I have made with respect to the clause in the Bill arising out of what is purported by the Government to be carried out by Clauses 6 and 9.

There is always a problem with respect to our parliamentary system created, on the one hand, by the desire of the government of the day to exercise all the powers that it feels it needs to carry out its mandate, and on the other hand the desire, not only of the Opposition, but of Members generally to ensure there is some appropriate system of checks and balances upon the full and possible arbitrary exercise of that power. The problem is very much highlighted by the language of Clause 8, and also Clauses 6 and 9.

Speaking generally, Clauses 6 and 9, and Clause 8, perhaps as much as the omnibus nature of the Bill itself which was argued on Monday, create grave concerns about the proper operation of our parliamentary system and the ability of elected Members of Parliament, especially those who are not on the government side, to carry out their duties, to properly scrutinize legislation, to attempt to amend it, and see it is adopted, if it is adopted, in the best interests of the Canadian people, and generally of the rights of Members of Parliament, especially those in opposition to the Government of the day, to act in a manner that provides some appropriate system of checks and balances and enables them to hold to account the Government of the day.

The balance between the normal and understandable desires of the Government and the normal and understandable role of Members of Parliament, particularly those in Opposition to the Government of the day, has been tilted in a questionable and improper manner by the way this Bill has been drafted and presented to the House. That should be taken into account not only by you, Sir, but by the House and the people of the country in passing judgment on this Bill.

Mr. Lewis: Mr. Speaker, in brief reply to my hon. friend's interesting argument, with respect to Clauses 6 and 9 of Bill

C-130, I appreciate that my friend was attempting to argue that when the Constitution is amended, it should be amended through the formal procedure that exists under the British North America Act or the Constitution Act. With respect, Mr. Speaker, that was another way of attempting to argue the constitutionality question. I refer to Beauchesne's on page 38 in Article 117(6) which states:

> The Speaker will not give a decision upon a constitutional question nor decide a question of law, though the same may be raised on a point of order or privilege.

I submit that my hon. friend called for a formal constitutional amendment. Although it is not part of a procedural argument, I would submit that there is sufficient support among the provinces to indicate tacit support for the free trade agreement. I submit that we are not changing the Constitution through Clauses 6 and 9.

With respect to the argument on Clause 8, I would submit that it is often the case that clauses in Bills are challenged as to acceptability. If there is to be a challenge, it should be a formal court challenge at some later date on some specific question of law. Our position as legislators is to debate the law in its substance and to decide. We believe that this law has one principle, that is, to implement the free trade agreement. I am satisfied that the drafting of the Bill has been done in such a manner that it does not offend the constitutionality, although I submit it is not your position to rule on same, and that Section 8 will be found to be in order.

Thank you, Mr. Speaker, for allowing us to debate this procedurally. It has been a very useful exercise in which we have been pleased to participate. I appreciate that you will wish to reserve judgment, Mr. Speaker. We are anxious to proceed with the debate on the substance of the issue and look forward to the results of your deliberations at your earliest convenience.

Mr. Gray (Windsor West): Mr. Speaker, I see the House Leader for the NDP entering the House. He may have some comments to make. While the Hon. Member is taking his seat, I wonder if I could bring one point to your attention, Mr. Speaker. The Deputy Government House Leader has stated if I am correct in stating that the action contemplated by the Government in Clauses 6 and 9 of Bill C-130 must be undertaken by way of constitutional amendment, that is already taken care of by the fact that there is tacit support by most of the provinces. I respectfully submit that even if that is correct, and I question it, that cannot be the same as a formal action required of provinces as set out in the Constitution Act, if there is to be a constitutional amendment.

The Deputy Government House Leader in expressing his opinion of the views of the provinces on the subject matter of Bill C-130, even if these views are in the form of tacit support, cannot be considered to be the formal action that is required in order to amend the Constitution as set out in the Constitution Act.

Mr. Riis: Mr. Speaker, I have no further comments to add to the procedural debate. I do wish to indicate, Mr. Speaker, as you made clear earlier, we do reserve the right to intervene on procedural matters as the Bill is proceeding through the various stages, but at this point I have no further words to add.

Mr. Speaker: I do wish to close off debate, but I wish to reply to the Hon. Member for Kamloops—Shuswap (Mr. Riis). He may well be referring to events that may or may not take place. I do not wish anyone to presume what course the debate may or may not take on a Bill when the acceptability of that Bill is the very issue in front of us.

Mr. Axworthy: I wish to provide a citation in considering the point raised by the Hon. Member for Windsor—West (Mr. Gray). It is contained in a document that would be useful for Your Honour to consult. It is the impact of the Canada-U.S. Free Trade Agreement, a legal analysis that was tabled in the Ontario Legislature by the Attorney General for Ontario. I will not take the time of the House to go through all the argumentation, Sir, but it would be very important to deal with the conclusion where it states that the impact of the Bill tabled in the House has a severe limitation on the capacity of the provincial governments to govern, according to the present constitutional arrangements, and that this is a form of unilateral assertion of constitutional change.

• (1630)

I suggest to the Chair that this legal analysis of the Bill is an important substantiation of the argument put forward by my colleague that if we are going to change the Constitution, and certainly the federal Government has the right to do so, then it must be done under the laws prescribed in the Constitution and not by way of a Bill such as Bill C-130.

Mr. Speaker: I thank the Hon. Member. Orders of the Day.

* * *

AIR CANADA PUBLIC PARTICIPATION ACT

MEASURE TO ENACT

The House resumed from Friday, May 27, consideration of the motion of Mr. Mazankowski that Bill C-129, an Act to provide for the continuance of Air Canada under the Canada Business Corporations Act and for the issuance and sale of shares thereof to the public, be read the second time and referred to a legislative committee; and the motion of Mr. McDermid (p. 15859).

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I am pleased to continue my contribution to the debate. I understand I have only about four minutes left.

Mr. Nowlan: Too long.

Mr. Angus: The Chairman of the Standing Committee on Transport says that this is too long. Perhaps he would be interested in hearing the results of the discussion we had this week with officials from Air Canada. We talked not about privatization *per se* but about replacement of some of Air Canada's aircraft.

One of the questions my colleague from Regina West asked was whether the Government gave instructions to Air Canada that when it selects a supplier for new aircraft there be Canadian content or Canadian job requirements. Air Canada has said no, there had been no such request. I then asked whether Air Canada, in its search for new equipment, required the successful bidder to ensure that jobs were created in Canada, parts were purchased in Canada, and that other benefits be included which would assist Canadian workers and the Canadian aerospace industry in particular. Air Canada replied no. Wardair does not have to do it, Canadian International does not have to do it, therefore Air Canada does not have to do it. Yesterday in this House the Deputy Prime Minister, when asked a series of similar questions, indicated that the Government always wanted Air Canada to operate as if it were in the private sector.

That is why we on this side oppose the sale of Air Canada in any form. Since deregulation of air transport in particular, we have removed the principle of public convenience and necessity and replaced it with a market-place philosophy that the greater the volume, the greater the service, or, conversely the lesser the volume, the lesser the service. That was the first step. Now, by taking Air Canada out of the control of the Parliament and taxpayers of Canada, we have lost that additional advantage where the duly elected Government can issue instructions to a national airline to provide service or ensure that when contracts are placed, whether it is for new equipment or goods and services for ongoing operations, benefits have to come to Canadians.

We believe Air Canada should remain owned by Canadian taxpayers. They already own it, in fact. Therefore, we will continue to present our case to ensure that at the very least the public is aware of the ramifications of this particular piece of legislation. They will understand they are not getting a bargain. They are losing control, even under partial privatization, of an airline they built over the last 50 years.

Let me also remind you that under the provisions of the Bill before us, which the business community says is not going to work, we are allowing people out there to purchase 45 per cent of the shares of Air Canada. Yet at the same time the Government is going to instruct its representatives on the board of Air Canada to take their instructions from that 45 per cent ownership group.

I realize my time has expired. I look forward to the opportunity to participate along with my colleagues in continuing to point out the error of this approach by the Conservative Government when the Bill goes into committee. I really do hope that either an election will be called that will prevent this Bill from passing or that the Government will reconsider.

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

[*Translation*]

Mr. Gray (Bonaventure—Îles-de-la-Madeleine): Mr. Speaker, first I have a comment, and I will conclude with a question for the Hon. Member.

He is of course aware that yesterday morning I had the privilege of chairing the Committee on Transport, and that Mr. Jeanniot of Air Canada appeared before the Committee. Mr. Speaker, I think it was all very clear. The Government and the Opposition Parties may have their differences in this respect, but Mr. Jeanniot made it quite clear before the Committee that ever since the seventies, 1975 and 1980, and especially considering the new regulatory reform in the transportation industry, commonly referred to as deregulation, that it was important to them that Air Canada be able to compete with the other airlines.

[*English*]

It was clear from the answers Mr. Jeanniot gave that for Air Canada to compete in the market, whether it be with Canadian International Airlines, Wardair or others, it must have exactly the same flexibility. The question is about flexibility. Perhaps 45 per cent is not enough. Speaking as a member of the Government, hopefully we will go somewhere down the road to 100 per cent. It is not a question of lesser service for Canadians. It is a question of not costing Canadians more money.

We on the government side want Air Canada to continue to be a national air carrier. We want it to have the flexibility at arm's length from the Government so we do not have to worry about cheap political decisions, whether NDP or Liberal. We will not do that, Mr. Speaker. By privatizing Air Canada at 45 per cent, Mr. Jeanniot, President of Air Canada, said that a large majority of employees want to buy shares. It seems ridiculous to me that the Opposition would say, "Let's not do it".

• (1640)

The question of new aircraft was explained to us yesterday. Why buy 727s instead of DC-9s? With the experts Mr. Jeanniot had with him, he explained exactly. With 727 aircraft, Air Canada figures, even now as a Crown corporation, that it will be more economically feasible and will offer a better product to the consumer, rather than replacing the DC-9s, which have already been refurbished to provide a longer service of this aircraft. There was no argument there about what was going to happen.

Perhaps I might speak out of place a little bit—I would never want to speak out of place on behalf of the Government—and explain to my colleague from the New Democratic Party who wants to keep everything for the Government—

New Democrats do not want any Crown corporations or any big business or anyone to work—who in the heck will pay? We do not know. It has been proven and stated publicly by the administration of Air Canada, by the employees, with one exception—perhaps union leaders—that they are in favour of privatization of Air Canada.

I conclude my remarks and thank you for your patience, Mr. Speaker. Let me ask the Hon. Member for Thunder Bay—Atikokan (Mr. Angus) that with everything Air Canada has said in the past and what Mr. Jeanniot said yesterday regarding 727s and DC-9s and with the implication of the workers who want to buy shares, the same airline will exist as Air Canada and it will continue to be the great carrier it has always been. So why would the Hon. Member ever be against 45 per cent privatization?

Mr. Angus: Mr. Speaker, I thank my hon. friend for his questions. Let me ask rhetorically how many shares he expects the Air Canada employee who makes $6.79 an hour to buy. The current valuation of the shares which the Government of Canada holds is $1,000 a share. Not many, I would suggest.

The Member spoke about competitiveness, flexibility and arm's length. Mr. Jeanniot in his remarks to us yesterday, indicated Canada has the flexibility. When Canadian Airlines offers a seat sale, within 24 hours Air Canada offers that seat sale. Where he indicated that there was less flexibility was in terms of capital. He indicated to us that even though the share values in the name of the Government of Canada were something in the neighbourhood of $750 million, the amount the Canadian Government has provided is somewhere around $330 million—which is a major shortfall. Mr. Jeanniot said that he has asked and asked and asked this Government and the former one to advance the full value Parliament approves but has been refused.

We have an airline company that has made in excess of $300 million profit in the last nine years. In fact, every year but two were profitable years. There is no question that Air Canada is an excellent company. It is owned by the people of Canada. Canadians should have the right to receive the profits and a return on their investment as shareholders. There are 25 million shareholders in the company right now. I do not think that that should be sold out from under them.

Mr. Rompkey: Mr. Speaker, not only do the people of Canada have a right to the airline but they have a right to expect service. One of the strengths of Air Canada historically has been to serve remote areas where no other company would go.

What happens to that mandate or policy decision under privatization? If the bottom line is profit, then surely there is not the same compulsion on the part of Air Canada to continue that policy in the past of serving remote areas. I know of routes in my own province, for example, where only Air Canada flew and the flights were never full. Canadians deserve air travel. They needed it and they got it from Air Canada. Under privatization my fear is that this will change. If the bottom line is profit and you fly only where you have load factors, where there is a lot of traffic and lots of people, that precludes those who live in small communities and remote areas from travelling and from service. It precludes business in those areas from doing the kind of business that would be done in other parts of the country.

There is a fear that the mandate of Air Canada, the mandate it has historically had and has followed, will change under privatization. That is the question I pose.

Mr. Angus: Mr. Speaker, I thank my colleague for the question. Air travellers in Canada are getting hit with a double whammy—deregulation and privatization of Air Canada. The Hon. Member is right about the quality of service. Briefly I will give one example. My community is served by both Canadian Airlines and Air Canada. Two flights leave in the morning from Thunder Bay to Toronto. The one at seven o'clock is Canadian and the one at 7.40 is Air Canada. At 10 minutes to seven o'clock the Air Canada counter is already staffed, even though its plane does not leave for an hour. Canadian Airlines staff is assigned to show up about 6.30 a.m. for a seven o'clock flight. There are long line-ups at the Canadian Airline counter, whereas Air Canada easily clears all its customers. It provides adequate service and staff to ensure customers are treated properly. Canadian Airlines dealing with the bottom line as its prime motive does not provide the staff or service. This ultimately results in delayed flights and poor quality treatment, an excellent example of the lower level of service provided when priority is profit as opposed to service. Air Canada's tradition has been service over the years. Unfortunately, under this Bill that will change.

Mr. Jim Edwards (Edmonton South): Mr. Speaker, I thank the distinguished Member for Edmonton North (Mr. Paproski), who is in the Chair, for recognizing me.

The issue before us today is not as much an issue of theology as it is an issue of maturity of the Canadian economy and the Canadian transportation system. It is quite clear that the original mandate of Air Canada, which was put in place some 50 years ago, has altered somewhat due to the circumstances of our country. Fifty years ago our country had virtually no air links save charter links which were *ad hoc* and usually done for mercy purposes. There has, however, been a remarkable evolution with the birth of what is now Canada's third airline which originally was a bush pilot operation. I am very pleased to say the founder of that airline is a distinguished resident of my own constituency, namely, Mr. Max Ward. We have had over the last two or three years a tremendous growth in service not only of the three trans-Canada airlines, if I may use that expression, but also of the affiliate airlines, the so-called feeders which go into the North, into the lower traffic areas and into areas where there are short runways. Indeed, I had the opportunity the other evening to visit here in Ottawa with two employees of Air Canada, both of whom have distinguished records of service, and both of whom are interested in

this very debate which is going on today. Unfortunately, due to the sometimes unpredictable course of House business, they were not able to stay today to follow this debate. However, they had in fact journeyed to Ottawa for that express purpose.

• (1650)

We carried on a debate of our own over dinner and we examined the issues that are now before us. I was asked a number of questions by these two women employees of Air Canada. They had quite a well-thought-out line of interrogation, and it went something like this: "Why would the Government of Canada want to sell shares in a Crown corporation when we already own it?" So I asked them: "What is the test of ownership, is it not the test of the alienability of the property itself?"

In other words, if one says one owns Air Canada or a portion thereof, is one able of one's own volition to dispose of it as a citizen of Canada? The answer, of course, is no. However, with this partial privatization measure, those 45 per cent of the shares which will in fact go into the hands of individual Canadians, among them employees of Air Canada and other citizens of Canada, will become alienable and will be capable of being traded on the market. They truly then will become the property of those people of Canada.

The next question which was posed to me was the question of the elongation of Air Canada's operation; that is to say, would Air Canada, with privatization simply go for the long routes and avoid the shorter routes? Would Air Canada neglect service to smaller communities? My response was that I think not, and I think not because there are a number of shorter routes which are economical. For example, the Rapidair routes between Ottawa and Toronto, between Ottawa and Montreal and the triangle back to Toronto from Montreal are very satisfactory routes for Air Canada to serve, and they are not elongated routes.

However, these employees pressed the question further, and quite properly. They asked about routes in western Canada, for example, service from, say, Regina to Edmonton. I suggested to them that those routes would probably not be dropped, and I cited the example of Canadian Airlines International, which is truly a private corporation and which has chosen not to drop many of those smaller routes.

Indeed, in many ways, Canadian Airlines does a remarkable job of serving northern and northwestern Canada and indeed Atlantic Canada with short-hop service and service to low-traffic areas. It has managed its operation in such a way with its equipment, and in some cases with downscaled equipment, so that that service continues. Indeed, with the addition of some other feeder operations, there is the possibility of serving communities that have not up to now had regular airline service. If one consults the timetable of either of Canada's two major airlines, one will find destinations such as Nanisivik, Kuujjuak, Iqaluit and many others which would not normally, one would think, be revenue destinations. However, that service exists and it is provided by privately owned airlines.

The next question had to do with the treatment of the employees. These were two Air Canada employees who were interrogating me, one of them a long-serving and distinguished union official. I drew their attention to the record of the Government of Canada in the field of privatization, our record over the past almost four years of the privatization of the dozen or so Crown corporations that have gone to the market with considerable success. I drew their consideration to the de Havilland example in Downsview, Ontario. Now, with the world-wide mandate through the connection with Boeing Corporation, de Havilland has a window on the world. What is the employment record at Downsview? I believe that staff members have been added. Certainly there has been no adverse impact on employee relations, employee benefits, job security or things of that nature.

Then they said: "What about British Airways? They went ahead and privatized and they laid off tens of thousands of employees". Well, the fact is that that occurred before the privatization of British Airways. The airline was badly in need of some rationalization and that rationalization took place before shares in British Airways were offered to the market.

According to the President of Air Canada, Mr. Jeanniot, and the Chairman of the Board, Mr. Taylor, who incidentally is immensely well respected within the ranks of Air Canada employees as one who has worked his way up and has proved his worth, Air Canada has shown its mettle. It has shown that it is a world-class airline because of the commitment of its employees. Therein, in a service industry, lies much of the strength of any airline, the quality and commitment of its employees. That will not be changed.

One might say, as my friends did say to me, why then bother, why change things now, isn't this just some kind of Tory knee-jerk, ideological reaction? My response is, of course not, of course not.

Mr. Nunziata: Who are you calling a jerk?

Mr. Edwards: Careful, it might happen. An opportunity is being presented to the people of Canada and to the passengers of Canada. Most important, an opportunity is being presented to Air Canada to expand and become competitive and to be truly a continuing force within the airline domain of Canada and indeed across the world as one of our Canadian flag carriers.

The next concern put forward to me was an interesting one coming from a couple of Albertans. They said: "We believe that in many ways, Air Canada is an instrument of national policy in terms of being a vehicle for continuing the bilingual objectives of the people and the Government of Canada, and wouldn't that undergo some erosion?" I think not, and I think not because there is a demonstrated record among major Canadian corporations doing business from coast to coast to

the 49th parallel and beyond that shows that those corporations, which are truly Canadian in their commitment, do maintain those objectives and maintain them rather well.

I appreciate this opportunity to address a few words in debate on this particular Bill. As one who, like yourself, Mr. Speaker, from time to time has the occasion to use Air Canada, I have nothing but admiration for the quality of the people, for the safety standards and for all the wonderful service that this airline has delivered to Canada over the past 51 years. I am sure it will do so well into the next century, with the assistance of this Bill and the bringing up of capital so that the investment will be there for Air Canada to expand its fleet and to be a truly distinguished airline.

Mr. Minaker: Mr. Speaker, I would like to raise a question with the Hon. Member for Edmonton South (Mr. Edwards) in regard to services to the northern part of Alberta provided by different airlines, either now or in the past. The Hon. Member for Winnipeg North (Mr. Orlikow) and, I believe, the Hon. Member for Grand Falls—White Bay—Labrador (Mr. Rompkey) seemed to imply, when they made their comments, that Air Canada was servicing all the remote areas and that when the company was privatized this service would fall off.

• (1700)

In my Province of Manitoba the airline that was covering the remote areas like Thompson, The Pas, and Gillam many years ago was TransAir which became Pacific Western Airlines and which we now know is an integral part of Canadian Airlines. I believe that that company is servicing the remote areas. In fact, Air Canada was primarily servicing the main areas like Thunder Bay, Toronto, Montreal and so on.

I would like to ask the Member for Edmonton South, who serves the remote areas of northern Alberta at the present time? Is it Air Canada or other airlines?

Mr. Edwards: Mr. Speaker, I am happy to advise my friend that it is indeed largely the investor-owned airlines which serve northern Alberta. That is partly due to historic circumstance. Others who remember the bush pilot era would say that it is partly due to historical circumstance.

However, the fact of the matter is that Canadian Airlines International, as the heir of Pacific Western Airlines, has regular Airbus service to Fort McMurray out of Edmonton. Canadian Airlines International flies as well into certain parts of northwestern Alberta to such destinations as Grand Prairie and into the Peace River block of northeastern British Columbia to Fort St. John, Dawson Creek, and Fort Nelson. In fact, Fort St. John has become something of a mini air hub, with the routes from Edmonton northwest and Vancouver northeast intersecting there with flights from both cities continuing on into White Horse.

It is true as well that Edmonton, being historically and presently the gateway to the North in an aviation and a shipping context, still maintains that claim with regular flights by such airlines as Canadian out of Edmonton International and Edmonton Municipal, in some cases, to the North, notably to Yellowknife, Cambridge Bay, Resolute, and other northern destinations.

Mr. Orlikow: Mr. Speaker, I would like to direct several questions to the Hon. Member. The suggestion by Conservative Members of Parliament who are supporting this Bill is that the opposition which comes from New Democratic Members is based on our ideological belief in the value of public ownership as opposed to private ownership.

Certain people in the industry are very critical of this particular Bill. For example, in *The Globe and Mail* of May 27 there is a news story quoting Sir Colin Marshall, chief executive of British Airways which, as the Member knows, was privatized by Mrs. Thatcher. The article says:

> In reference to the federal Government's decision to partly privatize Air Canada, Sir Colin indicated he doesn't like Ottawa's method very much.
>
> British Airways would never have achieved the outstanding financial results of the past year if the British Government had continued as the majority shareholder, he said.
>
> "It obviously depends on the local situation, but as a general philosophy I believe you can't be both (government and privately owned), he said—

I would like the Member to comment on that and also on the financial analyst in Toronto specializing in airlines who, the day after the Minister tabled this Bill, criticized this proposal. He said that if the privatized company has to follow the provisions in the Bill, if the headquarters must remain in Montreal, if it must continue to be bilingual, and must maintain its maintenance bases in Toronto, Winnipeg, and Montreal, it would take away from the ability of the partially privatized company to make decisions based on efficiency and profitability.

This analyst, whose name I do not have in front of me now, made the same point as the head of British Airways. Even though they believe in the privatization of Air Canada, they say that what the Government is proposing to do is bad in a business way. I would like the Member to comment on those points.

Mr. Edwards: Mr. Speaker, as always the Hon. Member for Winnipeg North, with his immense fund of general knowledge, is able to ask some very pertinent questions. He has never let us down.

On the question of ideology, I was not suggesting that the New Democratic Party had a particular ideology and that his opposition to this particular move was based on ideology. I was saying that the Government's move in this regard is not based on ideology.

Mr. Orlikow: It's not based on good, sound business sense.

Mr. Edwards: It's based on good, sound business sense. I thank the Hon. Member for that phrase.

In response to Sir Colin Marshall's comments which I, too, read, the Hon. Member was honest enough to quote Sir Colin

when he said "It obviously depends on the local situation". The British situation is not the Canadian situation.

Thatcherism and Thatcher's objectives are not necessarily the objectives of the Government of Canada. The objectives of Mrs. Thatcher, as I understand them, were to conduct a total revolution of British society and the British economy. Such is not the objective of the Government of Canada.

The objective of the Government of Canada in this case is to deal with a Crown corporation which has, as I have already indicated, a marvellous record of service and splendid employees but which history has bypassed in a sense in the context of its having a national policy objective of the Government of Canada for which it was put in place initially in 1937.

As to whether there should or should not be a hybrid with some state ownership or some investor ownership, I think we have had some remarkable examples of success in that regard in the recent past. I point to some examples carried out by the current Government of Alberta. I point with some knowledge—and I am sure the Hon. Member has far deeper knowledge than I—to the hybrid corporations which exist in that marvellous democratic socialist state of Sweden.

However, I do not think it is necessarily the intent of the Government of Canada always to maintain a 55 per cent stake in Air Canada. We do not know what the future holds. The purpose of the Bill before us today is to enable the people of Canada to acquire 45 per cent of the shares.

Finally, with regard to the comments of the financial analyst, I read those as well. I am aware that there were proposals made by many financial houses in Toronto, and perhaps elsewhere, as to the best method of the privatization of Air Canada. I do not wish to suggest that these comments were made by a disappointed consultant, but that indeed is the possibility. I believe there were 10 or 11 houses which were offering proposals. If only one proposal was embraced, naturally nine or ten would have been embarrassed and disappointed.

Mr. Les Benjamin (Regina West): Mr. Speaker, I am happy to take part in this debate although I wish we did not have to. I want to begin by citing a little bit of history, for the benefit of my colleagues who may not be aware of it, about the development of a national airline in Canada. It was called Trans-Canada Air Lines when it started. Between 1935 and 1937, C.D. Howe, the then Minister, approached Canadian National Railways and Canadian Pacific Railway to join in a tripartite partnership in the formation of a national airline. There was much negotiation and discussion but Canadian Pacific said it would not do it.

• (1710)

The offer was for the federal Government eventually to get out of the three-way ownership so that the airline would be owned by both railways. However, CPR said no, and the Government of the day went ahead to form Trans-Canada Air Lines with capital investment by both the Government of Canada and Canadian National Railways.

Trans-Canada Air Lines began flying in 1937, and obviously in the late 1930s and early 1940s it lost a bundle. The free enterprisers pointed their finger at how a Crown corporation did not work and that the free market forces should prevail.

In the late 1940s, Canadian Pacific began an airline with scheduled routes. To its credit, it flew to remote places as well as the larger centres.

When Trans-Canada Air Lines began making a profit, the hue and cry became louder. When it was losing money, Trans-Canada Air Lines was evidence of how public ownership did not work. However, when it began to make money, the private enterprise, free market forces people, reversed their stance and said that a Crown corporation should not make a profit, because that should belong to private enterprise.

Where were these free enterprisers and free market forces boys when the country needed them? If they could not make a bundle, to hell with Canada, they would not do it. The bottom line syndrome takes priority over everything else. They would run over their own mothers if they got in the way.

The taxpayers of this country made the investment. Trans-Canada Air Lines built the routes and the market. As soon it began to make money and taxpayers began getting a return on their investment, those who support free enterprise began asking for a piece of the action. They said: "We want some gravy off the top".

I can only call the private enterprisers and free market forces types a bunch of freeloaders. They are not prepared to take the bad with the good.

How many times have the advocates of free enterprise and free market forces asked to be left alone? How many times have we had to bail out free enterprise in the last 10 years? Who came running to the Government for a hand-out and bail-outs? It was not the poor people of Canada or the unemployed; it was the banks, Chrysler Canada and Massey Ferguson. Taxpayers are as much entitled to a return on their investment as any individual private investor.

I have yet to hear someone give me a rational explanation of why someone should buy shares in something they already own. If this chance for Canadians to buy shares in Air Canada is such a good deal, why does the Government not take up the balance of the authorized shareholdings, $750 million, as it is authorized to do by legislation of this House? It would make sense because Air Canada is a profitable corporation and ranks in the top 10 airlines in the world. Currently, the Government of Canada has $329 million in authorized shareholdings on behalf of the taxpayers. Air Canada says that it needs some $300 million to $400 million in initial funding for the purpose of purchasing new aircraft.

No one disputes that Air Canada is a good and profitable company. Why should the taxpayers of Canada not finally

receive a return on the tens of millions of dollars they have put into that airline since 1937?

Air Canada had a net profit of $47 million last year. Yet it did not pay a dividend. According to my limited understanding of private enterprise, a board of directors of a private corporation that would not pay out a dividend on $47 million would soon be replaced. One must wonder about the competence of the board of directors of Air Canada.

A $10 dividend on a $1,000 share would represent a dividend of some $4 million on 329,000 shares.

Canadian National Railways has paid almost $150 million in dividends to the Government of Canada in the last several years, which is only proper when it makes a profit.

We can correct the fact that the board of directors of Air Canada did not give a dividend in 1987. It still makes economic and social sense for the Government of Canada to take up the remaining $421 million of authorized capital stock remaining on the books of Air Canada. The Government and Air Canada tell us that they need the money to purchase new aircraft. Under Air Canada's corporate plan for 1987-1991, and the amended 1987 capital budget, the only place in which there is a mention of privatization is where it states that "this plan assumes no change in the ownership status of the corporation and no equity infusion or debt conversion by the shareholder", the shareholder being the Government of Canada. The corporate plan assumes no change.

• (1720)

Further on in the corporate plan it is stated that profitability will improve throughout the plan, as does the debt equity ratio because existing debt is retired and additional debt is not required. By 1990 the return on equity will achieve the corporate objective.

In a press statement of April 12 Air Canada stated: "with respect to its annual report that it will proceed with fleet renewal to take advantage of operating efficiencies available through new aircraft. The funds required for this multibillion dollar investment will come largely from internally generated funds". That means that they will come from operating revenues and from borrowing. There is no mention about equity investment in shares from the sale of shares. That tells me that the real reason for the Government wishing to sell 45 per cent ownership of Air Canada is to provide a better debt equity ratio, to retire more debt, in order to make its share more attractive on the stock market.

Something else that bothers me about this measure is that we continually hear statements inside and outside this House, and we continually read reports in the financial pages, about Air Canada's subsidy, or Air Canada being provided with money from the Government, by the taxpayer out of the taxpayers' pocket, the bottomless taxpayers' pocket. That is mythology. That has been mythology for the last 26 years. There has not been a nickle of subsidy paid to Air Canada since 1962—not a nickle.

Some 11 years ago, in 1977, was the last time Parliament and the Government provided equity capital for Air Canada. They did not put up anything. All they did was to take a portion of Air Canada's debt and convert it to equity shares. Air Canada got no cash out of it. It just made its balance sheet look better, and it reduced its debt.

The airline has been able to operate and operate profitably as one of the 10 best airlines in the whole world without government funding. When we hear Wardair, Canadian Airlines and others crying and complaining about the great advantage Air Canada has over the rest of them, that is just more perpetuation of the mythology. Air Canada has been functioning under the same rules and the same conditions. It cannot operate any differently than can Canadian Airlines or Wardair.

I am not saying that Air Canada is perfect. I am not saying that it does everything exactly the way we would all like to see it done. There is not any outfit in the world that is run by of human beings that is perfect. There never has been and there never will be. It has done some things about which I am very distressed. For example, it paid not a nickle into the employees' pension plan in 1986. It used surplus earnings in the pension plan to make up the money that it should have been contributing under that year's operations. In my opinion while it was not illegal it was certainly highly immoral. Every dollar in a pension plan belongs to the pensioners and to the current employees and to no one else. Our stupid laws in this country allow corporations, public or private, to raid a pension plan and to take money that does not belong to them.

Sir, even Mrs. Thatcher and her Government in Britain in their privatization of British Airways were smarter than this Government. One thing we found out on the Transport Committee's trip to Europe last fall was that the British, the West Germans, the Dutch and the French look on privatization in a different way than we do. Those countries carry it out in a different way than we do. However, in the case of British Airways, during the course of the privatization the British Government kept what is called the golden share. Even if British Airways is 100 per cent owned by private shareholders the golden share has priority. That one golden share has priority over all the other shareholders.

The Government of Great Britain can intervene at any time it wants on any matter it wants having to do with the operations of British Airways. It kept full and final authority over British Airways. What does this dumb Government do? It did something that I am sure if it were done in a corporation on the Toronto Stock Exchange one would be under investigation so fast that one's head would swim.

Mr. Redway: Don't give Toronto a hard time.

Mr. Benjamin: I could not believe my ears listening to the Deputy Prime Minister's statement in the House when he said

that the Government will instruct the members of the board of directors who represent the majority shareholders, who represent the 55 per cent, to vote with those who represent the minority shareholders. I have never heard of such a thing in any private corporation. I am sure that that would be grounds for an investigation by the Securities Commission of Ontario. If we had one that was any damn good operating out of Ottawa then it would be subject to an investigation. The RCMP would be seizing the books and everything else.

Imagine, Mr. Speaker, how you would like it if you were a majority shareholder and your representative on the board of directors in a company in which you had the majority of shares—

Mr. Redway: Non-voting shares.

Mr. Benjamin: No, no. These are voting shares.

Mr. Redway: They cannot be.

Mr. Benjamin: —was instructed to vote for anything that the minority shareholders decided that they wanted to do. There is supposed to be a theory about people's capitalism—

Mr. Redway: Oh, come on.

Mr. Benjamin: Why don't you get up and make a speech instead of sitting there.

There is a sick calf here. I wonder if Your Honour would arrange to have it taken out.

• (1730)

The Acting Speaker (Mr. Paproski): I would hope the Hon. Member would speak to the Chair rather than speaking to anyone else in the House. The Hon. Member for Regina West (Mr. Benjamin) has one minute left.

Mr. Benjamin: This is a dumb move by the Government. It is not deserving of the confidence of the people of Canada, or of the employees of Air Canada. While the Government wants the employees to buy shares in Air Canada, and some of them are willing to do so, I wish to remind them of what the Government and Air Canada did to their pension plan in 1986. Air Canada raided their pension plan and did not put a nickel into it. It used surplus funds in the pension plan to cover the money that Air Canada was supposed to pay into it. Now it has the unmitigated gall to ask the employees to buy shares in an operation like that. I hope that Air Canada employees will not be fooled by that type of corporate chicanery.

I hope that the House and the people of Canada will make every effort to see to it that Air Canada is not privatized wholly or partially, because it is neither necessary nor desirable, and certainly public opinion states that the people of Canada prefer it as it is. All we need to continue a good, sound investment with good sound business practice is to increase the equity shares that the people of Canada have in Air Canada through the Government of Canada, and we will still have a good deal and one of the first-rate airlines of the world.

The Acting Speaker (Mr. Paproski): On questions and comments, the Hon. Member for Winnipeg—St. James (Mr. Minaker).

Mr. Minaker: I would like to ask the Hon. Member a couple of questions. In his comments he stated that when a private company makes a profit the board would be fired by the shareholders if it did not distribute some of that profit to the shareholders, and for that reason this was a bad idea.

Is the Hon. Member opposed to the idea of Air Canada employees buying shares? Many employees want to buy shares. The largest percentage of the employees at Air Canada want to have the opportunity to buy shares in the company, and rightly so in my opinion, because it is an excellent company, one of the best airlines in the world. If the employees buy the shares and the company makes a profit, is the Hon. Member opposed to the employees being paid a profit on their shares? In other words, each year receiving an equity cheque from the profit made by the company? Is the Hon. Member opposed to that? If the Hon. Member is opposed to that, I would then presume he is opposed to the Saskatchewan Wheat Pool. It makes a profit every year, and to my understanding it has done so for many years. It pays a cheque to the farmers who have control.

If the Hon. Member is opposed to Air Canada employees being paid a profit on their shares, then he must be opposed to the concept of the Saskatchewan Wheat Pool. It makes a profit and pays it back to its shareholders. The Hon. Member implies that if someone owns a share in the company it is wrong for them to get a profit paid on it. Therefore, it is wrong for Air Canada to be privatized.

Does the Hon. Member not realize that Air Canada employees can transfer their proxies? I would presume that they will have many members on that board because they can do it individually. It is stated that an individual or an association cannot own, but there is nothing stopping an Air Canada employee, if he or she can get enough support from his or her colleagues, receive their shares and their proxies, that they will be on the board. The employees will have a major part of the control of that board.

I would like to hear the Hon. Member's answers to those questions.

Mr. Benjamin: My hon. friend was not listening so I will run it by him again and hope that it sinks in. What I said serves as a caution to Air Canada employees. With a $47 million net profit last year Air Canada paid no dividend to the present shareholders. Therefore, I caution Air Canada employees. If they are going to buy shares, that is their business and their own private decision, it is not mine.

Second, the experience of employees who bought shares in airlines in the United States, for example, Eastern Airlines,

Texas Air, and all those pirates down there, ended up having to give wage concessions. For the shares the employees bought, they lost anywhere from $1 to $4 an hour in pay. They were loyal employees, helped the company survive, invested money in it, took less pay, and what happened? Eastern Airlines is still on the verge of bankruptcy, Texas Air took over Peoples' Express, where the employees invested millions. Again, I caution the airline employees of Air Canada.

If one turns a good airline like Air Canada over to those so-called free market forces and private enterprise operators, I would not call that too safe an investment.

For my hon. friend to compare a private enterprise corporation with a co-operative tells one that he knows nothing about a co-operative. Having been a member of a co-operative and a credit union for the last 37 years, including serving on boards of directors, I think that I know a little about it. The membership has control and it decides whether there will be dividends. It is not a board of directors in a boardroom in Toronto or in Chicago that make the decisions; it is the members who decide. A co-operative is the most democratic form of enterprise in existence, and I remind my hon. friend of that.

What say did the taxpayers of Canada get as to whether or not there is a dividend on Air Canada's profits last year? We had no say, and the Government puts dummies on the board of directors who did not allow a dividend to be paid.

The Acting Speaker (Mr. Paproski): The Hon. Member for Winnipeg North Centre (Mr. Keeper) would like to ask the Hon. Member a question.

Mr. Keeper: I would like to ask my colleague a question. It has to do with Air Canada's workers in Winnipeg. My colleague has been a critic in the area of transport for many years, and he knows that a number of decades ago Winnipeg lost a good part of its aerospace industry to Montreal when Trans-Canada Air Lines was in existence. Now with Air Canada, what I hear from workers in Winnipeg is concern about whether this privatization will endanger the work that Air Canada does in Winnipeg, and therefore their jobs. They feel there is a threat to the aerospace industry in Winnipeg. Is my colleague informed on this matter, and can he comment on it?

The Acting Speaker (Mr. Paproski): The Hon. Member for Regina West has two minutes.

Mr. Benjamin: I appreciate the concern of my colleague. The employees should be concerned at all three maintenance bases in Toronto, Montreal, and most particularly in Winnipeg, because while Air Canada assures us there will be a maintenance and repair centre kept in Winnipeg, that centre is suitable for maintaining present generation aircraft, for example, DC-9s, 727s, DC-8s, and 747s. If Air Canada decides to buy an aircraft of a completely new generation from a different manufacturer of aircraft than what it presently owns, then the people in Winnipeg should be worried. Unless and until we receive a guarantee that no matter which aircraft Air Canada purchases, a guarantee that a proper apportionment of repair, maintenance, and overhaul will be carried on in Winnipeg, then I would suggest that the people in Winnipeg continue to worry and continue to fight.

• (1740)

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate.

[*Translation*]

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, I welcome this opportunity to speak to this important piece of legislation that will lead to the privatization of Air Canada. We have to ask ourselves how we reached the point where this Government wants to get rid of a Crown corporation, a corporation that has played a major role in the development of this country, from east to west and from north to south. We can be proud of Air Canada. Air Canada is a corporation that has played a major role in bringing communities closer together from coast to coast. Thanks to Air Canada, we can travel quite easily from place to place, because Air Canada has a network that connects a considerable number of communities. Air Canada provides these communities with a competitive service and ensures them a place in the regional development of this country, because when we talk about regional development, we automatically talk about transportation, and of course air transportation. And in this respect, we can say that Air Canada has played its role admirably.

The corporation was created in 1937, fifty-one years ago, as Trans-Canada Air Lines, and throughout that time, it has provided Canadians with reasonable services at reasonable rates. From the outset, we have had a service that is truly Canadian. In Air Canada's annual report for 1987, we read that it is truly a national carrier. On the first page we read the following:

> Air Canada is the largest Canadian air carrier providing scheduled and charter air transportation for passengers and cargo. Air Canada's route network offers scheduled services to 35 North American cities. Through its domestic connector partners, another 66 Canadian communities and 13 cities in the United States are linked to the Air Canada system.

But that is not all. Air Canada is also recognized internationally. Air Canada provides services to many parts of the world, and again, we read in the annual report:

> Internationally, the Corporation added new routes, increased services and achieved strong growth within established markets. The inauguration of service to Vienna along with Express Air Canada Cargo's growing international presence, emphasized the airline's expanding global operation.

A little further, it says:

> Air Canada is now the preeminent Canadian carrier to much of Europe and the Caribbean countries. The airline also acquired Canadian rights to the Middle East, and much of Asia including India, Pakistan, Sri Lanka, and Burma. And, for the first time in its fifty year history, the Corporation will be able to operate transpacific flights to Malaysia, the Republic of Korea, the Philippines, and Singapore.
>
> Within the next two years, Air Canada will inaugurate service to Nice, France; Madrid, Spain; Lisbon, Portugal; Athens, Greece; and Cairo, Egypt.

Charter operations to Venezuela and Ireland will be converted to scheduled services.

We can truly say that in its short fifty-year history, Air Canada has offered Canadians quality service, not just nationally but also internationally. Air Canada also provides employment for more than 22,000 people. We really have reason to be proud of it.

And, Mr. Speaker, the Deputy Prime Minister (Mr. Mazankowski) himself said on April 12, 1988, "As one who has had the honour of serving as Canada's Minister of Transport, I have had the responsibility of being accountable to the House for Air Canada. I am thus particularly aware of the pride and expertise required of Air Canada's more than 22,000 employees necessary to achieve yet another successful year in providing safe and efficient air services to Canadians. Air Canada's accomplishments are all the more impressive when the strong and competitive nature of the Canadian airline industry is considered. Air Canada has not operated under the protection of government regulation for several years. Indeed, the entire industry responded admirably to the inevitability of a freer market environment long before the National Transportation Act was passed."

So I come back to my question: Why are we privatizing Air Canada when we realize how successful it is? One can also wonder, in light of what the Prime Minister himself, the Right Hon. Brian Mulroney, said:

[*English*]

Air Canada is not for sale. Canada needs a national airline. There is a possibility that shares in Air Canada will be sold to the public but the Government would certainly retain a majority interest.

[*Translation*]

Why privatize, why sell Air Canada? Well, maybe the Government was caught short; in the past three or four years, our obligations to this company have really been neglected. But now we are told that Air Canada must modernize its fleet. Air Canada must buy new aircraft. We need some $300 million in the short term to buy airplanes. We heard that they would almost certainly be Airbuses, but it seems that the decision has not yet been finalized. So one must wonder.

To get these $300 million needed to make the first payment for renewing the fleet, it was decided to sell to Canadians what already belongs to them. To begin with, 45 per cent of the shares will be sold to them and it is expected that these 45 per cent will bring in enough for the corporation to start modernizing its fleet.

But one must also wonder what will happen to Air Canada once it is privatized. Air Canada will then have to act like any private corporation or any business. Of course, all private companies want to make money. Making a profit means maximizing profits, because one is answerable to one's shareholders, and the more dividends shareholders get, the better they like it and the better they like the board of directors. The people at Air Canada will have to act like all the other companies.

I am afraid that in this push for bigger and better profits, Air Canada will have to make certain decisions. I am afraid that Air Canada will abandon certain routes, especially the less profitable ones, because from now on, the Goverment will no longer be there to oblige the corporation to provide services to the communities on those routes. Certain facilities will also be abandoned, Mr. Speaker, if they are found to be less profitable. Operations will certainly be centralized.

In this connection, I think we could look at the example of CN and I have made this reference many times before. Instructed by this Government to make its operations profitable, CN embarked on a rationalization program. This meant scrutinizing all operations with an eye for profit, as opposed to the public interest or the interests of the communities concerned.

In New Brunswick, rationalization has meant the loss of more than 1,000 jobs, in not just one but several communities, and this is continuing. It is continuing for the simple reason the Government has decided not to intervene. In fact, it would be difficult for the Government to intervene at this point because it was the Government that gave the instructions in the first place.

So what will happen to Air Canada if at some point a decision is made to rationalize operations? Il would be entirely up to the administrators, and they would then have *carte blanche* to take any action they feel would be appropriate. I am afraid that as a result of this push for bigger profits and for rationalization, workers will be laid off and shops will be closed. It is inevitable.

If only this Bill had taken a leaf from the privatization of British Airways, which seems to be a model of its kind. In England, when the Government got into privatization, it was careful not to let everything go.

It kept a so-called golden share which gives the Government the right to intervene if it feels the public interest is at stake and the company is not acting in the national interest. Here, we are told it's not worth it, and the Government prefers to privatize Air Canada altogether.

What is going to happen to services in outlying areas? We have been given the assurance these services will be maintained. We have also been told that the regions are getting better service than before because there are more carriers. There are regional carriers, but I think Hon. Members should realize, Mr. Speaker, that in some cases, national carriers have pulled out and been replaced by regional services.

What will happen if this experiment is not successful, and I am referring to the policy of serving the regions with regional airlines? National carriers will pull out. In fact, they have already done so and have been replaced. If this approach doesn't work, we in the regions will lose everything and have to strart from scratch.

One must also wonder, Mr. Speaker, what will happen to service in both official languages in regions of Canada that

lose the services of the national carrier. We well know that clause 10 of this Bill requires Air Canada to maintain services in both official languages. Clause 10 states, "The *Official Languages Act* applies to the Corporation." Once the Corporation has given up the regional service lines, what will happen to bilingual services? I asked the President of Air Canada this very question yesterday and he told us that there was little danger of that happening. But I must point out to you, Mr. Speaker, that no law requires these carriers to respect this obligation of Air Canada. Here too, the regions will be the losers. We will lose these services that are essential for us.

In conclusion, Mr. Speaker, I believe that this privatization of Air Canada means a considerable loss for Canadians. It is the loss of an essential tool that has enabled us to serve all regions of Canada. So, Mr. Speaker, as you may have understood, I am opposed to the privatization and want Air Canada to continue to serve all Canadians as a Crown corporation.

• (1750)

[*English*]

The Acting Speaker (Mr. Redway): It being six o'clock p.m. I do now leave the chair until eight o'clock p.m., at which time the House will proceed to the question of the action of anti-fur lobbyists in Europe and the interest of the British Government.

At 6.00 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

VACANCY

ROSEDALE—HON. DAVID CROMBIE

Mr. Deputy Speaker: I have the honour to inform the House that I have received a communication notifying me of the following vacancy in the representation: the Hon. David Crombie, Member for the electoral district of Rosedale, because he has accepted another position. Accordingly, I have addressed my warrant to the Chief Electoral Officer for the issue of a new writ of election for the said electoral district.

MOTION TO ADJOURN UNDER S. O. 29

[*English*]

FUR TRAPPING INDUSTRY

CAMPAIGN ON SALE OF CANADIAN FURS

Mr. Deputy Speaker: The Chair has granted leave to the Hon. Member for Timiskaming (Mr. MacDougall) to move for the adjournment of the House pursuant to Standing Order 29, for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the action of anti-fur lobbyists in Europe and the intention of the British Government.

Mr. John A. MacDougall (Timiskaming) moved:

That this House do now adjourn.

He said: Mr. Speaker, in starting this debate tonight, may I first say how much I appreciate the support of all Hon. Members in what I believe is one of the most important issues facing rural Canada.

We are here this evening because the Canadian fur industry is being seriously threatened by recent happenings in Britain and Europe. Anti-fur campaigns have mounted an aggressive assault on our fur industry. European boycotts, called for by animal rights groups, directly harm Canadian trappers across our land, particularly native people who harvest fur-bearing animals for their livelihoods. These lobbying groups have proven very successful at getting their message across to their elected representatives. As a result, the British Government is currently considering legislation which would require fur products to be labelled, clearly in an effort to restrain and check retailers from selling furs and the public from purchasing them.

This week, on the front page of the financial section of a major newspaper, Canadians read an article bearing the heading "Fur industry jeopardized by activists," which reads as follows:

> European fur buyers are becoming nervous and hesitant, contributing to a weaker market for Canada's fur products in recent months, industry spokesmen say.

The article goes on:

> Fur prices in Canada this year are down about one-third from last year, said Ken McKay, manager of the Manitoba Registered Trappers Association.
>
> "The European situation has affected the market," Mr. McKay said. "European buyers are hesitant."

It continues:

> Robert Carmichael, chief of commercial wildlife management in Manitoba Department of Natural Resources, said the anti-fur activists are aware the actions of the British Government will carry "a terrific amount of weight" when other European countries decide whether to restrict the sale of fur.
>
> "It's exactly the same route that the seal industry took. There is absolutely no doubt that this is not just a local trade measure. This is part of a carefully calculated plan. This is the big push."

Let me deal briefly with the economic aspects of the fur trade for Canadians. The fur industry is worth approximately $600 million annually. There is a spin-off of, roughly speaking, $200 million in allied industries like transportation. For the last two to three years, Canadian fur exports totalled approximately $350 million annually, much of that going to the European market.

To put those figures into perspective, are we talking about six companies earning $100 million per year? Are we talking about 12 companies earning $50 million per year? No, we are talking about 105,000 Canadians who earn all or part of their incomes from the fur industry. We are talking about individuals who may earn $1,000, $5,000 or $10,000 per year, people who may have the opportunity to purchase a skidoo or a canoe. More important, we are talking about individuals who may be able to afford to put bread on their tables.

We are talking about aboriginal people. Fifty thousand of the 105,000 Canadians involved in trapping are aboriginal people. More than that, 80 per cent of the retail fur sales in Canada are made through privately owned family run one store businesses. We are talking about 105,000 Canadians who collectively do not want to be part of the welfare system.

Above and beyond the economics of this issue, and much more important, are the social and cultural factors involved with native people and northern communities. As Hon. Members know, in December of 1986, the Standing Committee on Aboriginal Affairs and Northern Development presented the House with a report entitled *The Fur Issue*. The committee heard from many Canadians who depend directly upon the fur trade. At the time that report was prepared we had received 43 written reports and heard 33 witnesses. Among those who appeared were representatives of the Department of Indian Affairs and Northern Development, the Department of External Affairs, the Assembly of First Nations, the Department of the Environment, the Hudson's Bay Company, the Aboriginal Trappers Federation of Canada, the Government of the Northwest Territories, the Council for Yukon Indians, the Government of the Yukon Territory, the Ross River Indian Band, the Inuit Tapirisat of Canada, and the Canadian Arctic Resources Committee.

• (2010)

To native people trapping involves more than simply trying to earn cash income. It implies a unique social, spiritual, and cultural relationship with the land and its resources. In northern communities trapping and trade are the encompassing activities which hold the people together, creating a bond of belonging and providing all of the inhabitants with a purpose. These comments were echoed time and again in our committee hearings.

Page 10 of our report, under Social and Cultural Importance of Trapping, reads:

> Hunting and trapping are not "jobs" for Inuit—
>
> We in the North live the life of subsistence hunters and trappers. Our families contribute to all phases of getting ready for hunting and preparing of skins. Our wives, our children, and our relatives share in the work and the rewards . . . . We as Inuit have always harvested animals as a way of life. In the North the animals, man and nature lived in a harmony that was both cruel and fair to all. At times men and animals starved, and at other times there was plenty. Nature ensured the balance; and the Inuit were an integral part of his life. We have survived for centuries in this area of the country.

We heard from the manager of the Old Crow Indian Band. He said:

> Oh, it would deprive us of our identity, for sure. We still have not had the chance to adapt to any other society or any other way of living. That is where we are now at. We are slowly adapting so that we can create our economy, or create a structure if we have a strong economy. Trapping is a way of life for a lot of people in our community—

May I remind my colleagues in the House that this is not the first time we have been charged with defending our fur industry. Both in 1979 and in 1982 we considered the serious threat and implications of the anti-fur campaign with respect to the seal hunt. At that time the European community banned imports of seal pup pelts as a reaction to a lobbying campaign that was based on an emotional appeal, one which was very shallow in facts. Through an effective use of the media and through sheer sensationalism the animal rights movement was successful. The devastation that was felt by the collapse of our industry, especially in the Maritimes, is well recorded.

Sealing added $19.4 million to the economy of the Northwest Territories in 1981 but this fell to $9.9 million in 1983-84. After the European Economic Community ban on "whitecoat" imports was instituted in February, 1983, the market for pelts of mature seals collapsed as well. In 18 of 20 Inuit communities in the Northwest Territories the annual revenue from the sale of sealskin pelts dropped by approximately 60 per cent. The community of Broughton Island saw its collective income fall from a total of $92,099 in 1981-82 to $13,504 in 1983-84.

Towns have been economically ruined, families have had to move or have been torn apart, and an entire way of life was altered because we were unable to put an effective case forward for our seal hunt. The loss of the seal hunt and what it meant for thousands of Canadians can still be seen today; family break-ups, bankruptcies, needless suicides, alcoholism, the loss of an individual's self-worth, dignity, and sense of belonging. These tragedies we cannot allow to recur.

The impact of the animal rights campaigns and the anti-fur campaigns, particularly those in Europe, have been felt by many Canadians. Our Government, in partnership with the Canadian Fur Institute and other representatives of the industry, has taken steps to address their concerns.

In the past decade we have become increasingly active in the conservation and management of our wildlife, the development of the humane trap testing and design, trapper education, and the education of the public on the trapping advancements which have been made in Canada.

However, it is evident from the ever-increasing and constant pressure being applied by the animal rights groups and anti-fur

lobbyists in Europe on their elected Members that our efforts here are not being fully recognized or appreciated.

The grand chief of the First Nations, Mr. Erasmus, said:

> They are basically trying to change the fundamental relationship between animal life in general and human beings. They are basically challenging our use of fur . . . they are challenging the fundamental relationship between man and wildlife, and they are doing it gradually. They are doing it in a way in which they have learned they can win at this game, and they have sensationalized one aspect of the struggle at a time. They are doing it methodically. They have fanatics in the back of them, but in the front of them they have moderates.

The animal rights groups are unrealistic in their goals and the current movements in Europe. If their goals are met it will undoubtedly be extremely harmful to the many Canadians who depend on the fur industry for their livelihood. What the British and European parliamentarians and public must recognize about our fur industry is that it is the responsible harvesting of a renewable resource.

I raise this issue today because I feel it is extremely important at this time to send a strong message to the British and European Parliaments and public. What the elected representatives are being told through the animal rights lobbying groups are distortions and manipulations of fact. As these interest groups did with the seal pup issue, they have singled out Canada and our export industry as their initial target. The European public is being fed sensationalized videos, billboards, and posters. They are hearing documentaries with misinformation and half-truths.

In this time of need, as Canadian parliamentarians, we must act. I say to my colleagues that we must remain steadfast in our support for the fur industry, in our support for trappers across our country, and in our support for our native communities and people for whom the fur trade is an integral part of their lives.

We are tonight trying to ensure that thousands of Canadians will have the opportunity to continue a way of life which is vital to them and their communities. We must ensure that they have the opportunity to continue what they believe is correct.

• (2020)

In conclusion, I wish to draw into focus what this debate tonight is all about. It is not necessarily about an economic industry, an export commodity, but about individual Canadians, their own sense of being, and about a livelihood and way of life.

Let me leave with the House the thoughts of an elder:

> I have been a trapper all my life. I had a family, but I lost my wife. I am just by myself now. I am 69 years old. I draw the Old Age Pension and I am still trapping.
>
> I have never been to school. I just live in the bush. All I know is how to sign my name on a cheque. I cannot read one word, but I make a living anyway.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I am pleased to rise tonight to speak on this very urgent and pressing matter of the proposed order by the British Government and Trade Minister Alan Clark. He is proposing to bring in an order stating that garments may contain a label saying that some furs in the garment may have been caught in a leghold trap.

It is important to put this debate into context. We are not debating an anti trapping issue, but what is the precursor of an anti fur issue.

When we consider what happened with the sealing industry, with a campaign that began largely on an emotional argument based on little environmental data, we can see what can happen to an industry and the lives of the people involved in it.

Today we are dealing with a $600 million a year industry in Canada that is primarily a family oriented industry. Most retail furriers are small business furriers. The people who make the garments are mostly involved in small family businesses. Then there are the trappers and fur ranchers themselves.

The British Trade Minister said that this proposed order to label furs is a minimal response to a strong so-called animal rights lobby. Let me make the distinction between animal rights and animal welfare. I am sure very few people would disagree that we all must be concerned about the welfare of animals and ensure that animals are treated humanely and not subjected to inhumane treatment as part of our ecology and environment.

There is a strong lobby in Britain against animals being killed for any purpose, including medical research. This can occasionally take comic proportions. For example, in Maclean's on March 21, 1988, in an article entitled "Stocking Canada's Wild Fur Industry", the British humour magazine *Punch* asks whether the next step in the battle over animal rights might come when sweaters suddenly appear on store shelves bearing labels that warn: "This sheep was damned cold without this wool".

It is true that this proposed legislation has a very incremental effect on many products. For example, a product may be labelled that it creates a deterioration of the ozone level because of the way it is manufactured. While this incremental effect may be ludicrous on the one hand, it is also very serious.

The legislation in Britain specifically addresses the leg-hold trap. That is a form of trap used for many animals, but primarily for submersible animals like beaver and muskrat, which are caught under the water by the trap. Therefore, many of the objections to this trap are simply not applicable.

However, it is important to consider this issue from the British perspective. When I visited England a couple of weeks ago, it was clear to me that many British legislators understandably considered this from their own historical and cultural perspective, which was the exploitation of furs.

The history of the fur trade in Canada is that people from abroad, primarily Britain, took as many furs as possible and

depleted the stocks with no consideration for the future. I pointed out that we are not dealing with the trapping or use of endangered species, which is clearly not done in Canada, but about a renewable resource harvesting industry. That is a very different concept from that of the historical exploitation of the fur trade.

Renewable resource harvesting involves utilizing the land, much like a farmer. It is the interest of that person to ensure the resource is maintained. It is an economic endeavour whereby the trapper, in this instance, has a great incentive to ensure that he is running his business well. In some instances, the trapper may leave a trap line for a year, much as a farmer leaves a field fallow for a year. This is a managed industry which harvests a renewable resource.

Many people in Canada as well as abroad, particularly in Europe where there is virtually no wilderness left, romantically revere the wilderness of the northern parts of North America and come to visit as tourists. A viable industry of renewable resource harvesting, such as trapping, maintains the wilderness of which we are so fond and which forms such a part of our Canadian identity. When there is a viable industry on that land there is an incentive to preserve the environment for the development of the renewable resource.

Many trappers in this country are aboriginal people. When the Europeans first came here this industry was one in which aboriginal people could effectively participate. This industry became a way of life and part of their culture, as well as part of the economy.

What are the effects of this labelling on people in the industry? There are about a thousand trappers in the Yukon, over 70 per cent of whom are aboriginal people. I want to quote the President of the Tungavik of Nunavut who also addressed this issue. I think he quite graphically portrayed the interests of his people when he stated:

• (2030)

> Hunting, fishing and trapping remains vitally important to Inuit throughout Nunavut (eastern Arctic). The "land" is our cultural and social bedrock, and is the basis of our economic life for it provides us with food and clothing. Unfortunately there is very little wage employment in Nunavut apart from a few jobs with the Hudson Bay and Co-op stores, which are ubiquitous in our communities, and some jobs with government agencies.

When some people present the fact that these people can do other things and that there are other alternatives, it is important to remember that this issue is not confined to one region of Canada. This industry involves all the provinces of Canada and the two northern territories. It is particularly carried out in the more isolated and rural parts of these regions. It provides a form of regional economy of which there are many alternatives for people to participate in. It is extremely important to remember that that basis of a rural and regional economy has a spin-off effect not just for that particular region but for Canada as a whole in terms of taxes and other revenue and secondary businesses.

I have talked somewhat about some of the alternatives that have been proposed when people say: "Well, trappers can do something else", just as they said: "Well, sealers can do something else". Basically, one of the options that was presented to me when I spoke to some people in Britain was that if Britain is going to pass this kind of legislation then Britain should provide compensation. When we look at that a little more in depth we have to ask what kind of compensation are we talking about. Are we going to give handouts to people? Are we going to make people welfare recipients? What are we going to do? It is just not a logical response to this issue at all.

There is a great concern in the country, and many of us have spoken on it before, about the high degree of unemployment, both in rural areas and in aboriginal communities. By destroying this industry as a result of benign neglect we would simply increase welfare rolls and the dependency of people, thus contributing to the loss of pride that self-sufficiency creates. This would simply add to the social problems that already exist in many rural communities. That is obviously not an alternative.

Other types of development include non-renewable resource development. There is certainly a place for this kind of development in rural and wilderness areas. But we have to think very carefully about that and about the preservation of our wilderness areas as well. I would submit that trappers and that kind of viable economic industry help to preserve that wilderness and that environment, as I have said before.

There are three major groups that will be affected by this labelling order should it go forward. They are the United States, the U.S.S.R. and Canada. Canada will probably be affected the most of the three.

However, there are other groups, members of the European Economic Community, such as Denmark, which have expressed their opposition to this measure because they also see the ramifications of it beyond this immediate so-called minimal response. Denmark has raised this issue with the European Economic Community, and it is being discussed because of the implications for some of the European countries and countries such as Greenland. It is an issue that is not confined just to Canada, although it is true that Canada has been making some of the most vocal statements about it.

I would like to say that the United States could be more vocal. The State of Alaska, which is very much affected by this legislation, in May passed a resolution condemning the British Government for this proposed order, requesting that the proposal be rescinded by the British Minister of Trade and Industry. Its concern hinges on the fact that this is a centuries old harvesting of animals for subsistence and trade. It is a centuries old tradition. It cannot be replaced without severe economic hardships. The State of Alaska has registered its concerns, as has the country of Denmark.

There are options that could be taken by Britain, as well as actions that our own Government should look to. The discussion tonight and today, with all-Party approval, will send an

extremely strong message to the British Parliament about the concern that all Canadian parliamentarians have with respect to this issue. It is my feeling that the Canadian Government should consider asking for, minimally, a postponement of this legislation so that there will be an opportunity for Canada and Britain to discuss it further, and to negotiate some alternatives. My understanding is that it is generally accepted that when countries are about to bring in legislation which may affect trading items with other countries that they consult those countries. My understanding is that Canada was not consulted in this case. I think that we have some ground to stand on to ask, at least minimally, for a postponement of the bringing in of this order.

There is an organization called the International Trapping Standards Organization to which Canada and 17 other countries belong. It seems to me that it is an appropriate forum for those who are concerned about trapping methods to participate and to get agreements among countries about the kind of trapping that would be acceptable. Britain is neither a member nor an observer of this organization. As I said to Trade Minister Alan Clark in Britain, this seems to me to be a responsible alternative.

There are other measures which I think the Canadian Government must consider. I suppose that we could label British products to the effect that their manufacture contributes to pollution. But it becomes a very spiralling effect. I am not sure how useful it is. I suppose that one could get into that type of *quid pro quo.*

There have been suggestions particularly by more private organizations and individuals in Canada with respect to boycotts of goods, trade retaliation and so on. It is clear that those measures would have to be undertaken extremely carefully and within the context of over-all trade relations. Obviously, the United Kingdom is one of our favoured trade partners. We would like to continue in that way. But some form of countervail would certainly have to be at least looked at, I would suggest.

One of the things that the Canadian Government could most usefully be doing is to speak to some of the very large British investors in Canada. I had the opportunity to speak to one of the managers of Canada British Petroleum which has very large holdings in the Northwest Territories and the Yukon, as well as in other parts of Canada. I did so to inform him about this legislation and about some of the reaction that his company might get when it begins to deal with, perhaps, aboriginal groups with respect to leases and so on. This is a measure which I hope the Canadian Government would consider to use in order to inform some of our larger British investors.

While this is an extremely important opportunity this evening to discuss this issue and to bring up the points—and all Members have an opportunity to speak on it to express their concerns and to send this extremely strong message to the British Parliament—I hope that the Canadian Government will be able to present us with some concrete steps that it will be taking in this area.

In conclusion, I would say that we must do something as a Parliament. The matter is urgent. The Hon. Member for Timiskaming (Mr. MacDougall) mentioned the effect on individuals. This is extremely important, whether it is the person who works with a furrier, or a furrier, a trapper or a farmer. If we are not able to do something about this, what will we tell people such as Alarja Harper who is in his seventies now, an Indian from the Yukon who gave up his Indian status to go to fight in World War II for the freedom of this country and for the freedom of Britain? When he came back, he did not have a vote. He did not receive land as a veteran. He returned to trapping, and he is still trapping. What do we tell Elijah Smith? What do we tell Charlie Peter Charlie, also in his seventies who is from Old Crow? He and his grandsons continue each year to participate in this. What do we tell them if we let it go by? We cannot let it go by.

• (2040)

What do we tell the many, many families? I spoke to a number of them this past weekend in my riding in the Yukon. Those families are reliant on this industry both for their economic welfare, their cultural and traditional heritage, and for their family. In several instances that I am aware of, it is interesting to note that the courts, in lieu of sending someone to prison, have looked at the particular case and decided that prison will not work for that particular person. What we will do is send this person out on a trap line with his uncle or his cousin. This will be a way to teach him a skill, to teach him how to work, and it will be culturally appropriate for that person, and it will contribute to society.

In conclusion, this is an extremely important discussion tonight. I hope that we can see some concrete action taken out of it, and that it will send the strong message that we wish to to British Parliamentarians.

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I am personally pleased that the two applications for this special debate were allowed this afternoon by His Honour. I wish to commend my two colleagues, the Hon. Member for Timiskaming (Mr. MacDougall), and the Hon. Member for Yukon (Ms. McLaughlin) who were responsible for initiating this debate. In participating in this evening's debate, there are three points that I wish to make, time allowing.

The first of these points is that the Canadian fur industry is a legitimate industry. It is unjust and it is wrong that it should be crucified by the misguided animal rights movement which is so active in the United Kingdom and other parts of Europe.

The second point is that the fur industry is of particular and special interest, concern, and importance to the aboriginal peoples of Canada, as well as aboriginal peoples elsewhere, such as Greenland and the State of Alaska.

My third point would be that threats to the fur industry from the animal rights movement and what it stands for, and now supported in part by the United Kingdom Parliament at Westminster in its labelling legislation, should be vigorously and effectively counteracted.

Let me begin then on the question of legitimacy. I believe, Sir, that trapping has always been and should remain an essential part of the cultural and economic life of Canada. The Canadian fur industry is worth a great deal to this country. It is probably worth approximately $600 million annually, and then one could add perhaps $200 million more to that figure if one takes into account the other industries it supports. This country earns $350 million from the export of fur products. Our main market for those exports is Europe.

In Europe there are problems which are looming and lurking. European buyers of fur products are becoming hesitant. Part of the reason for this hesitancy is the successful efforts of the animal rights movement in influencing consumers in the attitude that there is something wrong in purchasing, wearing, and using a fur product. We are beginning to feel the effects of this in Canada. For example, fur prices this year dropped by approximately one-third over last year. Some trappers are abandoning their activity, just simply giving it up. But I emphasize to you, Mr. Speaker, that the fur industry is a legitimate one.

Trapping is another name for wild life harvesting. Here we are harvesting a renewable resource. An essential aspect of this harvesting activity must be that of conservation. Countries such as Canada which harvest wild fur simply cannot afford to be derelict in the protection of those animals. Fur bearers are harvested under sustainable yields in order that wildlife populations are in fact growing steadily.

When the Standing Committee on Aboriginal Affairs conducted its hearings which led to the issuance of the document known as *The Fur Issue*, we learned that fur bearing populations in Canada are at least as high, if not higher, than they were when Europeans first came to this continent. No Canadian fur bearers are now being trapped which belong to any catalogue of endangered species. The trapping of all other species not on the endangered list is carefully and closely monitored by provincial wildlife biologists.

It is not the wise harvesting of fur-bearing animals which is a threat to their existence, but rather it is the loss of their habitat which is the threat. The loss of habitat is as a result of many other of man's activities. For example, the development and expansion of cities, the building of super highways and airports. That is far more a threat to wildlife than is harvesting or trapping of animals.

It is tragically unfair to select trapping and the use of fur as being illegitimate when so many other of our activities are deemed to be acceptable. We use the earth and its resources in so many ways, all deemed to be acceptable ways. Sometimes in the process we pollute and we destroy. The trapper must live in harmony with nature. By definition he or she must be a strong environmentalist. They must be a conservationist. After all, if the environment in which they function and earn their living is destroyed, if all of the species that they trap were to be killed off, then it is the trapper who suffers the consequences and becomes poorer as a result. It is accepted in Canadian society that we use but do not abuse animals. We use animals in a great variety of ways for food, for clothing, for recreation, for medical research, for pampered pets, and sometimes, not as often now as in the past, for work.

Just listen, Mr. Speaker, to Chief Georges Erasmus, head of the Assembly of First Nations, testifying at the Committee on Aboriginal Affairs. He said: "I see everyone here is wearing shoes. We are all wearing leather. We may not be wearing fur as the Inuit wear it, or as the Dene and other fur-wearing original cultures use them, but we use them in a more sophisticated fashion. Most of us will eat steak sometime this week. It might be beef, it might be lamb. Most of us will eat fish sometime this week. We are not all living on vegetables and called vegetarians".

In our use of animals, it is always recognized, as the Hon. Member from the Yukon pointed out, that we are not allowed to be cruel to animals. In fact, the Canadian Criminal Code makes it an offence to wilfully cause unnecessary pain, suffering, or injury to an animal. Regarding the method by which animals are trapped, more and more in Canada, acceptable, humane, trapping methods are being developed and utilized.

• (2050)

Listen, for example, to Mr. Art Lalonde, Executive Manager of the Canadian Trappers Federation. He said before the committee:

> I believe Canadian trappers have developed the most efficient and humane trapping methods in the world today. We are genuinely concerned with wildlife conservation. We have a good record and should be proud of it. This does not prevent us from trying to improve and we are constantly working at it. We must remember that the sealers were not defeated because they lacked any of this. They were defeated by public opinion, manipulated by the same people who were out to get us.
>
> The key to our survival is making it known to the general public that we use humane methods and that we are concerned about the way trapping is done. The person buying a fur coat must be convinced of that. It can only be achieved by public information through communication.

The lurid scenes presented by animal rights activists are, as a rule, a long way from reality. Some of the advertising that can be seen on British television borders on the obscene and ridiculous, scenes such as those which depict blood oozing from a fur coat worn by an attractive model. I would like to share with you, Sir, the view of one trapper who saw one of these films depicting the cruelty of trapping. This is how he testified before the committee. He said:

> I watched that tape and I looked at it and the person on the tape set a trap. He had on brand new pants—still creases on them—brand new snowshoes, a brand new shirt; and he set the trap with his bare hands in the warm weather, sun shining, the tree with no frost on it.

He set it under the tree in order to catch the animal. The animal was still alive. If you do that up here, your hands are going to freeze to the trap. They just made that movie to create more illusions and more arguments on their side.

By "up here" he meant the North.

Fur has been targeted by the animal rights activists and I suppose one reason is that a fur coat is thought of as being a luxury item; here is a way to get at the affluent or the rich. In part it is a luxury item, that is true, but it is also in my view a very wise purchase. It is a long-lasting garment. It is warm, lightweight and easily altered, and in cold climes there can be no better investment in comfort and good appearance than to have a good fur coat. That is why so many Canadians make the effort to make the purchase and why the product has been so popular among European buyers.

I believe if furs were more widely used and everyone recognized their utility, then the animal rights activists would have to choose a different target altogether. They are unlikely to get much support for a chicken or fish boycott. There are few who are ready to give up eating beef or lamb or the wearing of leather shoes and jackets, so they pick on fur. I would like you to listen to the very frank testimony give before the committee by Stephen Best, Vice-Chairman of the International Wildlife Coalition. He was describing for the committee the tactics of the animal rights group of which he is a member. He said and I quote:

If the international public was in full support of the fur industry and we were no longer able to raise funds to deal with the fur industry, we would definitely then shift over to whatever animal area we could raise funds to address. There are many animal issues.

It is estimated that about 105,000 Canadians earn all or part of their income from the fur industry. Of those, approximately 100,000 are trappers. Of that number, 50,000 to 60,000 are aboriginal people. The majority of trappers in this country are aboriginal people and that brings me to my second point.

The fur industry is of particular and special importance and concern to the aboriginal peoples of Canada. Opponents of the fur industry have promoted the myth that what we are dealing with here is a large, monolithic industry. This is a holdover from the fur trade days when the Hudson's Bay Company and the Northwest Trading Company were virtual monopolies in Canada. Today the fur industry is made up of small, generally family-oriented businesses, composed of trappers, ranchers, marketers, processors, artisans and retailers.

Trapping is vital to the aboriginal subsistence economy. Not many Canadians are aware of exactly what the subsistence economy is. Subsistence means a great deal more to aboriginal people than simply getting by. It has a very definite cultural aspect to it. Here is a member of the Old Crow Band in Yukon talking about subsistence. He said:

Subsistence means we like to trap, we like to hunt and we like to fish and live with the land and in harmony with the land and off the land. As one person said, we do not live up here for nothing. So, with that, we also have a lot of hard work to maintain our way of life.

Indigenous Survival International is an organization set up to relay the indigenous trapping message overseas. It was established to protect and promote indigenous harvesting rights and to maintain and promote a market for aboriginal fur products. It represents about one and a half million aboriginal people living in Canada, Greenland and Alaska. Indigenous peoples themselves are rightfully taking the leadership in protecting their harvesting rights. I want to quote from an interesting document put out by that organization which talks about the land as their life:

In the arctic and subarctic we make our living off the land. The growing season is short and the soil poor in nutrients. We must hunt to survive.

We hunt, fish, and trap as a way of life that has allowed us to survive for thousands of years in this harsh and delicate environment.

For generations our people have lived in balance and harmony with nature. We respect the land and it has served us well. We are part of the land and we are a natural part of the ecosystem.

My final point is that threats to the fur industry from the animal rights movement, now supported in part by the Parliament of the United Kingdom at Westminster through its proposed labelling legislation, must be vigorously and effectively counteracted by every possible means. It must be done by encouraging and giving support to Indigenous Survival International. It must be done by raising this issue at the Economic Summit in Toronto. Today in the Standing Committee on Aboriginal Affairs we voted unanimously that additional copies of the fur report that I mentioned earlier be printed and available for distribution in Toronto at the Economic Summit as requested by the Government.

The other way in which we can get the message to Great Britain and Europe is by means of the debate which is taking place in the House tonight. During the debate on the patriation of our Constitution the British Parliament made a great deal about its concern for aboriginal rights, but in my view this proposed labelling legislation flies in the face of that concern.

I have received many letters from my own constituency, the James Bay Trappers Council for example, written to the Prime Minister (Mr. Mulroney) urging him to lead the way in indicating to Great Britain that the action they are proposing is totally unacceptable. In Yellowknife in the Northwest Territories and in the Yukon there are proposals that we start boycotting British goods if this action goes through. I agree with the Hon. Member for Yukon that this kind of spiralling approach is counter-productive and no one wins.

• (2100)

I conclude by repeating that the fur industry is a legitimate one. It is of vital importance to the subsistence economy and culture of aboriginal peoples. The British Government must reconsider its ill-advised action. Passing this Bill in the British Parliament will do nothing at all to enhance Canadian-Anglo relations which many of us continue to value highly, especially those among us who see the Commonwealth of Nations as being a force for understanding and good will in a world which is too frequently hostile and violent.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I want to begin by congratulating the Hon. Member for Timiskaming (Mr. MacDougall) and other Members of this House for seeking this emergency debate and to express my appreciation and that of the Government of the Chair's decision to have a debate on the matter of the proposed British fur labelling regulation. The Prime Minister (Mr. Mulroney) and I have raised this matter directly with British authorities and it will be very helpful to us and to the country to have this debate on record in the House.

As I said here in Parliament on February 10, this Government reacted immediately to the British proposed regulation and very strongly declared our intention to fight it. I am, therefore, pleased to spell out the Government's position on the issue and at the same time help to send a clear signal of the unanimous concern of Members of this House to the British Government. This has been so far if I may say so, Sir, an excellent debate. I hope not only will it continue in that tone but that its contents will be read by parliamentarians in Britain, by Members of the British Government, because what we have here tonight are individual Canadian Members of Parliament, from all of the regions of this unique country expressing concern about an economy and very much about the Canadian tradition and our way of life.

I should stress from the outset that the preservation and enhancement of the environment is not at issue here. Canadians do not need to be read lessons on the care of our natural heritage, including our wildlife. Trapping, hunting and other harvesting are closely monitored and weighed against their environmental impact. The Canadian fur industry has co-operated fully with federal conservation authorities and with the provinces and territories in ensuring that the balance is maintained between different species of wildlife and their habitat.

The British Government, to the best of our knowledge, does not contest this fact. Yet, there is a groundswell of sensitivity in Europe for the animal welfare movement which tends to propagate willfully or unwillfully a false picture of Canadian wildlife management. The current crusade by organized animal groups in Europe, the United States and Canada aims at banning trapping and particularly the use of leg-hold traps.

What is really at issue here? The real issue here is whether an historic and legitimate trade on which important segments of our aboriginal population depend for their livelihood can arbitrarily be destroyed as a result of unsubstantiated accusations. Let me cite, Mr. Speaker, a few figures on what this means for the people of Canada, particularly in the North. Fur is, of course, a billion dollar industry in Canada. But for many people it is much more than an industry. It is the only way they can gain their livelihood. This question is not just about animals, this question is about people, how they respect their traditions, how they maintain their lives and how they build and sustain their communities.

Trapping accounts for approximately 50 per cent of our fur harvest. It employs over 100,000 people of whom at least 50,000 are from native communities. Therefore, the imposition of this regulation will seriously affect 50,000 native Canadians whose sole source of income in many cases is from the traditional occupations of hunting, trapping and fishing. Trapping provides or supplements income for thousands of Canadians in rural and remote regions where, very often, there is little alternative employment or only seasonal work. The fur industry is characterized primarily by small family run operations at all levels of the production chain.

Since 1980, the number of furs sold has declined, yet the yearly average value of furs exported from Canada is approximately $350 million. Europe currently constitutes the second largest market-place for Canadian fur products with total recorded sales of $150 million in 1987. The United Kingdom was second to West Germany among our European markets. It is clearly possible for an action of the British Government to disrupt the livelihood of hundreds of small Canadian communities. That is what we are here tonight seeking to avoid. That is why this Government has steadfastly rebutted the arguments of the British opponents of fur trapping while, at the same time, pursuing proposals for international standards of humane trapping which would meet any legitimate concern.

[*Translation*]

Mr. Speaker, this is not a marginal market. However, the paradox here is that most operators on this market belong to a minority whose economic activity is constantly subjected to unfair criticism.

Canadian representatives met their European counterparts in April to keep them informed of Canadian concerns. Ministers from the Northwest Territories visited Great Britain to explain the impact the measures proposed by the British might have on our northern communities. The Office of our High Commissioner in London has been in touch with all levels of the industry in Great Britain. Members of this House have spoken directly to and corresponded with British members.

At the Cabinet level, my colleague, the Minister of Consumer and Corporate Affairs (Mr. Andre), raised the matter at recent talks in London. Personally, I also raised the subject in the course of bilateral discussions with Sir Geoffrey Howe. After these meetings, it was clear to all concerned that unjustified action that could be seriously damaging to Canadian communities could not but have a disastrous impact on our relations. The Prime Minister (Mr. Mulroney) discussed the matter during his conversations with Mrs. Thatcher, who said she wanted to obtain more information on the subject.

[*English*]

I hope, Sir, reason will prevail and Mrs. Thatcher will see to it that the proposed regulation is not adopted by the British Cabinet. But we need to remind ourselves and our British friends of some basic facts regarding trapping in Canada.

Trappers, industry and Governments within Canada support the development and the use of humane trapping systems. Canada is a world leader in the research and development of humane trapping standards as well as in trapper training to ensure conservation of resources, the best use of fur and high quality fur products.

No endangered or threatened fur-bearing species are trapped in Canada. The fur trade today is solidly based on the responsible use of a renewable natural resource. This is true for both farmed and wild furs.

Both for Indians and northern communities generally, trapping represents an integral part of a special way of life. Trapping is a vital element in the tradition and culture of many of Canada's rural and indigenous people. Its roots go back to the days of the early fur traders of the Hudson's Bay Company and the continuity they represent with modern times.

Native groups, territorial and provincial Governments and members of the fur industry have all approached me to express their legitimate concerns. There is an indisputable unanimity here which cannot be ignored. On this basis, and in full appreciation of the strong expressed willingness by the fur industry to adopt even more humane trapping methods, I want to take the opportunity in this debate to emphasize again that there is a constructive and positive alternative to the labelling requirement. Canada has made a very serious proposal that nations work together to establish humane trapping standards.

Therefore tonight I want to reaffirm our early proposal for the creation of an international humane trapping standards committee in which the United Kingdom, as well as Canada, the United States and other countries with pertinent fur interests might participate together. This would allow our friends across the Atlantic to be part of the humane trap development and monitoring process on an international scale while assisting the Canadian fur industry in continuing to ensure the further growth of an industry that is ecologically sound. That is a constructive way to achieve the goal of some members of the British public without disrupting Canadian traditions, without destroying Canadian communities.

• (2110)

We have learned much about morality from Great Britain in the course of the history of this country. Our respect for the integrity and the fair-mindedness of British institutions and British Governments is too great to permit the thought that in the name of morality, they could seek to secure the immoral consequence of destroying an industry of hard working people, an industry conducted in harmony with nature. It is our hope, on the contrary, that British authorities and authorities in other countries will join with us in developing new standards of humanity for the industry which will gain acceptance in all countries that originate furs and that utilize furs.

Some Hon. Members: Hear, hear!

Mr. Jack Harris (St. John's East): Mr. Speaker, on March 5, 1979, the former Hon. Member for St. John's East, who is now the Lieutenant Governor of Newfoundland, moved a motion under Standing Order 43 that this House reaffirm the right of Canadian sealers to go about their legitimate pursuits under the strict supervision of the Government of Canada and the Canadian Federation of Humane Societies free from harassment and interference. All Members present in the House at that time agreed to that motion.

A similar motion was agreed to on February 9, 1982. There was all-Party agreement to the continuation of the seal industry in Canada in the face of protests and opposition from the same kind of people who are now pursuing the fur industry with the same vigour. My fear, and the fear of other Hon. Members, is that the same results might ensue.

Today, there is no real commercial seal industry in Canada, and this has been as a result of the actions taken against that industry and against Canada by the immoral vilification of Newfoundlanders and Canadians who go about the legitimate business of working with animals and harvesting animals as a part of the traditional way of life Canadians have had for centuries.

We need more than simply an all-Party agreement to a motion in the House. We need serious action on the part of the Government to do more than just make pious arguments to the British Government which, unfortunately, is about to take action against the Canadian fur industry.

This is not just a response to concerns about the leg-hold trap. It is not only the wild fur industry that will be affected, although that industry will be seriously affected. In Canada, there are large ranching operations. In Newfoundland alone, there are 120 silver fox farms and 15 mink operations. These operations bring in in excess of $1 million at the farm gate, not counting the spin-offs to feed and other related industries. That part of the industry depends as well on the international market. All fur will be affected by the insidious action being proposed in the United Kingdom.

It is proposed that labels be required to say: "This garment may contain furs caught in a leg-hold trap". That affects the entire fur industry, whether it be the wild fur industry or the ranched fur industry, a very important part of the lives of many communities, individuals and families in Canada.

Very similar to those involved with the seal hunt, these are individuals, families and aboriginal peoples who depend upon this industry for their livelihood and who have very few other alternatives. When the sealing industry was destroyed by international actions and by boycotts in the U.K. and the EEC, many Newfoundlanders suffered a loss of income and a loss of self-respect and pride from not being able to earn an income. In other parts of Canada, there were far more serious consequences.

For example, on Broughton Island, a community in which Inuit hunters harvested more seals per capita than any

community in the world before the European ban was imposed, eight of the community's 60 teenagers have taken their own lives in the last two years and a dozen more have tried and failed. This is the effect of such action on communities that are devastated by economic losses suffered because of the destruction of a traditional way of life.

The truth is that Canada trying to take the high moral ground, suggesting that we are humane in our trapping methods, has promoted more than anything else the research and development into proper methods of animal harvesting, but these actions have not worked. We have to recognize that in a sense, it is the tip of the iceberg to suggest a minor labelling program, something the British Government calls a minimal response to the demands of its people. The actions being taken in the U.K. will affect proposed legislation throughout the European economic community.

The EEC's environmental and animal welfare committee will be meeting in the near future to discuss various proposals relating to the fur industry. These include proposals to tag furs from all EEC countries, to ban the use of the leg-hold trap in Europe and to extend the present ban on the import of white coat and blue-back seal products to cover all seals up to one year old.

We have moved from the very emotional issue which was predominant several years ago, the banning of the white coat seal harvested in Atlantic Canada, to another one. That issue dealt with cute, pretty seals who were cute and pretty for three weeks and were easy to use in fund raising efforts and to create emotional responses. The farther one got away from the realities of making a living in Atlantic Canada, in rural Newfoundland and in the far North, the more sympathy was generated for the kind of measures that were being taken.

We require a very serious action on the part of the Government, not merely action to let the international community know that we are good guys when it comes to humane treatment. Those sentiments fall on deaf ears. We have to spend money and resources to ensure that the people in the United Kingdom know that we take seriously their attack on the rural people of Canada, their attack on the relationship our communities have with the natural environment around them, their attack on the opportunities available for the people of rural Canada to make a living. They are showing incredible hypocrisy in their countries in relation to the use of animals. Every country in the world makes use of animals in the way in which they live and pursue their economic destiny, be it wool in clothing, silk scarves or neckties, or leather shoes or belts. All these items come from animals. One could label a steak as having come from a cow that was shot between the eyes, or a pork chop as having been produced by slitting the throat of a pig. People who live in the cities or far removed from the realities of life do not concern themselves with from where these products come.

• (2120)

The reality is that human beings live with the animal kingdom and make use of the resources of nature. We have to do that in order to maintain our existence on this planet.

We need more than all-Party agreement that this is a serious issue. We know that this is a most serious issue for the aboriginal people of Canada, rural Newfoundlanders, and all people trying to make a living harvesting animals. That message must be put across in a most forceful way, not only through diplomatic channels but through the efforts of the Government and all parliamentarians. We must ensure that the British Parliament is well aware of the serious consequences which their previous actions caused for the sealers of Newfoundland, the aboriginal people of Canada, and the communities of Canada.

I call upon the Government to renew its commitment and to start acting on its commitment to the sealers of Newfoundland to respond to the recommendations of the Malouf Commission, which have yet to be implemented, in terms of support for the rebuilding of the sealing industry in Canada. We need an active demonstration that the Government will fight for the preservation of the culture and way of life in communities which depend on fur farming, trapping, hunting, and on fishing as well.

If we allow these kinds of attacks on the way of life of Canadians to continue, we will see no end to the bans, impositions, and strictures on our way of life. We have to make it clear that there will be consequences for countries which take such actions against Canada. It will require such a tough response from the Government of Canada to hold back the actions being proposed in the United Kingdom, mainly supported by those who themselves make use of animal products at all stages of their daily lives.

They have as their goal not only the attack on a particular type of alleged cruel activity, but in fact wish to ban all use of animals by humans and will ultimately destroy many communities in Canada. The banning of the seal hunt destroyed not only the communities but the lives of those affected by a high suicide rate and increased inactivity, leading to alcoholism, desperation, and no possibility of carrying on in a dignified manner to pursue the way of life they had pursued for many generations.

I call upon the Government to be forceful, to act strongly, and to leave no doubt in the minds of all parliamentarians in the United Kingdom that Canada means business on this issue, that we will not allow this industry to be hurt the way the seal industry was hurt, and that we will take forceful and appropriate action against the U.K. if it goes ahead with this proposal.

Mr. George Baker (Gander—Twillingate): Mr. Speaker, I would like to say only a few words on the subject being debated in this emergency debate this evening. It was rather interesting to watch the Secretary of State for External Affairs (Mr. Clark) stand in the House a few moments ago and say

that he discussed this question with Sir Geoffrey Howe, that the Prime Minister (Mr. Mulroney) discussed it with the British Prime Minister, and that the officials discussed with the officials.

The Secretary of State for External Affairs said absolutely nothing regarding retaliation by this Government if the Cabinet of Britain goes ahead with this resolution. He should have said that they would tell the British to forget their submarine contracts if they go ahead with this resolution before the British House.

However, he did not say that. The Government is going to lay back again and, this time, allow the British Parliament to run all over it like the Government of France has run all over it. I suppose one could say—

Mr. Turner (Ottawa—Carleton): This is a non-partisan issue.

Mr. Baker: The Hon. Member says that it is non-partisan. There is nothing non-partisan about this issue whatsoever. I am going to be extremely partisan. The NDP may not like what I am about to say, either.

At least the Government of Canada can announce, at this very moment, what it intends to do in retaliation if the British Cabinet goes ahead with the resolution it has under consideration. They did it to us with the seals and they are going to do it to us again with our trappers.

There are 105,000 people employed in this country, directly or indirectly, partially or full time, in the fur business. We had $600 million of trade with Great Britain in 1985, plus $200 million in transportation costs with Great Britain. The Government will do nothing. It will let things slide as it always has.

It was this Government which turned around only a few months ago and announced that it was official, that no more would white seals be killed in Canada, that it was illegal to kill the whitecoats. The Government announced that without saying why it had taken that move.

• (2130)

They should be ashamed of themselves, especially Members from Atlantic Canada—

Mr. Forrestall: Tell me about Roméo Leblanc? Where is he from? Where was he when all this started?

Mr. Baker: Let me get down to a few facts.

Mr. Forrestall: Tell us about Roméo.

Mr. Baker: The Hon. Member will have a chance to speak in a few moments. I hope he does so, but I am sure he will not. He does not want to stand in the House for 10 or 15 minutes and put his thoughts to paper because he does not have any.

Mr. Forrestall: Where was Rompkey when this problem started? Where was Leblanc?

Mr. Baker: Let us deal with the question before the House. The seal hunt in Newfoundland was—

Mr. Forrestall: Where was Don Jamieson when these problems started?

Mr. Baker: The seal hunt still continues in several areas of Newfoundland today.

Mr. Forrestall: Where was Rompkey?

Mr. Baker: Mr. Speaker, there is a Member talking across the way. Could you bring him to order? He is getting on my nerves.

Mr. Forrestall: You do not like the truth, eh?

Mr. Deputy Speaker: The Hon. Member for Gander—Twillingate (Mr. Baker) has the floor.

Mr. Baker: At the beginning of the seal hunt issue there were several groups that supported the organizations that were opposed to the seal hunt. There were several Members of Parliament who stood in their place in the House and demanded an end to the seal hunt back in the early 1970s.

A lot of money was collected in Canada itself for organizations like Greenpeace and the International Fund for Animal Welfare Incorporated which was situated in St. Laurent, Quebec, at 1505 Lapine Street, to be exact. It is a matter of public record that some Members in the House at that time supported what the opponents of the seal hunt were doing. It is a matter of public record that they included Conservatives and New Democrats.

However, I do not believe that any of the political Parties agree with banning the seal hunt today. Each Party has passed a resolution in support of the sealers of Newfoundland and Labrador.

There are approximately 3,000 sealers in my riding, which stretches along the northeast coast of Newfoundland. There is the outrageous situation today in which thousands of these men go out and still get their seals but can only sell the meat. There has always been a seal meat cannery in my riding that employed some 100 people during that time of the winter. Of course, some of the seals are still killed today but only for the meat because the pelt is no longer in demand.

The Government still has not answered as to why there was initiative to do exactly the same thing with the seal pelts when similar action was being taken as they were being shipped overseas? Perhaps that is the biggest fault of Governments that had to deal with the problem in those days.

Mr. Forrestall: Where was the Liberal Government in the 1970s? What were you doing? Tell us about that.

Mr. Baker: I hope the Hon. Member will tell us what is on his mind. He has not spoken in this House in about 10 years. Maybe he will give us a speech in 10 or 15 minutes.

Mr. Forrestall: Tell us about Rompkey.

Mr. Baker: The Government should address this issue before the House tonight by retaliating against the Government of Britain. If it were doing its job, it would tell Britain to forget about a nuclear submarine contract. It could spend the $8 billion on daycare or allocate it to a special program for students who are trying to work their way through university.

Why is the Government not prepared to take this action? Perhaps it is because the friends of the Government are with the PR firms and lobbying firms that have contracts with the British. For example, GCI was recently hired to represent the Government of Great Britain in lobbying to sell its submarines. Perhaps that is why the Government will not deny the British any opportunity for a submarine contract.

My colleague who began the debate for the Official Opposition stated that the bottom line of the debate was that there should be a solution to the long-term problem. Perhaps we should be trying to develop a market here in Canada and to do with the pelts and fur what is being done in other parts of the world.

Perhaps the most disgraceful aspect of this debate is that there is no such thing as a leg-hold trap in use in Canada today. It is illegal in Canada and has not been used here in 10 years. Yet the Secretary of State for External Affairs stands in the House to say that he spoke to Sir Geoffrey Howe and that the Prime Minister spoke to Mrs. Thatcher about this problem. I hope he informs them that the leg-hold trap has been illegal in this country for the last 10 years.

I am sure that all trappers and all sensible people who know and are concerned about this issue are calling on the Government of Canada to say how it will retaliate if this resolution is passed by the British Cabinet.

Mr. Bob Brisco (Kootenay West): Mr. Speaker, I listened carefully to Hon. Members from all Parties. I just heard the unfortunate speech of the Hon. Member for Gander—Twillingate (Mr. Baker), who decided to interject with political rhetoric about a vital issue.

He brought the level of debate down to a new low with his typical "Twillingate-isms" from Newfoundland. It is unfortunate that he could not have used the same style and quality as the Member from the New Democratic Party.

My concern about this issue of humane traps relates to my lifetime of outdoor interests. It goes back to 1974-79, during the period that I served on the Standing Committee on Indian Affairs and Northern Development. At that time the Standing Committee had the opportunity, on an annual basis, to review the report of the Federal-Provincial Committee for the Development of Humane Trapping and the development of a humane trap. That committee was a creature of the Liberal Government. It laboured long and hard to invite the trappers of Canada to send in their inventions for a humane trap and have those inventions tested.

• (2140)

This is now operated by the Fur Institute of Canada. The traps are now tested in Vegreville, Alberta, at the Environmental Research Centre run by the Alberta Government. Therein lies one of the problems which we face. The annual budget for the research centre at Vegreville is around $600,000. I suggest that if this nation has the capacity to put into space on a U.S. space vehicle something that is so vastly advanced in technology as the Canadarm, surely we have the inventiveness and the funds to develop a very precise and effective 100 per cent, "no problem whatsoever", humane trap.

In the minds of trappers there are, of course, precise traps for precise purposes for precise animals. In the minds of average persons, for example someone living on Bay Street or Bloor Street in Toronto, or anywhere else in a big city in Canada, a trap is a trap and an animal is an animal. They really do not make any differentiation as to how an animal is caught and how it dies.

What is the purpose of testing the mechanisms in Vegreville? Is it to provide a trap that will provide an instant kill for, say, a marten, a fisher, or a mink? What is instant? One minute, two minutes, a maximum of three minutes? That is pretty fast.

There are other traps such as the leg-hold trap. We heard the Hon. Member for Gander—Twillingate on the wrong track on that issue. Recently there has been some extensive testing conducted at the University of Minnesota on behalf of the Canadian Government and the Fur Institute of Canada to develop and determine the kind of pressures that there are on foxes in terms of emotional stresses and strains with the new type of leg-hold trap. Those tests have been very positive. Indeed, the tests show that any fox in a wild state has more pressures, more stresses, and different kinds of environmental strains on it which occur after the first 20 minutes in this revised, modernized, and scientifically developed leg-hold trap.

It cannot stop there. What this debate is really about is not what has happened today in Britain or is happening today in Britain; it is what is going to continue to happen and what has already gone on before, going back to the 1970s, going back to the birth, the spawning of the Brian Davies of this world and all of that ilk.

I refer to the animal rights peoples and the animal rights funds that sought millions of dollars and received millions of dollars in support of their efforts to bring a stop to the legitimate seal hunt of Newfoundland. What did they gain? They gained all kinds of gold to line their own pockets. There was not one receipt, not one financial statement, not one membership card—nothing. Ask Brian Davies. He will tell Hon. Members that it was the best thing he ever did in order to earn money. That is where that group is coming from.

Where has it gone? Where has it gone from that point? What is happening here in Canada? The European Economic Community and the European Parliament were the ones who initially torpedoed the fur seal. They are the ones who made the political decision to ban the fur seal in Europe. It was a decision that was based purely on politics and not on facts. They had the facts. They knew the facts.

However, it has gone beyond that. We now see the European Parliament busying itself with precise measurements for chicken coops. We must have a precise space for a laying hen. We must have a precise space for a broiler chicken. We must have a precise space for a pigpen, and a precise space for a cattle pen. That is where it is going.

Where else is it going? I was given a document recently, printed by an animal rights activist group, an extremist group. What did the document contain? In chapter and verse it laid out the manner in which to burglarize, terrorize, destroy vehicles, or break and enter a lab or a university. It sets out how to break and enter a zoo, or any facility. It sets out how to destroy the vehicles that may be there and how to run a car off the road. It tells one how to stretch a heavy steel cable painted black from one side of the highway to the other. What happens then? A car coming down the road strikes the cable, slides along the cable and off the road, and it is out of one's hair. That is the nature and the extreme to which these animal rights movements are headed. They are not out simply to vandalize a Dixie Lee chicken or a burger joint because they have meat or because they have chicken. Mr. Speaker, you are going to say: "You are really getting into extremes here". The fact is that those extremes are there. They are with us. That is what concerns me.

When we come back to Canada and trapping today, we see that we are making improvements in the development of humane traps. Two of the traps that have been tested at Vegreville come from my riding. I refer to the spillet trap or ymir trap and the kanya trap from the Slocan Valley. A gentleman of 70 years of age tested and tested his traps for a very long time and then developed them to the point that they could be tested at Vegreville.

I go back to the point that we are only spending $600,000 per year on the trapping fraternity of Canada, on all those indigenous people and their way of life, and that is all we are prepared to lay out. It goes further than that. It is not just trapping. It is hunting. When the animal rightists have succeeded in altering that milieu, that type of environment, then they will move on to fishing. I ask Hon. Members: "Do not think that that is some kind of idle suggestion?" It has already been espoused by the guru himself, Brian Davies.

What is needed is a plan that has been well thought out, well worked out, a plan that pays attention to the balance of our ecology.

The people who are hurt the most in all of this are the people who can least afford it. What we have are the animal rights people attacking, for example, the indigenous people, but not necessarily. They also attack the trapper, the hunter, that element of society. Once successful they remove them. Successfully removing them for what—for industrial development, for that pipeline that might otherwise not have been approved, for that large industrial complex that might not otherwise been approved because there were several trappers there, tribes, or groups of indigenous people. We have got them out of the way because we have removed from them their lifestyle. That is what the animal right movement accomplishes or can accomplish. The philosophy of the animal rights movement can then unconsciously serve the interests of the developer rather than the indigenous peoples of this country.

• (2150)

It is the British who have the fox and the hounds. It is the hounds that tear apart the fox. They tear it to shreds after they have chased it to death. That society condones that. At the same time it seeks to impose its will upon us while it subscribes money to hedgehog hospitals. What a mockery.

It is the reality of today that we provide a system of understanding. We should be prepared to invest substantially in the education of Canadians and also of people of other nations about what Canada is all about—that huge land of mystery with only 26 million people who must live off the land and have lived off the land since the day that the indigenous peoples arrived along the Arctic shores.

Today, at the Standing Committee on Aboriginal Affairs and Northern Development, I had the privilege to move that 5,000 copies of that committee's excellent publication in 1984 be published. On reconsideration, that was increased to 10,000. The committee has approved that. Earlier today, in response to a question that I put, the Minister indicated his support of that publication, with the view in mind of the European press, the world press at the Economic Summit, having an opportunity to receive a copy of that excellent publication. It is the creature of a great deal of work by the Standing Committee on Aboriginal Affairs and all its members in 1984. I am proud to have played a small role in that regard. In March, I was also pleased to have the opportunity to discuss those concerns on animal rights and where the fur trade was heading with colleagues in the United States—a couple of Senators and a couple of Congressmen—with a view to developing an over-all plan required to offset the negative, damaging, and deceitful impact of the animal rights movement.

Therefore, I urge the House to consider the development of a long-range plan in terms of the explanation, the understanding, and the acceptance of trapping. In that context, we must start in the schools. In the same context, we must move to a better understanding of hunting, the balance of nature, and how that works.

It is interesting to note that the provincial Ministers have shown an interest and concern in coming together to determine what they as Ministers of the Environment or Ministers

responsible for wildlife may do to assist Canada in the development of a master plan. It will take a great deal of work and money. There is nothing very sexy about someone in a white fur coat being shot on the street and thrown over a pack horse to demonstrate that this is what happens to the animal. It has a great deal of shock and audience appeal in the context of shock.

We must take a lesson from such people as Allan Herscovici and *Second Nature*, a very excellent text. The public would be well served to take the opportunity to read some of the statements that he has provided.

I would like to conclude with a brief remark made by Mr. Herscovici who said: "The root of our ecological crisis lies in technology, urbanism, and wealth. Animal rights groups, however, have to date attacked those who live closest to the land, who are poorest, and who have remained relatively aloof from mass technological society". Let us come up with a master plan.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I hope that we can have order in this debate. It is a very serious debate. We are not only attempting to address Canadians or our colleagues in the House, but we are seeking to get a message to Britain. We hope that Members of the British Parliament will have an opportunity to read these *Debates*, or we could send them a video tape in order that they could receive the message from all of Canada on our concerns in terms of the motion before their House.

I wish to begin by reading from a letter with the letterhead of "10 Downing Street". The person who signed the letter is the Prime Minister, Margaret Thatcher. She indicates in the letter that this matter "is still the subject of consultation". While she understands that we have concerns in this country, she states that "we must also take account of the widespread public concern here in the U.K. about the use of leg-hold traps. There is strong pressure for a ban on the import of furs . . . ", and the letter continues.

The proposition that I wish to put before this House is that the action that Britain is considering is presently at the stage of study and consultation. Prime Minister Thatcher refers to that and refers to coming to a final decision. The counsel that I would like to give to the British Prime Minister is for more study and consultation. She ought to reflect upon this matter in full before coming to a decision. She ought not to make a decision on this matter on the basis of widespread public concern or strong pressure. She ought to be looking at the merits of the case. While she says in the letter "there is strong pressure for a ban on the import of furs", and that the United Kingdom is being pushed to have a ban, she later states that the U.K. is being nice because it will label the products instead, and that this is a minimal response.

We do not want to be fobbed off with a minimal response, which leaves us with a sense of guilt that we are doing something wrong and the British Parliament is being nice to us. We would like them to take the time to study this issue and come to a moral conclusion. In other words, if furs from trapping ought to be banned and a solid and sound argument can be made for that, that is the irrefutable conclusion, then ban them; however, consider the matter first and fully and make the decision on the basis of merit, not of public pressure.

• (2200)

Surely if there is one Leader on this globe who has demonstrated a capacity to make decisions on the basis of principle, it is the Prime Minister of Great Britain. I fundamentally disagree with many of her principles, but I call upon her to provide leadership and to make a decision in this regard on the basis of principle. She should continue with the study and consultation and reflect some more on the issue take the time to come to a full and reasoned conclusion, and not just respond to public pressure.

What we as parliamentarians are faced with is a battle for the public mind. That is evident from Margaret Thatcher's letter in which she says that they must take into account widespread public concern. We have to win over the public if we are to win over the British Government and preserve the trapping industry in this country.

I think the fundamental question here is one of balance. On one hand we have animals and on the other we have people. The animal rights movement has done a very effective job of putting forward the case for protecting animals. I have nothing against them for doing that. However, there is another story which has to influence the decision if it is to be just and moral. The other side of the balance is people and communities. What happens to them if the industry is destroyed? I believe their case could be imaginatively and graphically presented if we took it upon ourselves to do so.

A hundred years or so ago there lived a great British writer, Jonathan Swift. The children of Ireland were starving and he used his pen to get that point across. The way he did it was to say: "We have so many children here that we ought to market them. We ought to chop them up like beef and sell them". He drew such a horrid picture that people became fully aware of the suffering of those children. We need to do the same thing today with respect to trappers. We have to do it through television, of course, because that is the way we communicate. We use television images. We have to be able to tell the British people that if they destroy the trapping industry, if they destroy the livelihood of aboriginal communities in the North, they will have increased unemployment, increased alcoholism, and increased suicide. To achieve a real balance, for every bleeding animal they see on television they should also see the dead bodies of those who have committed suicide as a result of the destruction of this industry.

If the people of Britain want to make a moral decision they have to have a balance. They have to consider the people and their communities. Those communities include more than northern communities. In the City of Winnipeg where I come

from and in which my riding is located we have many people involved in the fur industry. It is not just a northern question.

Another aspect of this question is this: Where is the good in the issue of trapping and harvesting? I suggest that when it comes to using natural resources, the difference between use and abuse of a resource is again a question of balance. You have to balance your use against your need. If you look at aboriginal practices, history, and culture, it is easy to learn. Aboriginal people have historically taken from the land what was needed for sustenance; they have not done what we do today, rape the land and destroy the environment. If you take what you need from this planet, I suggest that what you are doing is good. That is not only true with respect to historic and traditional native values. It is also true in the western Christian tradition. The Bible says that we should take dominion over all of this. You name the animal. That is the theological, moral and spiritual basis for describing the taking of something for your own use and sustenance as good rather than evil.

There is another sense in which the question we are faced with today is one of balance. I want to speak about this historically and then in modern terms. Historically there is a question of balance between peoples. I think the Europeans are on the verge of repeating an historical mistake and once again doing an injustice to aboriginal peoples. It was the European demand for furs that created the fur industry in the first place. It was the European markets that disrupted the subsistence economy of North America. It was that market that made aboriginal peoples dependent upon European peoples. That led to undercutting the culture and way of life and spiritual values, which led to the destruction of the aboriginal way of life. That was started by the interaction among European peoples, markets, and aboriginal communities.

• (2210)

It was the tastes of Europe that led to the destruction of the aboriginal way of life. I am sure Europeans would not want to repeat that process because their tastes have changed and because someone thought that television advertising, through the effective use of propaganda, could sell the notion that it is wrong to wear fur, to trap and harvest animals. I ask Europeans to consider carefully their own history and to ask themselves whether they want to repeat the errors of the past.

The question of balance occurs in another way. As the Europeans look at the aboriginal peoples there are a couple of pictures to see—the pictures of trapping and of the animal suffering. People could conclude that that activity must stop because it is wrong for animals to suffer. I have already dealt with that question. I have dealt with the need to look at the other side of the coin, that is, what happens to the people. However, Europeans should look at the over-all behaviour of aboriginal peoples as they affect the environment, which is important to learn and observe. The aboriginal peoples have lived on this continent for a millennium and have preserved the environment. They have lived on this planet in harmony with the environment. Europeans should learn the values that underlie the aboriginal way of life because we have need of those values today.

Let me turn to another point. What are we doing about preserving the Brazilian rain forests? How man McDonald's restaurants are there in Britain, and how many of those are labelled? We know that the Brazilian rain forests are destroyed to make way for massive ranches to raise cattle and have cheap beef that shows up in a fast food restaurants in the middle of London, England. That destruction alters our climate. The Europeans ought to focus on the relation between the aboriginal peoples and the environment. They should be asking questions. They should focus upon the important and big issues rather than look at things in a narrow context, forgetting that there are two sides to everything.

It is time to consider this issue and to study it in more depth. No one should rush into a decision responding to pressure campaigns that can be mounted by the electronic media.

Margaret Thatcher says that by labelling she is offering a kind of minimal response. But you can have labels and you can have labels, Mr. Speaker. The suggested label is to state that fur comes from animals that may have been caught by leg-hold traps, which is meant to project a negative image that what was done is bad. She says that the purpose is to provide information. Maybe the label ought to say that these animals have been harvested by trapping.

There are many kinds of labels and many ways to present information. Time should be taken to study the issue, to consult and reflect. Rather than responding to pressure, one should consider that by coming to a just decision one not only considers what happens to animals but what happens to people. One has to consider what happens in a remote northern community dependent upon fishing and trapping. What happens to that community if it no longer has the revenue from trapping? What happens to a community that already may have 60 per cent to 80 per cent unemployment and is deprived of its source of income? What happens to people who have no hope in their lives? One must consider not just animals but people as well, and take time to come to a reasoned conclusion as to what may or may not need to be done.

I hope Members of the British Parliament have an opportunity to see the record of this debate and that Great Britain's Prime Minister can take the time to consider her decision. If her objective is to provide people with information, she ought to consider what kind of labelling she is getting into. First, she needs to consider the over-all question of justice and morality and the whole question of trapping and making a living.

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am pleased to take part in this important debate this evening. The Parliament of Great Britain is referred to as the mother of Parliament by Canadians. We hope it will recognize the importance that Members of this House, representing three political Parties, place on this issue. We asked our Speaker to recognize the

urgency of this issue and to allow a special debate in our Chambers. I want to emphasize that the matter is considered a very important issue by all three political Parties here.

It is strange, as colleagues in the House and men and women have mentioned, that for centuries the aboriginal people in Canada have lived in harmony with the land, with the waters, and with the animal inhabitants. That is something everyone can recognize. People have developed a skill and an understanding that such harmony must be respected. It is a measure of success. In cultures it is a measure of obtaining adulthood. The respect for the elements are the elements of nature. Those elements are not strange. They are the fellow creatures, the sources of food, clothing and tools. It is fundamental and is a characteristic of culture and of lifestyle.

Those of us in Canada who come from the northern and western parts understand the harsh climate and the soil conditions of our land. Our land is not warm. It is not hospitable. There have to be options for survival, and the options have to be there for the scattered native people of Canada as well. For many isolated communities, as other Members have mentioned, particularly in northern Canada—and I do not refer only to north of 60°; farther south there are isolated communities—there are limited employment opportunities. This is a means of earning an income.

• (2220)

The Inuit in the eastern Arctic are particularly dependent upon wildlife for food and clothing because of costs, because of tradition, and because of the area in which they have lived for millennia, an area which they understand much better than I and much better than most Members of the Chamber.

This is not just a political issue. I would like to refer to the words of the Right Reverend John R. Sperry, Bishop of the Arctic, in a letter which he sent to the British House of Commons on March 9, 1988. Bishop Sperry says that in northern Canada, without agriculture, forestry, animal husbandry, factories, and all the avenues of employment traditionally evident in Britain, our native people are themselves trapped, caught in an era of cultural erosion, beset by social upheavals of every description, and experience a perplexing unknown that they have not known in their entire history. To rob them of what little is left of their traditional way of life is an act of unwarranted cruelty. I hope that Members of the House of Commons and House of Lords in Great Britain had an opportunity to read that letter from the Right Reverend John R. Sperry.

There are some 50,000 aboriginal trappers in Canada. Fur harvesting through trapping enables them to carry on their traditional lifestyle, the lifestyle of living off the land. It is a necessary supplement to income, and it also provides food for their families.

Trapping offers the native people of Canada an opportunity to maintain their spiritual and cultural relationship, that relationship with the land and with the resources of the land. What we fear most is the removal of that relationship by action that we hope does not take place. It has certainly come very close to taking place. It was supposedly entered by mistake and withdrawn, but it could take place in the House of Commons in Great Britain.

Other Members have mentioned that we in Canada find it very strange that fortunes were made in Great Britain by the very industry that some politician is now seeking to destroy. This politician feels that this action is cost-free. It is a way of getting re-elected without cost, taking on an industry and a people in Canada in a way which he feels will not cause him any harm in his political career in Great Britain.

Those involved in the anti-fur campaign feel that they can destroy this largely traditional lifestyle, again without paying any cost. I find it to be a real irony that the animal rights advocates who are primarily urban dwellers would destroy an aboriginal way of life based on respect for wildlife and for a harmonious co-existence with the natural world, a way of life which has already been lost to city dwellers. They wish it to be lost to the people of Canada who rely on this industry.

It is not an even game. The cards are stacked against the Canadian fur trappers. The urban based anti-fur lobby, the anti-trapping lobby, and animal rights groups are highly organized, well financed, and extremely adept at emotionally loaded advertising techniques. In any other kind of public persuasion, the advertising that has been put forward by the anti-fur campaign in Great Britain would be classified as—I will not say immoral, but it certainly would be classified as—and I will not say immoral—being sensational to the extreme and not putting forward a balanced point of view. It preys upon emotions of people who have no way of recognizing the change that could take place or any alternative that could be put forward. Actually, it is a cheap shot at people who are not able to put forward their own arguments and information to the British public.

I think it must be recognized that the aboriginal people and those involved in the trapping industry in Canada are not lacking in sophistication. They know about Boot's Drug Stores, Cadbury chocolates, and Marks & Spencer. They are willing to identify those outlets of British goods in Canada, and they will ask other Canadians to join them in fighting back if necessary. They have also asked to have identified those industries that would be particularly apparent in Mr. Clark's riding. That, I think, shows that they are serious about their lifestyle. They are not lacking in sophistication. They are willing to take on a powerful politician who wishes to use the people in the trapping and fur industry of Canada to gain his re-election without any concern for the cost or consequence to the aboriginal people and trappers of Canada.

The circumstances in which the trappers of Canada now find themselves were paralleled by that in which the Canadian sealers found themselves. It is against our rules to hold up evidence, but I was proud when I was first made a Minister of the Crown to be presented with a sealskin briefcase

by the people of the Northwest Territories. I am proud to carry it. It would be something that I would carry to Great Britain, and I would like to say that though that may be found objectionable, it would not be objectionable to me and it is not objectionable to other Canadians.

There are ways that southern-based animal activists could attempt to understand the harsh realities of life in the North, and they are unrealistic to believe that these people who rely on this industry could survive without the animals they use to trap for income.

The destruction of the Canadian fur industry would pose a much more lethal threat to healthy wildlife populations in Canada than would disease, mismanagement and starvation combined. Anyone who believes that this action will protect the wildlife of Canada does not understand what can happen through over-population.

In thousands of years the native people of Canada have trapped fur-bearing animals and they have never—and I repeat, never—endangered a single species. It is because the trappers, more than anyone else, realize that their responsibility rests with the greater good of the total environment, with the health and survival of the species, not of an individual animal. Conservation is truly a way of life for trappers. The existence of their trap lines ensures that the natural habitat will remain undisturbed and will continue to support the thousands of animals that depend upon that habitat for their survival.

It is not something that is done haphazardly. It is a controlled harvesting of a resource, just as I, as a farmer, control the harvesting of the resource on which I base my livelihood, that of the land and the soil. Trapping is regulated in Canada by provincial and territorial Governments through licences, quotas, seasons, and export permits. The Government of Canada holds that trapping is environmentally sound. It is in harmony with nature and is an important part of a cultural life in this country.

• (2230)

It is not only Members in this House of Commons representing three political Parties who recognize that. In *World Conservation Strategy*, the International Union for Conservation of Nature and Natural Resources states:

> Conservation is . . . the management of human use of the biosphere so that it may yield the greatest sustainable benefit to present generations while maintaining its potential to meet the needs and aspirations of future generations. Thus conservation is positive, embracing preservation, maintenance, sustainable utilization, restoration and enhancement of the natural environment.

Canadians have much to be proud of in this context. There are 20 major fur-bearing species trapped in Canada. After several centuries of trapping, none of these species is endangered. Good trapping practices have resulted in good wildlife conservation.

In fact, the people of Great Britain should know, stemming from beaver hats, that the beaver has been a heavily trapped species in this country. It may now be more populous than it has ever been before. To maintain the validity of their licences, in some provinces, Ontario for example, trappers must trap a minimum percentage of beaver as part of their annual quota. That is required because if that resource were left unharvested it would destroy itself.

The Constitution of Canada recognizes and affirms the unique rights and special status of Indian, Inuit, and Métis people within the Canadian Confederation. These rights are being debated and have yet to be fully defined in law, but trapping is clearly regarded by the aboriginal peoples of Canada as a fundamental right. I do not find that strange. The Government of Canada has a responsibility to protect the right of aboriginal people to determine their way of life. Trapping is integral to their land claims and their spirituality and culture. Without trapping there would be a great loss of self-identity and self-worth.

Trapping and hunting have allowed aboriginal peoples to walk the fine line between their traditional lifestyle and assimilation into the industrial world. That has been their choice and that, of course, is a choice that they should be allowed to make.

In conclusion I would like to read into the record, not my words, not the words of someone from south of 60, not the words of someone unfamiliar with the needs of people in northern Canada, but the words of Stephen Kakfwi, the President of the Dene nation. He spoke to the Arctic Institute of North America in the winter of 1985. As we all know, Mr. Kakfwi is now a Minister of the Government of the Northwest Territories, duly elected by the people of his constituency. Mr. Kakfwi said:

> My people have cherished and protected our land for centuries and will continue to do so in the future.
>
> To a people who continue to live in close contact with the natural world, and who have always viewed ourselves as part of that world, the argument that trapping is cruel just doesn't ring true.
>
> We know that there is no humane death in nature. Animals that die of disease, or starvation, or fall prey to predators, suffer.
>
> On the other hand, we are appalled at many of the cruelties that industrial society imposes on animal populations. For us, the thought of an animal living its life pent up in a cage, with its only purpose being to await slaughter for someone's table—that is cruelty.
>
> We understand that many people are worried about the loss of wildlife species throughout the world. We share this concern.
>
> But we also know that the greatest threat to animals is not from hunting and trapping. It is from the destruction of their natural habitat by the industrial society—by pollution and encroachment on natural areas that provide shelter to animal populations.

He concluded:

> We believe we can offer our knowledge and experience as a people who live in close contact with nature to help change this dangerous trend.

I really hope that the Members of the House of Commons and the House of Lords in Great Britain, the people of Great

Britain, and the people of Canada recognize the importance of this emergency debate on an issue supported by all three Parties in this Chamber; indeed, supported by thousands of Canadians who are represented in this Chamber. I would suggest that those Canadians would support the trappers and aboriginal people in Canada. If it comes to making decisions to retaliate against something that can be done without cost by another country imposing something on an industry and a people who are very important, it must receive the support of this Chamber and the people of Canada.

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, I am very pleased to join in the debate this evening resulting from the motion before us. The Hon. Member for Yukon (Ms. McLaughlin) and the Hon. Member for Timiskaming (Mr. MacDougall) called for an emergency debate with regard to considerations being made by the British Government to apply labelling to fur goods on sale in British shops which could lead to a large-scale boycott of the fur products.

I am pleased to join in the debate, not because it is a happy matter. Quite the contrary, it is a matter of enormous importance to many Canadians. It is a matter of enormous importance to people across the North and in that context it is very appropriate that my friend, the Hon. Member for Yukon, should have requested the debate. It is also a matter of enormous concern across northern Ontario, which makes it so very appropriate that the Hon. Member for Timiskaming should have put the motion forward.

In my area of northwestern Ontario, specifically in the constituency of Thunder Bay—Nipigon, a great deal of fur trapping is carried on as part of the livelihood of aboriginal people and residents of various communities including the City of Thunder Bay.

In these circumstances it is of enormous importance to consider what would be the impact of this British proposal. Not wanting in any way to get into a competition, because I recognize the involvement of a government private Member and my colleague in asking for this debate, I think it might be of interest to all of us in the House and to those listening across the country to be aware of how longstanding the concern about the threat to fur trapping in Canada has been.

As long ago as 1985 the federal council of the New Democratic Party dealt with the situation in a way which focused on the importance of fur trapping and the necessity for the real, strong action which we have been seeking evidence of from the government in Question Period today and at other earlier times. Our resolution declared:

• (2240)

Whereas the fur industry in Canada is worth $600 million to our economy; and employs 100,000 Canadians 60 per cent of whom are native; and

Whereas most native and many non-native trappers rely on trapping for a large part of their annual income; and

Whereas for native people, the harvesting of fur-bearing animals is a traditional occupation and an integral part of their way of life; and

S. O. 29

Whereas evidence on October 15, 1985 to the Parliamentary Standing Committee on Indian Affairs and Northern Development indicated that an international campaign to destroy the livelihood of Canadian trappers is well underway; and

Whereas the success of such a campaign would result in catastrophic loss of income and social disruption such as that already caused by the European ban on seal pelts,

Therefore be it resolved that the New Democratic Party of Canada calls for:

(1) Support for trappers and recognition of the importance of trapping to the economy and society of northern, native and rural parts of the country;

(2) Immediate and substantial funding for the development and presentation of the Canadian trappers' side of the story to Canadians and to the public of those countries where inaccurate and unfair representations of the industry are being made;

(3) Scientific baseline studies on the populations of all fur-bearing animals in Canada;

(4) Evaluation of all available technologies on trapping methods.

Be it further resolved that the NDP calls on the Government of Canada and on our fellow parties in the Socialist International to protect and enhance the livelihood of trappers, particularly native Canadians.

In that resolution was a clear statement by the New Democratic Party of the importance of trapping as a basis for the livelihood of 100,000 Canadians, 60 per cent of whom are natives. Trapping was a vital source of income for these people and an essential part of their lifestyle.

The place of trapping in the life and livelihood of aboriginal people of Canada deserves particular recognition. There are some profound ironies in this regard, because across the vast reaches of this country where trapping is so important, who was it that made trapping a fundamental activity in the lives of these people? Surely it was the British subjects in early days, particularly those in the Hudson's Bay Company, who saw to it that this was how people would live.

Life before that was one of subsistence, in which hunting and fishing were important and furs would only be obtained for use as clothing and shelter, not for the purpose of sale. It was the fur trade from Europe, particularly Britain and the markets in London, that changed the lives of the aboriginal peoples in the North.

The extent of this transformation is well worth considering. Before the fur trade aboriginal peoples were more closely tied to the land, perhaps only moving from a summer fishing area to a winter hunting area. It was an almost symbiotic relationship with the land on which the aboriginal peoples lived. That close relationship still exists in their understanding of themselves and the recognition of the territories in which they live even though they have been pushed back into small reserves.

The arrival of the fur trade drew them from those hunting and fishing activities into trapping of furs for sale to the traders and the ultimate use of those furs far from where they lived. Of course, this had far-reaching consequences which have been documented by historians like Harold Innis, author of a great works in the 1930s dealing with the fur trade in Canada.

One can think of more recent historians and anthropologists who explored what the fur trade represented for native peoples of Canada. They became involved in transportation activities by relocating to live at James Bay or Hudson's Bay in order to trade with the agents and factors of the Hudson Bay Company. They may have become involved in hunting activities for these fur traders.

In all of these activities, the lives of the aboriginal peoples were transformed. They were forced into a new mould of life and were dependent on the products they obtained from trading the furs they hunted. They became dependent on the use of guns and the ammunition that had to be purchased, as well as other goods they required.

This was the impact of the British and European demand for furs. There was an incredible transformation of their lives, for good or ill, from the kind of subsistence in which they lived.

What will happen if the British proposal is adopted and the labelling goes into effect? The fur market could collapse under this impact. What will happen if the European Economic Community decides to take similar action?

After 300 years of encouragement to move into the cash market for furs, aboriginal people have become largely dependent on that livelihood. Suddenly, as a result of British government action, they are faced with the return to subsistence and worse, in which their ancestors lived centuries ago. It is not an easy transformation.

When the buffalo were virtually wiped out in the past century, the Plains native people went through a century of readjustment to a different livelihood. Such readjustment, if possible, is an enormously costly and drawn out process. There must be an alternative.

What is the alternative in this case if the British succeed in destroying the trade and remove from the hands of our aboriginal people the source of livelihood and self-respect that has come to form the basis on which they relate to the land and resources around them? What process of readjustment will result from that? Those who speak of this action as being an act of "cultural genocide" do not exaggerate. We can only expect the most catastrophic of consequences.

These steps are being taken in a country which columnist Jeffrey Simpson recognized in an article last February in *The Globe and Mail* was characterized by the most profound of contradictions. He said very nicely in his column on February 20:

> Six years ago, when the Irish Republican Army detonated a bomb that killed men and horses in London's Hyde Park, public sympathy for the horses rivaled that for the men.

• (2250)

He went on:

> The British, you see, have this thing about animals. They chase foxes across the countryside, blast away at pheasant and grouse and run horses ragged over steeplechase courses. They race pigeons, train frogs to jump and, like the rest of us, slaughter livestock.

He went on:

> The British chase, kill, maim and revere animals. They also like to set standards for how others should treat animals, which partly explains why the British Government will now require certain fur products to carry a label indicating that the fur came from animals caught in leg-hold traps.

That final observation of his is the one we want to stop.

Members of the House, representatives of all three Parties as the Minister of Northern Affairs and Northern Development (Mr. McKnight) recognized a moment ago, stand united on this issue. Canadians have had to stare hard at this issue, this question of the extent to which we will be obsessed with the rights of animals. None of us wishes cruelty to animals. We have as much of the sense that is involved in the Royal Society for the Prevention of Cruelty to Animals among us as I am sure there is among all the fine people in Great Britain who are pushing this. We want to see research done on more humane methods of trapping.

We urge the British Government to join in that effort to provide funding and to advance the cause. But we are not ready in any of our Parties in this Parliament to sacrifice people to the sentiment about animals. We are simply not prepared to see the lives of people changed, transformed, as I have already indicated, from fur trade for over 300 years of activity, by this sudden obsession, which people in Great Britain have in one particular area, to focus on these furs, ignoring completely all of those who are still enjoying meals of meat and in other ways benefiting from the uses we make of animals. We are simply not prepared to see a blow at people in our country. As somebody has said, that may be done at seemingly no cost to the British people.

I was interested to hear the Minister of Indian Affairs suggest ways in which British enterprise might experience a Canadian reaction. I was interested to hear him indicate some of the well-known British enterprises operating in Canada which might find themselves experiencing boycotts organized by those who support the aboriginal peoples in their desire to go on trapping, to go on maintaining their livelihood as they have for so long.

That is an important statement of determination. We see even more from the Secretary of State for External Affairs (Mr. Clark) that we want to have real evidence that the Government is pressing the British Government and Parliament to give it up. We want to see real evidence that the British people are aware of the concern of Canadians.

Recognizing that the Press Gallery is not exactly proud of this evening, I ask myself whether the British people, through the BBC, might be made aware of what we are debating. It is of course night hours over there, but tomorrow's news should give at least a short focus on this debate in the Canadian Parliament which is expressing concern about what the mother of Parliaments intends to do to people whose lives it has affected so profoundly in centuries past and now should not be considering destroying.

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, I never thought I would see the day when I would stand in this Parliament and speak to the mother of Parliaments. However, I am very pleased and proud to have this opportunity to participate in this emergency debate.

I congratulate you, Sir, the Speaker, for allowing this debate to happen. I congratulate all Members from all three Parties of the House who have participated in this debate. We are seeing a totally non-partisan debate. This is Parliament at its best, when it speaks with one voice on behalf of all the people of our great country.

You, Sir, may wonder why I as an urban Member, a Member from the nation's capital, representing a constituency in Ottawa, speaking to a debate that relates to the importance of our fur industry. I want to speak because my background is as a wildlife biologist. I studied biology and majored in wildlife management at the University of Ottawa. I have worked in this profession in Africa, Central America, and with Parks Canada. I want to speak because I think it is important. We are talking about an essential way of life for tens of thousands of Canadians in all our 10 provinces and both our territories.

I am also speaking because I love our renewable wildlife resources, as do the people who hunt and trap them. This is their farm. This is their life. This is their livelihood. No one should take it away from them.

If you think, Mr. Speaker, that no one traps around the National Capital Region, around Metro-Ottawa, you are wrong. Just 28 miles west of this city there is the little town of Dunrobin. In that town there is a man named Harvey Boucher. He traps for beaver and muskrat in the spring and in the wintertime. There is a man who works for the *Sunday Herald*, one of our newspapers, whose name is Ken Lehman. He traps beavers on behalf of the National Capital Commission. He relocates them to areas where they will not be doing damage to vegetation or flooding of people's backyards—in this city, the capital of Canada. That is something I want to get across to Great Britain.

[*Translation*]

I have another friend who lives in the Ottawa area, north of our capital, and his name is Aurèle Knight. In winter, my friend Mr. Knight traps beaver. He also traps other animals. That is his life and he is very, very proud of it.

[*English*]

It is people like him who make this our way of life. This is Canada. This is, as some people call it, the great white North. Our country was explored, built and developed by people from the Hudson's Bay Company and other pioneering people who explored our northern regions.

Since I have been a Member of Parliament I have had an opportunity to visit other regions of our country. I want to review some of the great places I have seen in Canada. While I am doing this, I invite all British parliamentarians to take out an atlas of Canada and to review the size of this country. Let me speak to them and say that all of Great Britain, all of it, can be put—now get your atlas—inside Hudson Bay five times. That is the size of this country that we are speaking of. I want the House of Lords and the House of Commons to understand that. Lake Superior—stay near your atlases—is .6 times the size of all of Great Britain. That is what I want to talk about.

Keep your atlas because we are going to go to a place called Old Crow in the Yukon. Go to the Yukon. Find the Yukon. See how big it is. I visited Old Crow with the Hon. David Crombie, the former Minister of Indian Affairs and Northern Development and former Secretary of State. I was struck by one of the villagers I met there. There are only about 300 people living in Old Crow.

I had a discussion with Norma Cassie who is one of the leaders of the community. I said: "Norma, what do you do here in the spring and summer?" She said: "We go rattin' because you sure as hell can't grow tomatoes and lettuce in permafrost".

Stay in your atlas. We are going to go on to Eskimo Point which is on the west side of Hudson Bay. I had the pleasure of hunting with the Member of Parliament for Nunatsiaq (Mr. Suluk). His people hunt caribou and seal and they trap and hunt foxes. I thought that I was so smart and knew something about the outdoors. I will never forget that I had a pair of boots made in southern Canada which I thought were warm. We were going hunting on his skidoo and it was minus 30 degrees. He said: "You can't leave until you get better boots". I said: "These are good boots. Look at the felt lining". He said: "You won't last 20 minutes on the skidoo. The chill factor is minus 50". He went through his village, and what did he find for me? I am fairly tall and I needed big boots. The people in the North are not very tall. He found a pair of caribou skins that I wore. They kept my feet warm. The villagers said: "You can't wear felt boots with rubber outside because you will not survive in this part of the world. You need skins from caribou, and that is what I wore.

• (2300)

Stay in your atlas, House of Lords, we are going to Tuktoyaktuk near the Beaufort Sea. We have travelled 2,000 miles across the North. In Tuktoyaktuk I ate caribou. When I asked the people: "What do you do with the caribou?" They said: "We eat it, Sir. We use the skins for clothing and boots." I asked: "What do you do with the horns?" They said: "We carve them and sell them to the southerners, because that is our way of life in the North."

Let us go to Manitoba, a place called Reed Lake. I was there four days ago. It is in northwest central Manitoba. I spent some time with a trapper and a fisherman named Corky Peterson, and his son Hal. I was also in the presence of Bob Carmichael, who is the chief of commercial wildlife management for the Manitoba Wildlife Department. He is a real pro. He works in renewable resources. That area is not over-

trapped. It is well managed and conserved. The trapping of beaver, marten, fox and muskrat by Corky and his son is a well-managed wild-life activity. They are not at all endangered. It is in his best interest to maintain the resource to the best of his ability.

In Reed Lake I also met a man named Paul Vincent. He has 850 acres outside of the City of Winnipeg, one of Canada's largest western cities. He has a muskrat farm where dozens of people work. His business and industry are being threatened by the possible introduction of this initiative by Great Britain.

The animal rights people, the "antis" as they are called, have it all wrong. On March 10 I moved a motion in the House that asked the Government to do everything it can to enhance our wildlife resources. I have spoken on this issue all over Canada in the last three years. As one might say, I have been busting my buttocks to see that the Government spends more to manage this resource more effectively. With the help of the Hon. Minister of Finance (Mr. Wilson), and his colleagues in Cabinet, some day we will have more moneys allocated to enhance our wildlife resources.

The animal rights people and the "antis" have it all wrong. Most of them live in a cloistered, urban, downtown environment. Let us return to the atlas and remember what we are talking about. Great Britain can fit five times inside Hudson Bay. That is the dimension that I wish to remind the British House of Lords and House of Commons that we are dealing with. I invite them all to get out into the real resource world and see what they have been missing. Come to Canada and visit this country. Experience its vastness, its diversity, and its dependence on the natural resources, particularly our people in the North.

It has been said that some of them care more about wildlife than they do about people. Our wildlife is directly related to our people. Our people are directly related to our wildlife. They depend on it. They protect it. They manage it. Yes, they harvest it, but this is their way of life in a great part of our country. Therefore, they should be allowed to trap, whether they are sealers or hunters. This is an important historical part of the building of our country.

It is in their personal and professional interest to do so and to perpetuate this resource through respecting quotas and good management practices set by the world's best wildlife biologists. Professional Canadian wildlife biologists are world famous. They work for the Canadian International Development Agency in countries all over the world. They work for the Canadian Universities Services Overseas all over the world. They work for non-governmental organizations all over the world because they are the best and are highly respected in professional fields. The Canadian non-governmental organization community, such as the Canadian Wildlife Federation, Wildlife Habitat Canada, Ducks Unlimited, the Ontario Federation of Anglers and Hunters, and hundreds of fish and game clubs are all involved in the process of protecting and enhancing the wildlife resources of this country.

How many people have ever visited an abattoir? How many people really know how domestic animals die, for example, chicken, pigs, cows, sheep? I dare say it is not too pleasant in some circumstances. How do fish die? Most of us eat fish. How do they die when they are caught in the nets at sea? They suffocate. I dare say Members of the House of Lords and the House of Commons in Great Britain eat fish. Nobody is up in arms saying: "Kill the fish humanely, or don't kill them at all". Let us remind ourselves of some of these facts. We all eat for our survival.

Our Secretary of State for External Affairs (Mr. Clark) spoke tonight in the debate. He made reference to the international humane trapping standards committee. As an appropriate mechanism to address this problem, Canada has suggested that Great Britain become a member. I invite Great Britain to consider seriously this timely and appropriate proposal from our Secretary of State for External Affairs.

Let me send this message to the people and all elected MPs of Great Britain. We have a saying in this country: "You use it or you lose it". If we do not use our renewable wildlife resources to the best of our collective ability, we will all lose it.

The Queen's Footguards in London have that great tradition of red tunics and black hats. The black hats are made from what? Bear skin. Canadian bear skin. I ask the House of Lords if it wants to see the uniforms of decades of tradition replaced with some North Sea synthetic: "Do you want to see that happen?" I do not believe you do, because you are a people of true, long-lasting, and important traditions. Therefore, maintain the Queen's Footguards as they have been for decades, and maintain that important link with our country through the hats that they wear, that we also have here on Parliament Hill. We are proud of that. The people of the world come to this nation's capital to see the changing of the guard, which is a true, British tradition with Canadian black bear fur hats.

• (2310)

I say to the people in Great Britain and their parliamentarians, please reconsider your proposed actions regarding furs. Do not let your emotions overcome your reason. Our people depend on it.

Mr. Fred McCain (Carleton—Charlotte): Mr. Speaker, the Hon. Member for Ottawa—Carleton (Mr. Turner) used a phrase which I believe all the world should be aware of, that extremists may care more for animals than they care for people. I would like to carry that one step further. The extremists may have a detrimental effect on wildlife as well as on people. The absurdities of the ban on seal hunting, for example, may not be known for another generation. Yet when they are, we are going to find the seal population has more than doubled. That means that seals will be eating an additional one million tonnes of the cheapest and healthiest protein supply available to people around the world. In addition, nature's way of thinning a population, which is usually disease,

will probably have a detrimental effect on a wider part of our wildlife than just the seal itself.

I think the record of this country and its environmental laws are probably the best of any in the world. We have denied ourselves great economic advantage from British Columbia to New Brunswick in order to preserve the ecological and animal life of our country. We have denied ourselves the opportunity to use a renewable resource, water, for the generation of energy, the cost of which has gone up four or fivefold in the last 15 years. It could have gone down if we used all of our water resources without considering the environment.

What then is expected of Canada? Should we not have developed James Bay? When it was developed, billions of dollars were given to the native people affected to sustain them and compensate them for the loss of their environment. What more can we be expected to do? We have banned the seal hunt, not only of grey seals but of all seals. As a result, we now have harbour seals all over the east coast of North America and the islands off that coast, and the result has been millions of dollars of damage to fishing gear and the loss of hundreds of thousands of tonnes of fish devoured by those seals.

We have possibly created a situation in the sea, in response to the extremists, comparable to that of the rabbits and the fox on land. When the fox population drops, the rabbit population multiplies. I predict that somewhere down the road we will see a similar situation with the seal because of the ban on hunting. The seals will either die of disease *en masse* or starve to death because they have depleted the fish stock. This is a self-defeating exercise by the European Economic Community. It wants greater opportunities to fish in the Canadian waters of the North Atlantic, yet it will have less and less opportunity as the seal population multiplies.

If we go to the Pacific coast we find that Senator Stevens of Alaska is now saying to the U.S. Government that it has to remove the ban on the seal hunt and the whale hunt. Whales have now reached a population level such that they are appearing in waters in which they had never appeared before. They are preying upon the salmon stock, among others, on the west coast of North America. Senator Stevens, who is nothing if not interested in the environment, fishing, the caribou and all those other things that sustain his native population, is complaining to his Government that it has to do something about the seals and the whales. They are destroying fishing gear and eating fish to a degree that is very detrimental to the fishing community.

How, then, can we respond to the extremist who does not recognize the negative effect on wildlife caused by overpopulation? I believe it is a kindness to control that population.

In New Brunswick the coyote was on the protected list. Do not hunt it, do not kill it, do not trap it because it has not existed in any numbers at all for generations. What is the situation now? The deer and moose populations are suffering depredation. Domesticated animals are being attacked in their pastures or barns because the coyote population is far in excess of the natural supply of food available to them. We have protected the coyote beyond a rational point and we may just have to put a bounty on it to protect both wildlife and domesticated animal life in the Province of New Brunswick.

I am of course concerned about the dollars that accrue to trappers, native or otherwise. However, I do not think the dollar is all that counts. It is also important to recognize that it is a kindness to wildlife to keep their numbers under control so that they are comfortable in their environment and healthy. I do not believe it is right to go the route proposed in the United Kingdom or the route followed in the European Economic Community with respect to the seals.

It seems rather strange that on the one hand the UN is happy to listen to the aboriginal people of the world, whether they be from Greenland, Canada or Australia, but on the other hand, because it is listening to the extremists in the wildlife groups, those people are being starved because they are not being allowed to hunt a resource in a way which would not threaten it but would control its numbers. It is ironic that the aboriginals of the world can get sympathy in the UN while at the same time being denied this economic opportunity.

It is not that members of the EEC do not know what has happened. This situation has been presented to them before. At a meeting of the Canadian Parliamentary Association with the European parliamentary group there was present a gentleman from Greenland. He was pleading with us to support him because the native people of his country had lost 75 per cent of their income as a result of the ban on seal hunting. That was a pretty harsh sentence to impose upon the native people of Greenland by extremists and those who care little really for mankind which depends upon the life of this world. Mankind always has and always will be dependent for food on the vegetable and animal life of this world, whether it be ocean or land oriented. We shall always be dependent upon the animal and vegetable life of the land and sea for our food.

• (2320)

Why then should we restrict a group of people in a harsh and cruel manner? Why not allow these forest-oriented individuals to make a living, whether native or otherwise? We should appeal to the communities of the world, including the United Nations, to let us take a look at what is fair and right, what is in accord with the needs of mankind. Sure the people in the extreme North need furs to keep them warm and the people in other sections of the world enjoy wearing the furs which keep them warm. Maybe in some instances furs are a status symbol. Nevertheless I believe that since we are all dependent upon this form of life and the food and clothing supplied by them, we should have a rational control of populations as we did have with the seals in Canada. They should not be allowed to get out of control to the detriment of all the seal species and in the long run to the detriment of the food supply of the world.

S. O. 29

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, it is ironic that the very nation which some centuries ago sent explorers to this continent and subsequently large fur companies to disturb the balance and the equilibrium that existed at that time between the aboriginal people in this land and the animals which they hunted for fur should now be attacking those people again. These are the people whose very balance with nature they destroyed in the past and now they seek to destroy again by this action proposed by the Government of Great Britain in the form of a ministerial order which would have all furs, irrespective of their source, labelled to the effect that they may have been obtained as a result of leg-hold traps.

I am a biologist, Mr. Speaker. As a biologist I respect life. But I understand the differences that exist in that vast array of entities in this world that we call life. One thing that I recognize is that animal liberation organizations apparently do not understand the difference between human life and human existence and the value of humanity as compared to animals.

It offends me greatly that there are those who would place a higher value on animals of any sort than they would upon human existence, even upon the existence of human beings that could teach those city dwellers in Great Britain what it is all about to live a life of respect for nature and in balance with nature. The aboriginal peoples of this country, whether pertaining to seals or to fox, respected those living entities. They understood that their survival depended upon their exploitation to a certain limit. They also understood that they are a part of an ecological chain in which the fox kills smaller animals in order to survive. The aboriginal peoples, up until this day in the North and at one time throughout this country, lived the same kind of existence in that ecological balance.

Today we are faced with a group who would draw equivalents between animals and human beings. They talk about animal rights rather than animal welfare. How distorted can your thinking be if you truly believe that there is a real comparison between the existence of animals and the existence of human beings. This is a sorry example of tremendous hypocrisy perhaps more hypocrisy even than an incapacity to understand the world in which these people live. The hypocrisy of the Government of Great Britain and those who would push it to take action against the aboriginal people can be dramatized by the fact that they make much more of the existence of a fox than they would of that of an aboriginal person. This is an inconsistency from a nation which is entirely incapable of reacting to the blood of children spilled in South Africa, a Government that has refused every request for action in response to South Africa and the injustices there. This is a nation that would take strong action in response first to baby seals and now to fur-bearing animals in northern Canada and elsewhere. What kind of a nation is it that would refuse to behave in a fashion that is humane to humans but is more humane to animals? What kind of Prime Minister is Mrs. Thatcher who will not react to the oppression and the death of children in South Africa or the children, the elderly and others in Mozambique who day by day lose their arms and legs not in leg-hold traps but by mines planted by a Government, indirectly by a Government that the Thatchers of this world refuse to condemn. This seems so inconsistent that I wonder whether there really is an inconsistency here. Isn't it rather that this is a nation led by a Government that has little humanity for aboriginal peoples anywhere? After all, in South Africa we are talking about aboriginal people. So we have a Government that places rather low value on the aboriginal people, the original people of southern Africa, and low value upon the aboriginal peoples of Canada. This kind of hypocrisy cannot be tolerated by Canadians. This is a brand of hypocrisy that would condemn our native people to penury, and this loss of way of life cannot be tolerated nor can it merely be responded to by rhetoric.

There are those who have said that there ought to be strong retaliatory action by Canada in response to this proposed action of Great Britain if it carried through with it. That we should do. We should not allow a repetition of the tragedy imposed upon those in Newfoundland who depended on, as I described, and who existed in an ecological balance with the seals, the fish and the other partners in the chain of ecology. We cannot allow it to be repeated for the northern natives, the aboriginals who depend upon fur-bearing animals.

Every Member of this House should commit himself or herself to write to Members of the British Parliament immediately to point out what a disgraceful, hypocritical action is proposed by that Government. If indeed the British proceed with that action then the Canadian people, with the leadership of this Parliament, should selectively boycott British products so that the Government of Great Britain will understand that we will not allow our people to suffer because of the hypocritical stupidity of those who would value the lives of animals above the lives of human beings.

• (2330)

The Acting Speaker (Mr. Paproski): There are three or four Members rising to speak. We have until 12 o'clock so I would hope Hon. Members would govern themselves accordingly.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am glad to have a chance to speak on the adjournment debate concerning the move by the British Government to impose a labelling device on furs from Canada, a device which would detract from their value and would discourage people in the United Kingdom from purchasing those furs which come from Canada.

It is important that this debate take place tonight. We must send a uniform message to the British Parliament indicating that we are very concerned about this move to put in place such a regulation. We know what impact it would have on the incomes of literally tens of thousands of Canadians, most of whom live in northern regions and most of whom are at the bottom of the economic scale. These people probably earn less than those living in large urban areas. I am told that there are

at least 100,000 Canadians who still earn a living from trapping fur-bearing animals.

We normally think of this as being an activity which takes place in the Northwest Territories and in the Yukon, but clearly it goes far beyond that. It takes place in northern Ontario, northern Québec and throughout many of the northern regions of Canada. In my own constituency of Algoma, there are some 12 Indian bands, and I would say that in at least half of them some level of trapping takes place.

It is an activity carried on not only by native people. Many small farmers and land owners are also involved, and there are many people whose primary occupation is trapping. This move on the part of the Government of the United Kingdom could have an extremely adverse impact on all of these groups. These groups are composed of low-income people who live in northern areas. The only cash money they receive for income is from the sale of fur-bearing animals.

I think it is important that we send a uniform message to the British Government indicating that we are very concerned about these Canadians. Often, the only source of income they have for many months of the year is their trap lines.

It seems to me that here we have a clash of societies, a clash between the urban sophisticated society of the United Kingdom and the society of northern Canada in which native peoples and others live. Trapping is an accepted way of life in this society. In my own riding, they use those kinds of traps, kanya bear traps and others, which are not considered to be in any way cruel. From the experience I have had with trappers, I do not believe that they operate in a cruel and unjust way. They are concerned with the biological movement from generation to generation.

It is clear that the proposed action with regard to the fur trade in Canada taking place in the United Kingdom and in other European countries is the same kind of action we saw with regard to the seal hunt a few years ago, which action ultimately cancelled the whole seal hunt. It was important to those of Prince Edward Island, on the shores of Québec and in Newfoundland while the fur industry is important to those in most provinces. I am told that it generates some $600-million worth of income a year and some $350-million worth of income in exports alone.

I want to join with Hon. Members who have spoken tonight, and with Members like the Hon. Member for Renfrew—Nipissing—Pembroke (Mr. Hopkins) who put questions to the Secretary of State for External Affairs (Mr. Clark) yesterday calling on the Government to take the strongest possible action with the United Kingdom Government in sending a very strong message. We hope that the fate that befell the seal hunt will not fall upon those who earn their living in the hard and difficult world of trapping in the northern regions. I have spoken to trappers from the federal riding of Algoma and they have told me how concerned they were about the move that took place with regard to the seal hunt. We see now in the United Kingdom a telegraphing of possible difficulties in the future.

I simply want to join with those who have spoken tonight to urge that the United Kingdom Government back down from this action, which could have a devastating impact on tens of thousands of northern citizens, many of whom have a very difficult and onerous life as trappers.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I too would like to congratulate the Hon. Member for Timiskaming (Mr. MacDougall) as well as the Hon. Member for Yukon (Mrs. McLaughlin) for arranging this evening's adjournment debate on the proposed British fur-labelling issue.

This issue is not a partisan issue, as many which are debated in this House are. For one evening, we have managed to set aside our Party bickering because we have ascertained a common enemy. When Canadians are faced with such a common threat, they tend to set aside their differences and work together for the common cause, in this case the common cause of trappers and the fur industry.

The Government is appreciative of the support given by opposition Parties to date on this issue and the support that we expect will be forthcoming in the future, because this undoubtedly will not be the last time this matter is brought up in the House. I have spoken in the House on many occasions in the past on this particular subject, and many, perhaps more eloquently than I, have spoken on the issue tonight. What I am about to say will be somewhat repetitive, but I hope to keep it fairly short.

The seriousness of the threat is not to be underestimated. It is something of the thin edge of the wedge. What starts out as a labelling requirement in one European country could spread to other European countries which constitute a large market for furs, and the labelling could, over a period of time, escalate into a total ban. It could have, in the long run, a devastating effect on our fur industry. The seriousness is demonstrated by headlines that appeared in *The Globe and Mail* on May 30, just a couple of days ago. One such headline reads "Fur Industry Jeopardized by Activists". On another page of the same newspaper, as the article continued, the headline reads "Activists Threatening Canada's $350 million in Fur Exports".

• (2340)

Therefore, interest in this issue is not restricted geographically to Canada. It is one in which all Canadians from rural, far northern, and major metropolitan areas can join together. It affects all aspects of the fur industry from the trapper or rancher to the traders, to the auction houses, to the factories, to the garment manufacturers, and the people involved in sales. Earlier this evening the Secretary of State for External Affairs (Mr. Clark) told us that it was a $1 billion industry in Canada with about $350 million worth of exports.

I intend to restrict my remarks mainly to the northern trapper because those are the people whom I have the honour

of representing in the House. I will do so by quoting from three letters from people who are all more knowledgeable on this subject than I am myself. The first letter is from a gentleman who has already been quoted once this evening in the House of Commons. I am going to quote from a different letter from the Right Reverend John Sperry, Bishop of the Arctic. He wrote a letter to the Prime Minister of Great Britain in which he says:

> As the Bishop of the Arctic, with some nearly 40 years of residence in the Northwest Territories, I have lived with and served a people, both Indian and Eskimo (Inuit) who for centuries have survived only because of their relationship to and the harvesting of the animals that inhabited their land and waters.
>
> For these people throughout their history lifestyles have certainly undergone changes but, for centuries, always in the colonial relationship they experienced under the British Monarchy and its Governments no challenge was ever given to their deep cultural affiliation to the land. This affiliation has always and necessarily involved harvesting by both hunting and trapping, the whole industry being given dramatic input by a succession of Europeans who opened up the Canadian Northwest for both exploration and commerce.
>
> The alleged action proposed by your Government to label Canadian fur products in such terms as to stigmatize the labour of the native trapper is viewed by many of us as little short of an act of cultural genocide upon a small minority of people who for so long have held the British Monarchy and its Governments in deep respect for their understanding of what life and survival on the most northerly frontier of the Commonwealth really entails; this threatened stance of your Government could prove to be a shattering experience for our people.

The second letter, Mr. Speaker, is from the Hon. Titus Allooloo, Minister of Renewable Resources with the Government of the Northwest Territories. It is addressed to the Right Honourable Joe Clark, Secretary of State for External Affairs, and is with regard to the proposed fur labelling legislation by the British Government. It reads:

> The Government of the Northwest Territories wishes to express its strongest objections to proposed actions by the British Government to legislate a requirement of retailers to prominently display labels on products which contain the pelts of wild animals that may have been caught with a "steel-jaw leghold trap".
>
> Once again, we experience the highest levels of frustration, and indeed indignation, that foreign governments and/or agencies are taking actions without due regard to the detrimental consequences their actions have on the basic livelihood of groups of people around the world.
>
> I request your assistance on communicating to the British Government our total rejection of such a proposal. In addition, we would offer to, once again, present our positions to them in the most effective manner possible, including direct representation.
>
> We have appreciated your high level of support in the past to counter these measures. The funding support to lobby organizations, such as the Fur Institute of Canada and Indigenous Survival International, are good examples of your dedicated support.
>
> We thank you also for your prompt statements in the House of Commons and the media. Your proposed meeting with Sir Geoffrey Howe is of special interest to us as we feel it may prove to be a most effective action.
>
> Our government is presently examining a variety of strategic options open to us and we shall continue to keep you advised of our planned actions.
>
> Thank you for your support and you may be assured of our total co-operation in this matter.

The third letter with which I wish to illustrate my point, Mr. Speaker, is from Ms. Alice Hill, Executive Director of the Native Women's Association of the Northwest Territories. In a letter dated March 14 of this year she says:

> The Native Women's Association of the N.W.T. is fully supporting the Indigenous Survival International and the Fur Institute of Canada to ban England's Legislation to label fur garments regarding leg hold traps.
>
> Our livelihood depends on fur trapping for food to feed the children, family and relatives. The fur hide is used to make moccasins, parkas, mukluks and mitts. It is used by the Dene (Indian) people of the North today. Every part of the carcass remains are used up. Monies made from the furs go right back into the Economy to purchase supplies and equipment necessary for trapping. Native women today sew arts and crafts decorated by fur. Fur has warmth and insulation for Northern climates.
>
> The fur season is from December to February when the weather is extremely cold in the North . . . During peak periods, the fur on the animals is very dense, therefore trapping is only done for approximately three months of the year.
>
> To our understanding, work is under way to find a new type of trap for the future, rather than the leg hold trap adversely opposed by the anti-fur lobbyist group. Despite this, families living off the land, still have to eat, live, and survive the climates and conditions of the Northwest Territories on an everyday basis.
>
> Jobs are not so easily available to Northern Indian and Inuit people. Many (majority) of them do not have the education required to go into the labour market. Historically, Indian and Inuit people were sent off to convents and residential schools for a short period of their lives for schooling.
>
> It was acceptable to send their children home with a Grade five or six education level so they may go back to trapping with their families. This colonization by the Government was an accepted practice. Consequently in the long run, we have many trappers depending on trapping with minimal education but very proficient as a trapper and would like to remain a trapper.
>
> Should England legislate the label, it would have a pronounced effect on our culture and our way of life as it did with the Inuit and the Anti-Seal Campaign, which destroyed the livelihood of the Inuit people who now depend on Welfare and odd jobs.
>
> Historically, England's demands for fur was what started the Fur Trades, and the long accomplished orientation of the Dene and Inuit to meet those demands were met, consequently, the majority of Natives in the long run are now trappers, which has carried on for generations upon generations.
>
> Today, we ask the Prime Minister, Margaret Thatcher, *NOT* to legislate labelling fur garments which would jeopardize the lives of the Dene, Métis and Inuit people of the Northwest Territories.
>
> The Native Women's of the N.W.T. would like to remind the Government of England to think of the poor Indian families and their children in making this decision.

I would like to comment on some of the actions of Governments to date. Both provincial and territorial Governments have been most active. They have sent delegations to England to try to argue the point. In the Territories a spontaneous movement has grown up. School children have written letters to the British Prime Minister and parliamentarians. A wide variety of people from that area, not only those who are dependent upon trapping themselves but the rest of the people who live there as well, have been very active in pursuing this matter.

● (2350)

With regard to the federal Government, we have been much better prepared with this issue than we were with the seal issue. Foreign officers, high commissioners, ambassadors and their staff know the position of the Government, thanks to the

early forceful statements made by the Secretary of State for External Affairs. They have been in a good position to present the Canadian viewpoint. They have had the facts available to them.

There have been personal meetings between our Secretary of State for External Affairs and his counterpart with the Government of Great Britain, Sir Geoffrey Howe. We have been working in conjunction with the Canadian fur institute. We have been funding Indigenous Survival International, for example, for an exhibit they put in the Museum of Man in London not long ago. We have been doing everything possible to see that the British and Europeans are aware of the facts and of our Canadian concerns.

So far, what we have been able to accomplish in concrete terms is to delay the proceedings. It is interesting how we have been able to do this, at least in part, by bringing this matter to the attention of Denmark which has trapping interests in Greenland and also, I am told, fox farms in Jutland. Denmark is a member of the EEC and was able to lodge a formal protest by way of a note of notice. That has brought about a three-month stay of execution.

Now we must consider what courses of action might be available to us in the future if the British persist in this measure. Of course, we will carry on with the representations as to date and we will work with our allies, especially those in the EEC, like Denmark.

However, we must look at action that might be a little stronger. This matter is certainly what I would call a restraint of trade. We must look at the possibilities under the General Agreement on Tariff and Trade and perhaps take it to that body.

I well understand and compliment the Secretary of State for External Affairs on his reluctance to escalate this matter into something of a trade war. No one really wants to see that. He takes a much more constructive approach by suggesting such things as joint membership of Canada and Great Britain in the International Humane Trapping Standards Committee where we can work together to make sure that fur is produced as humanely as possible.

However, if we were to really look, I am sure we could find a variety of British goods that are produced in ways that might not bear too much scrutiny. I hope that this would not become necessary.

Of course, there is the question of nuclear submarines which they would like us to buy. If they want to sell them, they must keep on pretty good terms with potential customers.

If we chose, we could be just as bloody-minded as the British. Hopefully, however, they will be sensitive and sensible enough so that that does not need to happen.

Mr. Simon de Jong (Regina East): Mr. Speaker, I want to take this opportunity to make a few comments and congratulate the Member for Yukon (Ms. McLaughlin) and the Member for Timiskaming (Mr. MacDougall) for introducing this important topic.

The all-Party agreement on this issue must indicate to the Parliament in Britain that all of us believe the British Government proposal is unwise and is perhaps made more out of ignorance than understanding. All Parties oppose the British Government's proposal to compel the labelling of furs made from animals caught by the leg-hold trap.

This issue was first brought to my attention by my colleague, the Member for Kamloops—Shuswap (Mr. Riis). One of his constituents is involved with the Canadian Fur Traders Association, and I know the Member has been concerned about the proposal by the British Government.

There is a fear that if this is successful, the fur industry in Canada will be ruined. This is an important matter because over 100,000 jobs are involved.

Presently, Parliament is caught up in a debate about free trade between Canada and the United States. The best estimate shows that there could be a net increase of some 120,000 jobs. Yet this British proposal could affect some 100,000 jobs.

This industry primarily affects aboriginal people, who have had great difficulty in adjusting to the western industrialized society. It is an industry in which they can earn an income while retaining a sense of pride.

The British Government, through its ignorance, is threatening this livelihood and has the potential to produce social and personal tragedies as the native communities no longer can make a decent living through trapping.

One can get into a philosophic debate about the role of animals in sustaining human life. Others have attempted to compare the cruelty of the slaughterhouse with trapping and the use of the leg-hold trap. However, I think those are moot points.

It should be pointed out that Canada is concerned about the humane treatment of animals and ensuring that they suffer the least amount of pain.

It is also important to point out that the meat of many animals that are trapped is more valuable to native communities because it sustains their diet. Therefore, while the British Government's proposal threatens the viability of the fur trade, it could harm native communities. Trapping is an important part of the native culture and the native tradition. Again, this tradition and this culture is being threatened tonight by the proposed actions of the British Government.

• (2400)

In concluding, and I assured you, Mr. Speaker, I would be brief in my remarks, the one point that I want to emphasize again is the importance of the fur trade to the aboriginal people. In my City of Regina I know many native people who have come from the country and the reserves because there

was nothing for them there. They end up in the city where, again, there is very little for them. There are poor-paying jobs, if they are available. Generally it is a life of hopelessness and despair. People have had great difficulty finding a meaningful role for themselves in modern industrialized society. There have not been many opportunities for them to participate as human beings in our social process.

One of the few areas that is open to them is in the fur trade. The action of the British Government threatens that. I think it is a dumb move on their part. I am certain they do not know and realize the consequences that this will have on human beings in Canada, people who have experienced the hardships of the western civilization, brought about in great deal by Great Britain and the fur traders sent out by Great Britain. They will now ironically inflict even more harm and suffering on the native people by the actions that they are proposing to take.

I take great pleasure in joining with my colleagues from all political Parties this evening in urging the Government of Great Britain to cease and desist.

The Acting Speaker (Mr. Paproski): I would like to thank the Hon. Member for being cognizant of the clock. I would like to recognize the Hon. Member for South West Nova (Mr. Comeau) and then the Hon. Member for Kenora—Rainy River (Mr. Parry) before we end the debate.

Mr. Gerald Comeau (South West Nova): Mr. Speaker, I too will try to be brief because of the hour. First, I would like to say that I appreciate this opportunity to have my few words in this debate.

I cannot really believe that we continually have to get up in the House of Commons to defend industries that we have had here for centuries in Canada, and our way of life, from animal rights activists. First it was the sealing trade. Now it is the native people of Canada, the fur trappers and so on. Next it will probably be the fur farming industry of Canada.

Where will it stop? Where will the animal rights activists want to stop? Will it be with chicken farmers, hog farmers, cattle ranchers, with turkey farmers, or fishermen? Finally, will they go after the vegetable farmers because vegetables are living beings? We must surely realize that what is happening is deliberate. It is causing deliberate damage and disruption. This should be apparent to all.

In case some people may sympathize with what is being proposed by the animal rights activists, I would like to remind them that this will affect all Canadians, not only the native peoples of Canada who richly deserve our support but all Canadians. All Canadians should be alarmed and angered by the attack on our people and our economy. Canadians must realize the damage and destruction which is being caused to our communities. Canadians must realize the chain reaction effect which will touch us all. In case they may not know that we are being affected, I will give an example.

Let us take a fox ranch or a mink ranch, something which I am more familiar with. Let us say that ranchers in one of the communities in my riding, such as Little Brook, Weymouth or Havelock, who raise fur animals use the waste from the fishing industry, from the fish plants, thus acting as a waste disposal unit. Fish offal is used as food for the animals. It is a high protein food. The ranchers also use offal from chicken farms, as well as the eggs that have gone bad. These various waste products do not go to clutter up the environment. They are being used by the fur ranchers. These waste products might become quite damaging environmental problems. The carcass from the mink and fox ranches are then put to quite good use by being put into a rendering process, and what remains is used in various areas.

The chain reaction does not end there. Not only is fur farming important for the fishing and livestock industries, it is also important to the grain farmers who produce the feed that makes the food for the animals. Nobody would deny the problems that our wheat farmers and grain farmers have been undergoing over the past number of years. Fur ranchers support the lumber industry in the building of pens and in the furring sheds. Fur ranchers purchase wire for cages. So it affects the steel industry. The transport industry is affected since it transports feed to the ranches and the pelts to market.

How many jobs will be affected in the manufacturing of clothes from furs? Thousands. I could go on and on. We could mention the models who model the clothes. We could talk about the manufacturers of cardboard boxes, veterinarians and drug manufacturers. The list could go on and on.

If we as Canadians think that this is only affecting the aboriginal people of Canada—and it is affecting them and the way of life that they have held for thousands of years—it is affecting us as well, non-native Canadians. We should be reminded of this.

Centuries ago our ancestors came to Canada. One of the cornerstones of our economy, along with fishing and lumber, was the fur trade. This, I might add, is the oldest land based industry in Canada. Fur trapping and fur ranching is as Canadian as the beaver and the maple leaf. We have had a fur industry for centuries. We wish to continue for centuries into the future for the sake of our children and our grandchildren. We do not want a bunch of animal rights activists playing on the sentiments of people in order to raise funds for God knows what purpose. This is something of which I want to remind Margaret Thatcher. The company she is keeping nowadays leaves a lot to be desired.

I want to remind the British who have a sport which I think they should be looking into. I refer to the famous sport of fox hunt—tallyho and all that. I do not think that that is the way to go either. Let them look in their own backyard before coming to Canada.

Both the fur ranching and fur trapping industries are important to us. We want them to continue to maintain jobs

for our rural communities, for our native communities, and we want them here for a long period of time.

I would like to draw attention to how fast damage can be done to industries. In 1980 in our sealing industry we could not produce enough seal pelts. It was a completely open market at that time. We could sell as many as we wanted to sell. That was in 1980. In 1982, there was virtually no market at all. So I would like to pass that on as a closing comment.

I promised that I would be very brief. I am living up to my promise. I am leaving time to other speakers.

The Acting Speaker (Mr. Paproski): I want to thank the Hon. Member. I know that the Hon. Member for Kenora—Rainy River will do the same.

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I must say, in rising to address this matter of the proposed fur labelling legislation in the United Kingdom, that I am very glad to have the opportunity to speak. I would like to start by thanking the Hon. Member for Timiskaming (Mr. MacDougall) and my colleague the Hon. Member for Yukon (Ms. McLaughlin), for this opportunity. I would particularly like to compliment and express my gratitude, and that of my constituents, to the Hon. Member for Yukon who has been so involved in this issue, and who went to the United Kingdom at her own expense to pursue this matter and lobby Members of the British Parliament and of the House of Lords.

• (0010)

I would also like to pay tribute to the Secretary of State for External Affairs (Mr. Clark). The degree of concern that he has shown in this matter does him great credit. I believe that the support which he has given to the fur industry is much appreciated.

The range, not only geographically but in terms of ideology and demography, and the range of constituencies whose Members have spoken in this debate tonight should show, if anything can show, the degree to which this concern is felt within this country. I have heard Members from Prince Edward Island, our smallest province and cradle of Confederation, from the two Territories, from the other provinces of this country, from urban settings, rural settings, and vast remote settings like that of my own riding, or that of the Hon. Member for Churchill (Mr. Murphy), who is not present but who would also have liked to have spoken, ridings that are larger in size than the entire country of the United Kingdom where these regulations are proposed.

The Hon. Member for Southwest Nova (Mr. Comeau) spoke of fur farming. Because of my experience in my own riding I will speak only of the wild fur industry. What concerns me is the danger that we may be engaged in a dialogue with the deaf. After all, the Members of the British Parliament are presumably abed and do not have the opportunity to see this debate live as it is happening. We can only hope that their media sources are alert to the concerns of Canada, although past experiences with visiting British journalists have largely been negative. We can only hope that the mother of Parliaments, whose members at the time gave this Parliament its very existence and endowed this Parliament with its very traditions right down to the minutia of the colours that we see before us, are indeed going to pay attention to what is said here and the depth of concern from which our statements spring.

The history of the fur trade in Canada is a history that is intimately linked from its very beginning to the history of the United Kingdom. Our oldest corporate identity is the Hudson's Bay Company founded by Royal Charter in England at the Palace of St. James on May 2, 1670. It was a company of gentlemen adventurers trading into Hudson's Bay, at the initiative of those great French explorers and entrepreneurs, Radisson and Des Groseilliers, but nevertheless it was a company formed in England which took as its motto *Pro pelle cutem* which has been roughly translated as "We will give our skin to get theirs", or "Seeking their hides at the possible cost of our own".

The under-appreciated or perhaps totally ignored reality is that the fur trade, while we now see it as being integral to the very traditions and culture of aboriginal people in this country, changed North America socially and economically at the time and in a very dramatic fashion so that tribes and entire nations relocated across hundreds, indeed, thousands of miles to pursue this trade, their first and most basic economic interaction with the European society that intruded into this continent.

I think that I can bring some very special perspectives to this debate. I can remember as a child of seven raising funds for the people's dispensary for sick animals, one of those organizations which was in the forefront of animal welfare in the United Kingdom, long before we heard of animal rights leagues. I can also remember, before I came to Canada, being represented by two Members of the British Parliament who, I believe, are still Members. Memory may serve me incorrectly, but since I studied at the University of Exeter where the Hon. Gwyneth Dunwoody, who has co-operated so well with my colleague and friend from the Yukon on this matter, was a Member of Parliament, it may be that she at one time represented me.

Having grown up in England, I think that I understand very well some of these springs and the psychology which leads to this type of regulation being proposed. As a columnist in *The Globe and Mail* so wittily pointed out: "Anthropomorphism is a very deep strain within the education and upbringing of the English". I am sure there are English children who believe, as I did, that rabbits run around in little blue vests, and hedgehogs might be dressed in the style and manner of Victorian grandmothers.

There is also the urban psychology. I will not go into too much detail of fox hunting in the United Kingdom, a barbarous relic described by the poet, Siegfried Sassoon, "as the

unspeakable in pursuit of the uneatable". After all, we must be fair and acknowledge that many of those whose opinions and views are behind this labelling regulation that is proposed are also opposed to fox hunting.

I would take up the point as to what constitutes cruelty, and others have made it very well. We eat steaks and we wear leather shoes. I respect those who avoid those things. But so many of us, in so many ways, use animals, and I believe it is far-fetched for anyone to suggest that there is more cruelty in the harvest of wild fur than there is in the confinement, breeding, and slaughter of domestic animals, whether it be for food or leather.

Let us remember the point raised that trappers do not use only the fur. They use carcasses for their own food as well as for the food of their dogs. Let us remember that nowadays, with the transition of the centuries, the fur trade and the fur harvest is so deeply entrenched in the psychology of the aboriginal people of this country that many of them see it, and quite correctly, as being their major link to that land with which they identify, that land and natural environment of which they see themselves as part, as a seamless continuum without the discontinuities of man and nature, the juxtaposition that we in our western way of thinking impose upon that environment.

Let us remember that the trapper is truly the conservationist, that no species has ever been driven into extinction by trapping, and particularly not by trapping undertaken by aboriginal people who are 60 per cent of the trappers in Canada, and perhaps 85 per cent of the trappers in my riding.

Those hunters and trappers, users of animals as they are, like the vast majority of all us, whether we live within an urban, rural, or remote environment, are the true conservationists; these are the true environmentalists. They were not the ones who drove into extinction the dodo or the passenger pigeon. That must be laid at the doorstep of those who came later.

I am somewhat reminded, in viewing this proposed fur labelling legislation by the Government of the United Kingdom, of the words of Neville Chamberlain in justifying appeasement: "Czechoslovakia is a far-off country of which we know nothing". It appears that these regulations are being introduced in the spirit that Canada is a far-off country of which Britain knows nothing, or indeed very little.

I believe that the misinformation and the lack of information that has been present in the public treatment of this issue in the United Kingdom reflects no credit on the Government of that country, and indeed reflects little credit on the popular views of many people in that country. It cannot be said that the mode of death of an animal, even one that is trapped in a leg-hold trap is something that is wilfully or arbitrarily cruel. Death is never, of course, an attractive reality. However, to say this is more cruel, more arbitrary than the death of an animal kept for slaughter is making a judgment that reflects not values but simply cultural perceptions.

• (0020)

I recall the seal campaign and the way that that affected the livelihood of many of Canada's aboriginal peoples and the way it led to a verifiable increase in the social misery indicators in the aboriginal communities. They saw their livelihood disappear because of arbitrary decisions made in another country. Let us not be deceived. This labelling regulation is but part of a campaign aimed at the complete elimination of the fur industry. That will cause untold disruption to the economy of Canada, and particularly that of our poorest communities, the aboriginal communities. The final irony will be that these communities will be left in their final agony through the elimination of that trade which gave them their very existence.

I would of course like to continue on this subject for a very long time tonight but obviously will not do so out of respect, but only for yourself and those who serve us here, as well as for my colleagues who have limited their own remarks. However, let us not forget that the precedent being set will allow speculative, at best, and fundamentally dishonest at worst, propaganda labels to be attached to fur goods in the U.K. Let us ask the Government to pursue this further. Let us ask the Government to make a commitment to further increase research and development of humane trapping within Canada. Let us ask the Government to put this matter on the agenda with the United Kingdom at the Toronto summit. Let us urge Members of the British Parliament to consider and pass Early Day Motion 651 which speaks so eloquently of the disruption and deterioration of aboriginal societies in Canada should this labelling legislation go into law in the U.K.

The Acting Speaker (Mr. Paproski): Is the Hon. Member for Renfrew—Nipissing—Pembroke (Mr. Hopkins) here to speak?

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Yes, I am.

The Acting Speaker (Mr. Paproski): There has been agreement to allow the last few Members to speak for about five to seven minutes. If the Hon. Member is able to participate in the debate in that short period of time, I will recognize him.

Mr. Hopkins: Thank you, Mr. Speaker. I was not aware of that arrangement. I was 100 miles out of Ottawa at a meeting tonight and I just got in and I wanted to speak in this debate.

I simply wanted to say that this debate is indeed not a modern occurrence. It is an historic debate in Canada over the fact that Great Britain is discouraging the sale of Canadian fur in that country and that pressure groups from the animal lobby are going after British politicians, obviously with results. Our minds must wander back to the days when the fur traders travelled up and down the Ottawa River past my riding for 150 miles. The canoes were those of the Northwest Company and the Hudson's Bay Company, British money. They came to Canada in those early pioneer days when Canada's staple crops, if we want to call them crops, were fish, fur and timber.

Grain was added later. Yet today, without proper research, without proper consideration for the economy of this country, we see a large organized pressure group in Great Britain come forward actually to attack the fur trade as it now exists in Canada. I must say that I am of British ancestry and I am very disappointed in what is taking place in Great Britain, as I think most Canadians are.

In our dealings with Britain, indeed other European countries, we have always been looked upon as a sort of good neighbour and good friend. Now we are being tossed aside. However, it is not the first time that Canada has been tossed aside by Britain and our other friends. In 1903 Great Britain and the United States came together and made an agreement, and Canada lost in the establishment of the boundary between Alaska and British Columbia.

Today, with the trapping industry in Canada going through a very difficult time with prices down one-third from what they were last year and with 100,000 or more Canadians who depend, if not entirely at least in part, on this industry for a living, I think it is time for our British friends to remember that Canada has done a tremendous amount for them over the years, to say nothing of the support we gave them and Europe through two major world wars. We can see the evidence of that as we look at the tombstones of our soldiers across Europe.

I think it is sad that we have come to this stage where animal lobbyists in Great Britain, without any research into the commerce flowing back and forth across the Atlantic, without any respect for the history or traditions of our two countries, are attacking this industry.

I heard one Hon. Member speaking just a little while ago about the fur hats of the Grenadier Guards in Great Britain. They forget where those hats came from. These groups are throwing that tradition aside, and it is ironic because if any country in the world loves tradition, it is Great Britain.

I would simply appeal tonight to the British Parliament, to Prime Minister Margaret Thatcher and her cabinet colleagues, to listen to these comments from the Canadian Parliament. Let them give a second thought to the situation and remember some of the things Canada has done for Great Britain at great expense in lives and great cost in food during a time when that nation was in crisis. We came to their rescue. Now, during a time of peace, we should be cementing that relationship. We should be building bridges of trade rather than tearing them down.

If there is any issue which has ever been brought up in this Parliament or in the British Parliament that relates to the previous days of the British Empire and the Commonwealth up to the present day, it is that of the fur trade. Let us ask our British friends tonight to reconsider this move and let us ask the general public in Great Britain and the animal lobbyists how they would feel if, all of a sudden, their very livelihood was cut out from underneath them. No matter what industry they work in, if suddenly tomorrow morning their work was no more, how would they feel? That is precisely what they are doing to many Canadians in this country today.

Thank you, Mr. Speaker, for letting me say these few words. I hope this debate in this Parliament of Canada tonight drives the message home to British parliamentarians.

The Acting Speaker (Mr. Paproski): I wish to thank the Hon. Member and all other Hon. Members who participated in this debate, as well as our staff, the clerks, the Table Officers, the pages and the media.

Pursuant to Standing Order No. 29(12) I am satisfied that the debate has now been concluded, and therefore I declare the motion carried.

Motion (Mr. MacDougall) agreed to

The Acting Speaker (Mr. Paproski): It being 12.30 a.m., this House stands adjourned until tomorrow at 11 o'clock a.m., pursuant to Standing Order 3(1).

The House adjourned at 12.30 a.m.

HOUSE OF COMMONS

Thursday, June 2, 1988

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour of tabling, in both official languages, the Government's response to three petitions numbered as follows: 332-4373,332-4375 and 332-4474.

[*Editor's Note: See today's Votes and Proceedings.*]

[*English*]

Mr. Speaker: I might interrupt Routine Proceedings to advise the House that *Hansard* has been delayed. However, it is now being distributed in the Chamber.

* * *

NATIONAL TRANSPORTATION ACT, 1987

REFERENCE TO STANDING COMMITTEE ON TRANSPORT OF BILL C-131

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I have a number of routine motions that have been reviewed with the opposition Parties. I think Your Honour will find that the House will be content to hear them and pass them immediately.

The first motion concerns Bill C-131 which was introduced yesterday. I move:

> That the order for second reading and reference to a legislative committee of Bill C-131, an Act to amend the National Transportation Act, 1987, standing on the Order Paper, be changed to reading second reading and reference to the Standing Committee on Transport.

Mr. Speaker: Does the Hon. Minister of State have unanimous consent to move the motion?

Mr. Gauthier: Mr. Speaker, I apologize, but that was the last motion I had in my group. I am still checking with our critic on whether he agrees with this motion. Perhaps the Government could hold it for a few minutes, until we have a chance to speak to our critic.

Mr. Speaker: Perhaps I did not hear the Hon. Member. Is he referring to the motion that has just been proposed by the Minister of State, or to one of the motions which the Minister indicated that he will be proposing?

Mr. Gauthier: Mr. Speaker, the motion respecting the order for second reading of Bill C-131, an Act to amend the National Transportation Act, 1987, is the motion to which I am referring.

Mr. Speaker: I propose to stand this motion down. I would ask the Minister of State to address the House on the other motions to which he referred.

Mr. Lewis: That is fine, Mr. Speaker. Perhaps you could ask the page to return the original copy of the motion with my notation that it has the clearance of the other Parties so that I could have it for my files.

Actually, the note says: "Liberals tentative only, get back to us at 11 a.m.". It is stood properly.

[*Later*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have now had time to consult with my critic and I would like the Government to know, through its Minister, that he can change the note on his sheet and read it properly. We will authorize and agree with the committee reference on Bill C-131.

Mr. Speaker: I think we can take it as proposed. Does the Hon. Minister of State have unanimous consent of the House to move the motion?

Some Hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Lewis: I can assure my hon. friend, Mr. Speaker, with respect to this last motion, that it will be the last time I get a copy that says "tentative". I am sure that has been recorded elsewhere, too.

Motions

HOUSE OF COMMONS

AMENDMENTS TO STANDING ORDERS

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I move:

That Standing Order 89(3) be amended by deleting paragraph "(b)" and substituting the following therefor:

"(b) Scrutiny of Regulations, to consist of eight Members."

That Standing Order 96(4) be amended by deleting paragraph "(b)" and substituting the following therefor:

"(b) the Standing Joint Committee for the Scrutiny of Regulations shall include, among other matters, the review and scrutiny of statutory instruments which are permanently referred to the Committee pursuant to the provisions of section 26 of the *Statutory Instruments Act*;" and

That a message be sent to the Senate to acquaint their Honours thereof.

• (1110)

Mr. Speaker: Does the Hon. Minister of State have unanimous consent of the House to move the motion?

Some Hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

PROPOSED ADDRESSES—BUSINESS OF THE HOUSE

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, the next motion is with respect to visits to the House of Commons of two foreign dignitaries. I move:

That notwithstanding Standing Order 3(1), on Thursday, June 16, the House shall meet at two o'clock p.m.; and

That, for the operation of the Standing Orders, such sitting shall be deemed to be a Wednesday, except that Private Members' Business shall be taken up between five o'clock p.m. and six o'clock p.m.; and

That, the address of the Chancellor of the Federal Republic of Germany to be delivered in the House Chamber on Thursday, June 16, 1988, at eleven o'clock a.m., before Members of the Senate and House of Commons, together with all introductory and related speeches, be printed as an appendix to the *House of Commons Debates* of that day and form part of the records of this House; and

That, the Chancellor's address, together with all introductory and related remarks, be made available to the media for transmission in the usual way by the House of Commons broadcasting system; and

That, the address of the Prime Minister of the United Kingdom, to be delivered in the House Chamber on Wednesday, June 22, 1988, at twelve o'clock noon, before Members of the Senate and House of Commons, together with all introductory and related speeches, be printed as an appendix to the *House of Commons Debates* of that day and form part of the records of this House; and

That, the Prime Minister's address, together with all introductory and related remarks, be made available to the media for transmission in the usual way by the House of Commons broadcasting system.

Mr. Speaker: Does the Hon. Minister of State have unanimous consent of the House to move the motion?

Some Hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

BUSINESS OF THE HOUSE

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, there have been discussions among the Parties with respect to today's business, and I think you will find consent for the following proposal that would see the House concur in the Senate amendment to Bill C-102, and for Bills C-73, C-115, C-122, and C-123 to all receive second reading and reference to committee before the conclusion of Government Orders at 5 p.m. this evening.

We have rearranged, after discussion with the critics, the order of business to read as follows: first, the concurrence in the Senate amendment to Bill C-102 and then, in the following order, Bills C-115, C-122, C-123, and C-73.

I also have a motion that would allow the Bills to be referred to the same legislative committee, which reads as follows:

That, when the motions for second reading and reference to a Legislative Committee of Bill C-73, an Act to provide for the implementation of an agreement respecting Indian lands in Ontario, Bill C-115, an Act to amend the Indian Act and another Act in consequence thereof, Bill C-122, an Act to amend the Indian Act (by-laws and membership rules) and Bill C-123, an Act to amend the Indian Act (minors' funds and surviving spouse's preferential share), have been adopted, the said Bills shall stand referred to the same Legislative Committee; and

That, notwithstanding Standing Order 93(5)(a), the said Committee shall remain in existence until each Bill has been reported back to the House.

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, generally, speaking for the Official Opposition, we agree with the arrangements indicated to the House by the Minister of State. Certainly we do with respect to the order, that is, that we begin with Bill C-102, then proceed to Bill C-115, Bill C-122, Bill C-123, and end with Bill C-73. We also agree that, if the way is clear and there are no procedural difficulties, all the matters go to the same legislative committee.

There is only one difference with what the Minister of State outlined, and that is with respect to Bill C-115. There have been discussions among the Parties that we would deal this morning with Bill C-115 and take it through second reading. There is also agreement that this afternoon, when the Minister returns to the House, we would ask that Bill C-115 go into Committee of the Whole so that we can deal with all stages of Bill C-115, through to the third reading stage, this afternoon. Therefore, that Bill would not be included among the Bills that go to the legislative committee. If that is acceptable to the Government, we can then proceed on that basis.

Mr. Speaker: Before calling on the Minister of State, perhaps I should hear from the Hon. Member for Skeena (Mr. Fulton).

Mr. Jim Fulton (Skeena): Mr. Speaker, I just want to confirm what my friend, the Hon. Member for Cochrane—Superior (Mr. Penner), has said. I am not sure why we need Bill C-102 to go to the legislative committee. I think it will simply go on out of this place. Just to make it clear, it is complete; We are only changing a very small technical part of it. It will not go to a legislative committee. It will go out of here so that the enrolment procedures for the Inuvialuit can take place.

With respect to Bill C-115, I just want to confirm that I have an agreement with the Minister, and I spoke to the Parliamentary Secretary this morning, that we will start with the motion on Bill C-102, deal with it, deal with second reading of Bill C-115, complete that, and, if we have time, go on to Bill C-122. When the Minister is available after three o'clock this afternoon, we will revert and do all stages of Bill C-115 with the Minister present, and then complete either Bill C-122, Bill C-123, or Bill C-73, what is left of those. Bills C-122, C-123, and C-73 are the three Bills which will go to the legislative committee. Bill C-102 goes out of here, and Bill C-115 will have been completed and will go to the other place.

Mr. Penner: Mr. Speaker, I apologize for rising again, but I would like to seek some direction from the Government with respect to the point raised by my friend, the Hon. Member for Skeena (Mr. Fulton). Bill C-102 is such a simple matter, a technical matter. I would like some direction from the Government on how we can can deal expeditiously with it through all stages and on what the procedure will be, because obviously there is no need for such a Bill to go to the legislative committee.

Mr. Lewis: If I may, Mr. Speaker, I mentioned Bill C-102 in my opening remarks, but when I got to the draft motion there was no reference to Bill C-102 in it. It will be handled first in order of business and then we will concur in the amendment made by the Senate.

With respect to Bill C-115, naturally I am pleased to see the degree of co-operation we have received, and we will leave it on consent of the Parties to amend the House order as proceedings go on this afternoon.

Mr. Speaker: Does the Hon. Minister of State have unanimous consent of the House to move the motion?

Some Hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

PETITIONS

RESEARCH INTO PREVENTION AND CURE OF SCHIZOPHRENIA

Mr. Les Benjamin (Regina West): Mr. Speaker, I have six petitions signed by Canadians from the City of Regina and the communities of Regina Beach, Quill Lake, and a few others in Saskatchewan.

The petitioners state that whereas schizophrenia is a major illness in Canada affecting about 1 per cent of the population and costing Canadian society more than $3 billion annually in direct health care and other support costs, and whereas the research effort in Canada dedicated to schizophrenia is extremely limited and not commensurate with the burden the illness imposes on Canadians, the undersigned, your petitioners, humbly pray and call upon Parliament to ensure that research efforts related to schizophrenia will, in future, be commensurate with the seriousness of this illness in Canada.

• (1120)

CANADA-U.S. FREE TRADE AGREEMENT

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have the honour to present three petitions signed by residents of Winnipeg and of other towns and cities in Manitoba.

The petitioners state in part that whereas the Conservative Government had no mandate from the Canadian people to conclude a free trade agreement with the United States, and whereas the Prime Minister (Mr. Mulroney) promised in the course of the bilateral trade negotiations that Canadian sovereignty would not be compromised, your petitioners humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Dennis H. Cochrane (Moncton): Mr. Speaker, pursuant to Standing Order 106, it is my honour and privilege to present a petition signed by a number of constituents, particularly from the Town of Riverview in my constituency.

They are concerned about the recent decision of the Supreme Court of Canada. They humbly pray and call upon Parliament to pass immediately legislation to protect innocent unborn children.

Mr. Jim Caldwell (Essex—Kent): Mr. Speaker, I have the pleasure to present a petition signed by residents of my constituency in the towns of Wheatly, Cottam, Kingsville, Leamington, and Ruthven. They humbly pray and call upon the Government to pass into law legislation that will protect the life of the unborn child from conception, and at all stages of development, with the exception of the extremely rare situation in which an abortion is performed to save the life of the mother.

Order Paper Questions

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, I have the honour and the privilege to table a petition from a number of citizens of Windsor. It is a petition which has been properly certified by the Clerk of Petitions in conformity with Standing Order 106.

The petitioners state that whereas the Conservative Government had no mandate from the Canadian people to conclude a free trade agreement with the United States; whereas the Prime Minister (Mr. Mulroney) promised in the course of bilateral trade negotiations that Canadian sovereignty would not be compromised; and whereas the proposed trade agreement would deny Canada the policy freedom to determine its own economic future and would undermine our ability to build a society distinct from the United States, therefore the undersigned humbly pray and call upon Parliament to dissolve and to allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

* * *

QUESTIONS ON THE ORDER PAPER

(Question answered orally is indicated by an asterisk.)

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, Question No. 328 will be answered today.

[*Text*]

DOT—GRANTS AND/OR LOANS WITHIN METROPOLITAN TORONTO

Question No. 328—**Mr. Redway:**

Since September 4, 1984, did the Department of Transport make grants and/or loans to persons or corporations, non-governmental organizations and governments within Metropolitan Toronto and, if so, to which ones and, in each case, in what amount and for what purpose?

Hon. Benoit Bouchard (Minister of Transport): Yes, grants only. No loans were made.

(a) Grants for transportation research to universities, other organizations, university students and other individuals. Toronto/York University-Downsview $450,000

(b) Grants to institutions assisting sailors Mission to Seamen-Toronto $1,200

[*English*]

The Acting Speaker (Mr. Paproski): The question as enumerated by the Parliamentary Secretary has been answered.

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

The Acting Speaker (Mr. Paproski): Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

WESTERN ARCTIC (INUVIALUIT) CLAIMS SETTLEMENT ACT

MEASURE TO AMEND—CONCURRENCE IN SENATE AMENDMENT

Hon. Monique Landry (for the Minister of Indian Affairs and Northern Development) moved the second reading of, and concurrence in, an amendment made by the Senate to Bill C-102, an Act to amend the Western Arctic (Inuvialuit) Claims Settlement Act.

Mr. Stan Schellenberger (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I appreciate the accommodation of the other Parties regarding the Bills that are being put forward today, particularly Bill C-102. There was an error in printing by the Department and the Minister. It was not discovered as it went through the House the first time. The Senate dealt with this error.

The original documents tabled with the Inuvialuit were correct. It was simply the legislation on which the dates were not correct. We are hoping that because of this we can deal quickly with the Bill, concur in the amendment, and send it on for concurrence by the Governor General so that it can become law very quickly.

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, of course if the Official Opposition concur in this motion. I just want to indicate to the House that the substance of this Bill has already been fully considered. We dealt with it in all stages at an earlier time.

The agreement between the Government of Canada and the Western Arctic Inuvialuit represents an important step forward in settling claims. The changes that we passed earlier were primarily of a technical nature. When we did so, no one picked up the fact that there was an error in the drafting of the legislation with respect to the date. That is what we are now correcting. It causes no problems at all.

However, I think we owe a debt of gratitude to the Senate for having detected this error. It is not a serious one, but there have been other occasions when bad drafting has led to some very serious repercussions.

I would simply draw to Your Honour's attention a piece of legislation called Bill C-31 wherein bad drafting resulted in a regulation now used by the Department of Indian Affairs to prohibit a significant number of people from applying for the reinstatement of their Indian status. This is what we now refer to as the infamous death rule. The Department of Justice looked at the statute and discovered that there was a difficulty

with it. Because there was a difficulty, it is now being applied in practice and affecting people's lives.

I simply want to draw to the attention of the House and to the attention of the country that we around here can sometimes be a little too lax in legislative committees and, in certain cases, in standing committees, or if we are dealing with matters in Committee of the Whole. We need a kind of expertise so that these errors in drafting will not get away from us.

I just want to repeat that we cannot take it for granted that we can proceed on the basis of good faith that those who draft legislation for us always do it right. That is why we have to be continually vigilant.

I repeat that with this case it is not a serious error. It is just a small one. We can deal with it very easily. That, of course, is the intention of the Official Opposition.

Mr. Jim Fulton (Skeena): Mr. Speaker, it is nice to have an opportunity to speak for a moment to the amendment to Bill C-102. I spoke to senior people in the Department who are aware of how this came to be on page 2 in the first clause at line 13. The date, April 11, 1987, happened to be put in there. The actual document was typed with that date, as I understand it, at the top of the page, and the actual date of signature was put in, in ink, at the bottom of the page. When the draftspeople were putting in a date, they in fact used the most visible and obvious typed date rather than the appropriate one, which is May 11, 1987.

I am assured that this is simply a technical change that resulted from a small error. It is not some other agreement or whatever, although I know that many first citizens in the country are deeply suspicious of what the federal Government does most of the time, if not all the time. They have every right to be given the assurance that it is not a change in any other way than to put the proper date on the document.

I want to remind Hon. Members about how long it has taken for us actually to get this done. The Inuvialuit, or as their negotiating arm was known, COPE, entered into the agreement with Canada on June 5, 1984. It was tabled in the House on June 19, 1984. It was passed by the House on June 26. That is almost four years to the day that the agreement was put in place. It has taken us four years of procedure to get to where we are today. It can go very quickly to get Royal Assent in order that, perhaps, it could be fully implemented by next week.

• (1130)

The Inuvialuit final agreement contained 18 principal points: 35,000 square miles in title fee simple absolute, full subsurface rights to 5,000 square miles, to roughly a seventh of the land, and on the other 30,000 square miles the Crown holds the rights to certain minerals, natural gas, oil, and so on.

The compensation was arranged at $44 million in 1977 dollars. Approximately $12 million was borrowed by the Inuvialuit and their negotiators to complete the process of negotiations. At present, the full amount in inflation protected dollars is $152 million, of which $73 million has been put out and there is approximately $73 million permitted yet outstanding.

I am pleased it is passing through this place today because the enrolment procedures for the Inuvialuit are being held up. They had planned to complete that this month. If the Governor General moves quickly, hopefully they may be able to complete that this month, or certainly by next month. I am pleased that after only four years of delay both Chambers have managed to patch things up and get the deal concluded.

Mr. Dave Nickerson (Western Arctic): If you will recall, Mr. Speaker, what Bill C-102 did was to correct no less than 14 pages of drafting errors in the original Bill or in the agreement that formed the schedule thereto. In my remarks today I wish to echo the comments made by the Hon. Member for Cochrane—Superior (Mr. Penner) that we must do a better job of drafting. These things are going backwards and forwards like a yo-yo between this place and the Senate in order that these corrections can be made. Professionalism within the various government Departments, in this case the Department of Indian Affairs and Northern Development and presumably also the Department of Justice, ought to exist in order that that does not happen in future.

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Mrs. Landry, for Mr. McKnight, moves that the amendment made by the Senate to Bill C-102, an Act to amend the Western Arctic (Inuvialuit) Claims Settlement Act, be now read a second time and concurred in.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, amendment read the second time and concurred in.

The Acting Speaker (Mr. Paproski): The Hon. Member for Wetaskiwin (Mr. Schellenberger) on a point of order.

Mr. Schellenberger: For clarification, Mr. Speaker, as I understood it, you called for second reading. We would like this to pass directly through the House. If you could accommodate us, we would be very happy.

The Acting Speaker (Mr. Paproski): The motion has been adopted and it now goes back into the Senate, so there is really no problem with that. That is the usual procedure.

The Hon. Member for Cochrane—Superior (Mr. Penner).

Mr. Penner: We were seeking clarification from the Chair that, if we dispose of it at this stage, that will be the end of it

and the Inuvialuit will know that there will be no further procedural matters related to the changes to their agreement.

The Acting Speaker (Mr. Paproski): The motion has been adopted. It will go back to the Senate and then it will come back after Royal Assent.

* * *

INDIAN ACT

MEASURE TO AMEND

Hon. Monique Landry (for the Minister of Indian Affairs and Northern Development) moved that Bill C-115, an Act to amend the Indian Act and another Act in consequence thereof, be read the second time and, by unanimous consent, referred to Committee of the Whole.

Mr. Stan Schellenberger (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I am pleased to speak to this Bill, one which is being presented for second reading today. Hopefully, by agreement, it can move through the House today by way of Committee of the Whole and third reading. We wish to do this because of the significance of the Bill.

It has been brought forward by the Indian people. We are looking for an amendment at their request. This Bill was given extra direction at the conference held in the City of Edmonton where the Assembly of First Nations met and passed a resolution supporting this legislation. The band that initiated the Bill that we are discussing is the Kamloops Band of British Columbia. They began the process in January, 1985.

By the end of that year, well over 100 other bands from across the country had formally communicated their support of this legislation to the Government. In July, 1986, the General Assembly of First Nations endorsed the Kamloops proposal, as they did again in the last couple of days.

On March 16, 1988, the Confederacy of Nations of the Assembly of First Nations examined Bill C-115 itself and endorsed it in principle. The Assembly of First Nations requested only one small amendment to the text of the Bill, and this is included in the motions that have been prepared.

I also wish to speak to the opposition critics on four very minor amendments that must be proposed to this legislation, and we hope to do that in Committee of the Whole. Those amendments are prepared and hopefully will be endorsed by all of us.

Over the last several years Chief Clarence Jules of the Kamloops Band, when we should commend for his diligence and hard work in this area, has travelled extensively throughout the country explaining this proposal at countless meetings to any band or organization that wishes to listen. He has also been very diligent in his work on Parliament Hill with those of us who are interested in Indian matters. Indian people understood what he was proposing and they supported him. I hope we will also do so today.

Chief Jules' attitude is one I share: as long as the Indian Act is with us, until such time as it is superseded by a higher and better law, then we should make the Act work for Indian people and not against them. Whatever gains we make in this way can be retained for the future in other legal expressions yet to come.

There are two main purposes to this Bill: first, to clarify the legal status of Indian lands; second, to establish the legal foundation for property taxation by band councils. These two purposes are closely related. I do not need to remind the House that land is one of the most vital and sacred concerns of Indian people. The lands that are set aside for Indian people must be under Indian control, and they must be legally disposed of in such a way as to provide maximum control and economic benefit to Indian communities.

One of the principal means by which Indian bands can benefit economically from their land is through leasing, both to Indians and in many cases to non-Indians, until such time as they have sufficient control, whether it is in farming, timber, or mining, to take over those apparatus themselves. The lease makes possible modern financial and contractual arrangements. Some bands may not wish to use their land in these ways, and that is their choice, but many bands wish to use their land base as a source of wealth and employment for their community, as well as underpinning their economic development. They must have that opportunity.

The great advantage to leasing arrangements is that the ultimate Indian interest in the land can be retained and the land is not lost from the reserve. At the same time, the lease provides the legal basis for the economic use of the land.

In order for bands to lease their land, the Indian Act requires that the land must first be surrendered to the Crown, which is then authorized to enter into the lease on behalf of the band. This is obviously an indirect and very complicated process. However, it has historical roots which touch on the basic nature of the relationship among the Crown, Indian land, and Indian people.

• (1140)

In this proposal to amend the Indian Act, Indian people have not asked that the surrender process be changed or removed. Such a step may come in the future, but only after much consideration has been given to the consequences for the Indian-Crown relationship. However, within the present context of the surrender process, the fundamental difference needs to be clarified between an absolute surrender of land for sale and a surrender for lease. At present this difference is merely mentioned in one line of the Indian Act. It is not clearly set out nor worked through the relevant sections of the Act.

The Bill before us will establish that a surrender may take one of two forms—first, an absolute surrender for sale which would remove land completely of all Indian interests and take it out of reserve, which is extremely rare, and, second, a surrender for lease or some other restricted purpose, in which case the land remains part of the reserve. Setting aside part of a reserve for leasing is not a surrender, nor is it a release of the Indian interest in the land.

In order to facilitate and strengthen the distinction between these two types of surrender, land surrendered for lease would be termed "designated land" and the process of such non-absolute surrender would be termed "designation". This terminology is obviously far superior to the word "surrender", and the symbolic importance of this change is of great value.

As a result of these amendments Indian communities will be able to set land aside for development without fear of losing the Indian status of the land. The rights they obtain through the Indian Act will continue to apply, such as voting rights in band elections, protection of cultural property, and the power to govern the land through by-laws.

The last point is very important. At present it is not at all clear in the Indian Act whether the word "reserve" includes surrendered land of any type. There is, therefore, a risk that when land is surrendered for lease it might cease to be defined as part of the reserve and the by-law powers of the band council could not govern the land. This is a totally unacceptable loss of Indian jurisdiction and control of Indian land. It would also mean a very serious vacuum of local jurisdiction over leased Indian land. This has taken place in many instances across Canada and is why the band at Kamloops requested the change. This situation cannot be permitted to continue.

One of the most important by-law powers that bands need is their power to tax use of the land. That brings me to the second purpose of these amendments, which is to establish clearly that band councils have the power to tax any interest or use of reserve lands in order to defray their costs as the government of that land. Such taxation power is obviously indispensable to any form of modern government. Some bands may not wish to use this power, but it must be there for bands which wish to exercise it.

In fact, Section 83 of the Indian Act has provided a taxation power for band councils since 1951. It is possible, however, that the power might apply only to Indians. It may not, as presently worded, apply to non-Indian leaseholders. The amendments will make certain that non-Indians are covered.

Section 83 is being brought up to date in other ways as well. Bands will no longer need to be declared to have reached an advanced stage of development before they may pass money by-laws. This provision is offensive and pointless.

The enforcement powers of band councils needed for their tax systems will be strengthened. Band taxation by-laws will be required to include appeal procedures to ensure equity for taxpayers. A general federal regulatory power is provided. Although no regulations are proposed at this time, the purpose of any future regulations would be to minimize ministerial discretion in respect of the exercise of band powers. If rules are necessary, they should be explicit and objective.

There is one final aspect of the Bill which I want to touch on in these remarks. There are certain sections of the Indian Act which create exclusively Indian land holdings in a reserve in which non-Indians cannot participate. The word "reserve" cannot include "designated land" for the purposes of the sections, since designated land is designed to include non-Indian participation. These sections are enumerated in the new definition of reserve, but Section 89 of the Act creates a special consideration in this context.

Section 89 protects Indian real and personal property on a reserve from any form of seizure or mortgage. It is a mixed blessing for Indian people. On one hand it protects their property, but on the other hand it prevents them from offering security for loans.

The question arises on how the concept of designated land should apply to Section 89. After all, the purpose of designated land is to allow leasehold interests to enter the legal and economic mainstream while protecting the underlying Indian interest in the land.

With this in mind, Section 89 is proposed for amendments so that leasehold interests in designated land would be made mortgageable. This will mean that an Indian person holding a lease on designated land would be able, just as a non-Indian is, to use the lease as security for a loan. There would be no risk to the ultimate reserve status of the land nor any possible loss of the ultimate Indian interest. Only the lease would be at risk. Of course, such leasehold interests would also remain under band council jurisdiction. This change should be a major breakthrough for the Indian economic use and benefit of reserve land.

The tendency in arguing for amendments to the Indian Act is either to do away with it entirely or to amend every section. Neither option is proposed here. Indian people have suggested a limited change to the Act. I believe these amendments are necessary and extremely helpful to Indian aspirations at this time, and I am pleased to be able to bring them to this House.

I want to add in closing that in August of 1987 the Department released an information booklet explaining these proposed amendments in detail. Over 6,000 copies of that booklet were distributed, including two separate mailings to all chiefs. Members of the House and the Senate were also sent copies, as were all provincial Governments and major associations of municipalities. These amendments have been developed in a very open process. Indeed, the content of this legislation has been developed in close consultation with Chief Jules, its main proponent from the Indian community.

I think the way in which this process has been undertaken shows that government and Indian co-operation on legislative

change is possible and can produce substantial and positive results. I hope we will see much more of that type of co-operation as we continue to make changes in the years ahead.

In conclusion, it is very important that we continue this kind of process to encourage the self-government movement toward which many of us in this House have worked so hard. This is one small change in that direction.

• (1150)

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, Bill C-115 which we are now debating represents the end of a rather long struggle for Chief Manny Jules of the Kamloops Band in British Columbia. Bill C-115 amends the Indian Act. This Bill has actually now become known as the Kamloops amendment Bill.

As the Parliamentary Secretary indicated to the House, Bill C-115 will enable First Nations to tax non-Indian interests on conditionally surrendered reserve lands. I do want to say to the Parliamentary Secretary that to alter the terminology from "conditionally surrendered" to "designated lands" represents a reality and a step forward. Of course, it is only wording, but words carry important impressions, and those words need altering and adjusting from time to time. I and the members of my Party support the principle and the thrust of Bill C-115, as well as the technical amendments which either the Parliamentary Secretary or the Minister will introduce this afternoon when we go into Committee of the Whole.

In being so co-operative, I have to say to the House that all of us have to acknowledge a failure. It is not a failure on the part of this present Government *per se* but a failure of the entire system past and present, a failure to recognize the historical and legitimate right of Indian and other aboriginal people in this country to self-government or self-determination.

Members of Parliament really ought to ask themselves the very big question: How is it that so late on into the 20th century we continue to delay, to resist, and to go on frustrating the aboriginal people of Canada by failing to recognize that they do have an inherent right to self-government? That inherent right ought to be in the Constitution of Canada. Until that recognition is forthcoming—and I want to say to all Members that I believe that recognition will inevitably come; I just hope that it will happen in my lifetime—we are forced to go on modifying this piece of legislation called the Indian Act. This Indian Act is really by any objective standards totalitarian in nature and intent, and it really ought to be declared unconstitutional.

Land for Indian people represents a part of their spiritual relationship with the universe. Land to aboriginal people is a great deal more than it is to most other Canadians who see it as a place on which to erect a house and reside or a place from which you operate a business or some kind of investment. For the aboriginal people it represents so much more. It has very deeply engrained cultural aspects and religious underpinnings as well. Land and control over it and its resources are, of course, a prerequisite, a vital aspect of self-government.

I think probably that most Canadians have the idea that Indian reserves are gifts of land from the Government of Canada to Indian people, that somehow they represent an act of generosity by the Government that said "here, this is yours. You can have it and look after it". However, that is a complete misconception; it is not so and that misconception must be corrected.

Indian lands are those areas which Indian people reserve for themselves under treaties. In some parts of Canada there are no treaties at the present time. Most of British Columbia comes under that category as does northern Canada, that is, north of 60°. Where there are no treaties, aboriginal title may be asserted, although the full legal impact and implication of aboriginal title has not yet been realized in Canada. I am so tempted once again to launch into my thesis about aboriginal title. I have done it on other occasions in the House, but I will restrain myself because the matter of defining aboriginal title is now before an important court in the Province of British Columbia. Given a satisfactory definition of aboriginal title, I believe that many of the arguments I have made in the past with officials from the Department, with the Minister, and here in the House with my colleagues may, in fact, be sustained.

Bill C-115 takes a step toward increasing Indian control over Indian lands. It clarifies the powers that Indian bands have to develop and to tax non-Indian interests on those lands. It is a step in that direction, but I do not think we should be too self-congratulatory because it is a modest step. It is a mild movement forward. The Indian Act allows for reserve lands to be conditionally surrendered or better designated to permit leasing and development. At the present time the Indian Act does not make it clear what taxation powers these bands have over these designated or conditionally surrendered lands.

This morning, with Bill C-115, we are clarifying exactly what powers the bands have to tax non-Indian interests on Indian lands that have been designated for lease and development. At some future time, Sir, when Indian self-government becomes a reality in Canada, then First Nations will have the right to control their own lands in the manner in which they see fit. It will be unthinkable that we in this House of Commons and Parliament of Canada would be dealing with such matters. It will belong exactly where it ought to reside, with the legal powers of the First Nations themselves. When that happens each First Nation will have the power to decide the methods of land holding and the land management regimes which they want to have in effect.

• (1200)

I repeat that we desperately need leadership from the federal Government to promote actively the constitutional changes which are necessary to recognize in full law the First

Nations' right to their lands and the waters and resources on those lands.

Bill C-115 has to be seen as part of the *ancien régime*, a part of the old order. You may remember from your history classes, Mr. Speaker, about the *ancien régime* in France prior to the French Revolution. At that time, it was necessary for a local congregation to come to the Estates General to get permission to repair the roof of the church. Bill C-115 is not very much different from that. We are participating in an action under the old order, an old order that simply must change in time.

It is regrettable and unfortunate that it is still necessary for Parliament to give First Nations the permission to tax non-Indian interests on their own lands, on lands they have designated for development or leasing. In the process of so doing we also have to make it clear, are the legislation does, that tax exemptions on purchases and incomes made on these lands are applicable as they are on so-called reserves.

It has become customary, when we amend the Indian Act, to go through some manner of consultation. The Parliamentary Secretary made it clear that there had been a consultation process, and in this case it has been a satisfactory one. The Assembly of First Nations, in 1986, adopted a resolution endorsing the position taken by Chief Manny Jules of the Kamloops Band. However, at the same time, I think this House ought to be aware that the Assembly of First Nations and other native organizations in Canada remain highly critical of this Government's reluctance to move forward with more vigour in the recognition of aboriginal self-governments.

I have to tell my colleagues in the House once again how distressed I am that the important work done a number of years ago by the Special Committee on Indian Self-Government in Canada has resulted in very little that is positive. I regret that the Department of Indian Affairs has chosen to use much of the vocabulary of this report but to go on denying the essence and the reality of what was recommended in that document.

In Indian-Government relations in Canada, there has been much betrayal by successive Governments, both federal and provincial. Since there is such a long record of broken promises, there remains a deep concern that revenue that will be raised on these conditionally surrendered lands, these designated lands, will in future offer the Government a reason for reducing the normal or regular financial support for band administration, for economic development, for housing, and for other ongoing programs which in reality constitute a part of the federal Government's obligations under treaty or other aboriginal rights.

I hope that will not happen. I hope that the Government will not tell a band that raises revenue in this manner that now that it has some money from its own lands it does not need the other programs and that it will give them to someone else.

That approach has been tried as a result of the settlement with the James Bay Cree. It was done with one particular band in the southern part of the Province of Alberta, a band which received compensation from the Government for a cattle claim. When those moneys were disbursed, immediately the Government sought to reduce social assistance to the members of that band. That is the kind of betrayal that Indian people are concerned about. I want to make it clear that we will be watching carefully to see that, as a result of Bill C-115, this does not occur again.

Meanwhile, Chief Jules has made it clear that nothing in Bill C-115 will cause Indian bands to lose any jurisdiction on leased reserve lands, on these designated lands.

I conclude simply by saying that because the days of this Parliament are obviously and rapidly drawing to a close, Chief Jules wants to see this Bill become law and not die on the Order Paper. As the spokesperson for Indian and aboriginal affairs for the Liberal Party of Canada, I want to assure the chief of our complete support for and co-operation in dealing with this Bill. That is why the Parliamentary Secretary, the Minister, my colleague from the New Democratic Party, and I have agreed that when the Minister returns this afternoon we will deal with all remaining stages of this Bill, so that before this Parliament comes to an end Chief Manny Jules will have the legislation he so desperately wants, the legislation he worked so hard to attain.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to participate in the debate today, and I guess we can call it this afternoon now. I know that so long as the cable system in Edmonton, your hometown, Mr. Speaker, is still working, Manny will be watching with great interest this afternoon.

The Acting Speaker (Mr. Paproski): I would like the Hon. Member to know that they were watching at 12.30 this morning, and we are back again 12 hours later. I am sure they will be watching you also.

Mr. Fulton: Thank you, Mr. Speaker. I know that sometimes this is good watching, particularly right now, of course. A scintillating debate is about to take place.

I want to make clear for the record the agreement we have. It is an agreement that seems to have become somewhat clouded over the last few days. The Minister approached the Hon. Member for Cochrane—Superior (Mr. Penner) and I on Monday, in writing, regarding the Bills for today. We collectively struck an agreement some 48 hours ago that Bill C-115 would go through the House in all stages today so that it can get off to the Senate and get Royal Assent before the end of this Parliament. By getting our job done today, we are giving effect to the long and hard work that Chief Jules and many others have done, not only in British Columbia but right across Canada.

I know that Chief Jules, in Edmonton yesterday, was carrying on his discussions with George Erasmus, Joe Mathias, George Watts, Conrad Sioe, and many others in relation to this Bill because some concerns were expressed by some in relation to the nature of Bill C-115. I think that is quite

natural in that it is viewed by some as being a bit of a municipal change to the Indian Act, something that many First Nations avoid. Such a change has an odour that many First Nations do not like to have persist in the atmosphere around them.

Quite frankly, Bill C-115 is not and should not be viewed as some major advance in self-government, nor should it be ruled out as simply some kind of added municipal order. The amendments proposed here have limited but valuable impacts for those bands that wish to use them. The amendments are not some kind of imposition by Parliament on the over 500 bands and the many reserves of Canada.

As my friends both from the government side and from the Official Opposition have said, this is about the right to tax non-Indian interests on conditionally surrendered, or as they will be known, designated lands. Perhaps there is the most urgency coming from British Columbia because of the present tax structures affecting places such as Chief Manny Jules' own home in Kamloops.

• (1210)

B.C. is a little different from most other areas of the country. Other than Governor Douglas' 14 very small treaties on Vancouver Island, and Treaty 8 in northeastern British Columbia and northwestern Alberta, there are no comprehensive settlements in British Columbia and the reserves are very small. We have to reflect on the fact that here we are in the middle of 1988 discussing providing the mechanisms which will allow those very small and impoverished communities to actually tax. This debate should have taken place a century ago. However, we have to compliment the very hard work done by Manny Jules in getting it this far, through second reading this morning and, when the Minister is available this afternoon, through third reading and on to the Senate.

I want to spend a moment on an analysis of Bill C-115 done by a Vancouver lawyer. The analysis was produced in March of this year and makes some interesting points. It says that one must recognize that the amendments do not address all significant areas of Indian concern or the antiquated system of the Indian Act. The amendments do not fundamentally change the land holding system under the Act, nor do they represent any major advance to self-government. The proposed amendments must be thus considered in their context as having the following limited purposes: (a) clarifying the legal characterization of lands which have been surrendered for lease so as to confirm that these lands remain part of the reserve; (b) expanding the powers of Indian Governments to raise revenue on their land from band members as now exists and to include non-Indian businesses on leased land; (c) modifying Section 89 of the Indian Act which protects the property of an Indian from seizure and has the inadvertent consequence of making financing of Indian businesses difficult— that is a point I can certainly confirm from my experience in northwestern British Columbia—and (d) repealing a provision of the Veterans Lands Act.

That is a matter which we are of course going to be dealing with by amendment this afternoon. As I understand it, the original drafters wanted to do it for consequential reasons in relation to other legislation, and in fact an amendment will be moved by the Parliamentary Secretary to delete, I believe, Clause 13 from the legislation.

It should also be noted that these amendments were developed by the Department of Indian Affairs in consultation with and on the initiative of the Kamloops Indian Band. The provincial Government of British Columbia assesses property tax on non-Indian leaseholders of conditionally surrendered lands. The Kamloops Indian Band had faced particular hardship under the existing legislation as it conditionally surrendered some of its lands to create an industrial park and had several non-Indian lessees.

While the province claimed substantial property, school, hospital, and other taxes from those leaseholders, over $7 million in B.C. two years ago, studies show that few services are provided to Indian lands in return. Indian communities such as Kamloops, seeking to develop their lands or lease a portion of these lands, were often required to pay for services to these lands, and the province is acute for all First Nations in B.C. as it is the only province assessing occupiers or lessees of Indian lands.

There is, of course, the Leonard case of 1985 which decided that the personal property tax exemption in Section 87 of the Indian Act applying to income tax, sales tax, tobacco and gasoline taxes, among others, did not apply to transactions occurring on conditionally surrendered lands. This of course created further economic disadvantage for Indian communities that developed lands involving surrenders for the purpose of leasing.

There are some other major applications, but one other which I think should be put on the record concerns Section 87(b) and income tax. An important issue here concerns Indians working for businesses on conditionally surrendered or leased lands. Interpretation Bulletin IT-62 from Revenue Canada considers conditionally surrendered lands to be part of the reserve for the income tax issue. Bulletin IT-62 looks to where the services were performed to determine whether the Indian's income or personal property was situated on a reserve as Section 87 requires. The Supreme Court of Canada case, *Nowegijick v. The Queen*, decided that an Indian's income or property is situated where the employer is located and where they are paid. This effectively overturned Bulletin IT-62 and it has now been withdrawn. While the Indian remission order continues to recognize the tax exemption for Indians working on reserves, its definition of reserves does not include conditionally surrendered or what is now known as designated lands.

It would therefore appear that an Indian employee, one, working for an employer based on conditionally surrendered lands and working there, or, two, working for an employer based on conditionally surrendered lands and working off reserves, or, three, working for an employer off reserve but

doing work on conditionally surrendered lands, will under present law not be able to take advantage of the income tax exemption in Section 87. Under the Bill before us today, however, in all these situations the Indian employee will not be liable to pay income tax because conditionally surrendered lands to be known as designated lands will remain part of the reserve and Section 87 will apply. Those are interesting and important opinions.

The document that was alluded to by the Parliamentary Secretary dealing with proposed amendments to the Indian Act concerning conditionally surrendered land and band taxation powers has, I understand, been made widely available. I do not agree with all the language, but I think some parts of it are worth putting on the record because its implications, certainly for B.C. bands and others right across the country, are important. I think *Hansard* may be the best way for that kind of information to be transmitted because it is available in libraries and elsewhere.

The opening page points out that in 1985 the Kamloops Indian Band, led by Chief Manny Jules, made a proposal to amend the Indian Act and a year ago, when this was put out, over 115 band councils had passed resolutions in support of the initiative. The Kamloops Band first became concerned about the question of taxation and conditionally surrendered land in the early 1960s when it established an industrial park on a section of the reserve near the City of Kamloops. The costs of developing the land and providing such basic services as roads, water, and sewage were and continue to be paid by the band. Yet provincial property taxes have always been levied on the park residence. They were therefore put in the position of having to pay service charges for roads, water, sanitation, and the like to the band in addition to property taxes going to the province. This situation inhibited the band in setting lease rates, providing services, and generally in competing with other industrial parks. This is basically a situation which might be described as double taxation.

After many years the band concluded in the early 1980s that it should assert its own powers to levy taxes. In attempting to do so the band encountered basic deficiencies in the Indian Act respecting conditionally surrendered land. Taxation was not the only problem. The band was also concerned about its ability to zone and regulate the land it developed.

It is important to look at the Bill for a moment. While it appears to be quite lengthy, in fact it is not really a terribly complicated piece of legislation in its intent. It amends the definition of "reserve" by adding a definition for "designated lands". It says:

> "designated lands" means a tract of land or any interest therein the legal title to which remains vested in Her Majesty and in which the band for whose use and benefit it was set apart as a reserve has, otherwise than absolutely, released or surrendered its rights or interests, whether before or after the coming into force of this definition;

That is really the key part of the Bill. If one then looks at the following pages, one sees that the amendments are consequential for page after page, adding words like "absolute" or "designation". These kinds of consequential amendments are required in law to make sure that it is clear and consistent throughout. Right through to pages to 4, 4(a), 5, and so on, there are consequential amendments in relation to land and to the definitions of "taxation" and "process".

• (1220)

Those groups that have expressed concern need not worry that it is legislation which brings a massive, broad sweeping change to the Act. It is very limited in its scope and has specific beneficial consequences for groups like the Kamloops Band and many others.

Let me return to the publication which was made broadly available across the country, certainly to municipal and provincial authorities in British Columbia. It went on to state:

> In the February 1986 Budget Speech the announcement was made that the Minister of Indian Affairs and Northern Development would bring forward amendments to the Indian Act to enable bands to levy their own local taxes.
>
> Shortly thereafter, the Honourable David Crombie, together with Chief Clarence Jules of the Kamloops Indian Band, issued a press release and wrote to all chiefs and the provincial governments to explain the Budget announcement further, and to launch a process of consultation.

It should be clear for the record that Manny Jules and the Kamloops Band have certainly gone to great lengths in attending meetings of the Union of B.C. Municipalities and in getting information out to other bands. That is evident from the number of positive supporting resolutions. Certainly they have been keeping anyone who is interested, including myself, the Hon.Member for Cochrane—Superior and I am sure the Minister, informed of the importance of getting this through all stages today, perhaps on to the Senate tomorrow, with Royal Assent perhaps by next week.

The document went on to state:

> Consultation with Indian leaders was led by Chief Jules, while the Minister and the Department consulted primarily with provincial governments. A number of themes became clear.
>
> First, band taxing powers are an inevitable part of the growth of Indian government. This seemed to be an idea whose time had come.
>
> Second, the status of conditionally surrendered land should be fully clarified such that no other rights are affected or transferred except as necessary to give effect to the wishes of the band in the surrender process. There should be no accidental loss of band jurisdiction or legal rights under the Indian Act.
>
> Third, non Indians on Indian land would be subject to band taxation without having the ability to vote in band elections. Confidence that band taxation would involve appropriate procedures to ensure fairness would be very important.
>
> Fourth, developing good working arrangements with other governments would be important to bands' success in operating taxation and regulatory regimes.

Chief Jules has demonstrated that all those matters have been vigorously and vigilantly pursued.

The document then posed some questions that I believe some people in the House and others across the country might ask:

> What is surrendered land?
>
> Under the Indian Act, Indian reserves are held by the Crown for the 'use and benefit' of Indian bands. Bands must 'surrender' their rights in reserve

land to the federal government before the government can give possession of it, by sale or lease, to non-Indians.

Again, certainly in British Columbia, it comes back to the real, legitimate, and constitutionally required and prescribed need to settle the comprehensive claims in British Columbia. Obviously this would be pursuant to the full box of Section 35 of the Constitution which recognizes and affirms aboriginal rights and treaty rights in Canada.

There is beginning to be some clarification in British Columbia, through the Gitksan Wet'suwet'en case before the Supreme Court, and, without question, from the famed Nisga-Calder case that went before the Supreme Court of Canada some 16 years ago. The Justices of the Supreme Court unanimously recognized the continuing existence of aboriginal title.

It is only a matter of getting some kind of positive maturity from the Government of British Columbia to move forward and seriously settle the outstanding comprehensive claims in British Columbia. As anyone can see, the land rights provided under the Indian Act, as reserves in British Columbia, provides few benefits indeed.

Let me return to the document. It continued:

From the first version of the Indian Act in 1868 to today, except under certain restricted circumstances, no part of an Indian reserve can be leased or sold on behalf of a band unless it has first been 'surrendered'.

The next question posed in the document was: What is "conditionally" surrendered land? It stated:

In apparent recognition of this fact, the 1951 version of the Indian Act included a new reference to the old concept of surrender. Section 38(2) says, 'A surrender may be absolute or qualified, conditional or unconditional'. Nothing more was said as to how a 'conditional' surrender should be applied throughout the rest of the Act. The vitally important difference between conditional and unconditional surrender was recognized but not defined.

Subsequently, the Courts decided that land conditionally surrendered for lease retains a fundamental Indian interest. It remains 'land reserved for the Indians' under Section 91(24) of the Constitution Act, 1867. This means that Parliament has the exclusive power to pass laws affecting such land. Provincial laws or by-laws of municipalities which are land-related cannot be enforced on conditionally surrendered land, even against non-Indian leaseholders. Property taxation is an exception to this general rule for certain reasons—

I will now touch on those reasons.

The next question asked in the document was: What is the problem with conditionally surrendered land? As we deal with this debate, we realize that the rights provided to aboriginal people all across the country, certainly in British Columbia, is extremely limited. That has been the historical problem in raising funds to develop a business on reserve, to get a mortgage to build a home, or to use any of the kind of acquired rights that almost any other Canadian would find when one has title fee simple, whether to a small lot in the city or to a piece of land anywhere else in the country.

Even a lease or almost any other kind of title will provide a much greater potential financial instrument than the reserve situation as it has been allowed to rest since 1867.

The document continued:

The primary benefit of conditional surrender is clear: It enables land to be leased without losing its status as Indian land. This should mean that Indian bands can develop their land through lease arrangements without having to give up their underlying 'ownership' of it, their local government powers over it, or their special rights on it; all of which are fundamental to reserve land status. The only rights that are affected should be those that are necessary to the purpose and conditions of the surrender and the terms of the lease.

I encourage those who are interested in looking at the sections dealing with tax and tax power to obtain this document. I am sure the Parliamentary Secretary would be pleased to provide it to anyone who wants to write to him.

Section C asked why bands needed jurisdiction over their land and indicated:

A regulatory vacuum.

One of the most important court decisions concerning jurisdiction on Indian land was a 1970 decision of the British Columbia Court of Appeal ('Surrey v. Peace Arch Enterprises Ltd.) The Court decided that reserve lands conditionally surrendered to the Crown and then leased to developers for an amusement park were not subject to municipal zoning and other by-laws and regulations specifying building, water service, sewage disposal and other requirements with respect to the land and the way it could and could not be used. The lands remained 'lands reserved for the Indians' under exclusive federal jurisdiction.

The Committee asked, 'who can control the planning and development of Indian lands in British Columbia?' Considering the Peace Arch case and the deficiencies of the Indian Act, the answer appears effectively to be—no one except Parliament itself.

We must ask ourselves how this is possible not only in terms of the Kamloops Band which has helped to bring this proposed amendment to the Indian Act forward. Again, this leads to the argument my friend from Cochrane—Superior did not want to enter today, that the real debate which should be taking place on the floor of the House is in terms of self-government and devolution.

• (1230)

It is frankly impossible, with over 590 bands in Canada and with the kinds of decisions that have been taken by the Supreme Court of Canada, the Superior Courts, the provinces, and the territories, right across this land, on issues such as the one before us today. We are tinkering today—and it is important tinkering in that it is going to provide some small tools—but there is a more fundamental and much more highly principled debate that will soon take place in providing all the broader government rights to aboriginal people. Therefore, I am pleased to have participated this morning and this afternoon in second reading. Shortly after lunch, I understand, I look forward to completing Committee of the Whole and third reading stages and sending the Bill on to the Senate so that Chief Jules knows when to turn that TV back on in Edmonton and see the success.

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on the motion standing in the name of the Hon. Minister of Indian

Affairs and Northern Development (Mr. McKnight). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and, by unanimous consent, referred to Committee of the Whole.

The Acting Speaker (Mr. Paproski): It is my understanding that consideration in Committee of the Whole take place later this day, by unanimous consent.

Some Hon. Members: Agreed.

* * *

INDIAN ACT

MEASURE TO AMEND

Hon. Monique Landry (for the Minister of Indian Affairs and Northern Development) moved that Bill C-122, an Act to amend the Indian Act (by-laws and membership rules), be read the second time and referred to a legislative committee.

Mr. Stan Schellenberger (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, you are moving us right along today in your usual good way. I am pleased to speak to Bill C-122, which amends the Indian Act in order to help address the issue of enforceability and validity of enacted band by-laws and membership rules. As Hon. Members know, this Government is firmly committed to the concept of Indian self-governmemt. We have taken several important steps in this respect since coming to office, including passing self-government enabling legislation for the Sechelt Band in British Columbia. The Cree and Naskapi Bands in Quebec are also operating under a system of self-government, and discussions are ongoing with other bands on the development of new and unique systems of self-government.

Canada's Indian people are also assuming more control over their day-to-day lives through the process called "devolution", which is the transfer to Indian communities of authority for local programs and services. In many cases, the bands are using this process as a stepping stone to broader self-government arrangements.

Despite our commitment to increased Indian autonomy and the clear self-government aspirations of native people, the fact remains that most bands will continue to be governed by provisions of the Indian Act into the foreseeable future. We must, therefore, ensure that the processes by which the bands develop and implement by-laws and membership rules will be sensitive to native concerns and at the same time will not be adversely affected by the enforceability of by-laws and membership rules. Bill C-122 achieves that by simplifying those processes which safeguard the right of band members to be informed of membership rules and local by-laws.

I would like to take a few moments to provide Members with some brief background of this legislation. Under the Statutory Instruments Act, by-laws and membership rules of Indian bands must be examined, registered, and published in the same manner as other federal regulations. This means that they must be published in *The Canada Gazette*. While the federal Government has an important role to play in ensuring that the band enactments meet the criteria set out in the Statutory Instruments Act, we do not wish to restrict unduly the ability of elected band councils to establish membership rules and pass by-laws necessary for the good government of their communities.

On March 20, 1987, the Standing Joint Committee on Regulations and other Statutory Instruments presented its fifth report to the House of Commons and Senate. In this report, the committee outlined the difficulties encountered in discharging its mandate in relationship to by-laws made by Indian band councils. The Standing Committee also detailed its concerns over how by-laws are dealt with by federal Government and Indian bands.

The Standing Joint Committee concerns are well founded. I would like to commend its members for bringing these problems to light. The committee's recommendations were given careful consideration in the development of the Bill before us today. I am confident that this Bill will satisfy the committee's concerns. Under the existing provisions of the Indian Act, there is a very real possibility that by-laws and membership rules, passed prior to June 28, 1987, did not conform to the applicable requirements of the Statutory Instruments Act and could be declared unenforceable. It is for this reason that we require quick passage of Bill C-122.

This legislation strikes a balance between two important considerations. First, it ensures that band councils will have the authority to develop and enforce fair and valid by-laws and membership rules, but, just as important, it ensures that these by-laws and membership rules will be widely available for scrutiny by band members who are affected by them.

Not every band member receives *The Canada Gazette*. I do not know how many of us actually read it every day, and I am sure many of them do not. That is why this is so important. Requiring bands to conform to the stringent provisions of the Statutory Instruments Act complicates the process of band decision making, and it is seen by many bands as a unwarranted interference in their affairs.

Bill C-122, therefore, amends the Indian Act to exempt band membership rules established under Section 10 and by-laws made under Sections 81, 83, and 85, subsection 1, from examination, registration, and publication in *The Canada Gazette*. This will not provide by-laws and membership rules from public scrutiny. As I stated earlier, Bill C-122 contains important provisions regarding notification to band members. Band councils will be required to publish a notice of the band's membership rules in a local newspaper or post the notice in a conspicuous place on the reserve. The notice must include a

summary of rules and indicate a location on the reserve where the full context of the rules can be found for review or purchase by anyone interested.

The legislation also requires band councils to publish a notice of all by-laws in a local newspaper. Bill C-122 also repeals and replaces Section 86 of the Indian Act. This amendment will enable a superintendent or secretary of the band to issue true certified copies of by-laws and membership rules, will allow certified true copies to be received in evidence without proof of signature, and will ensure that by-laws and membership rules are not invalid by reason of any defect in form.

Finally, Bill C-122 amends the Indian Act to ensure that existing by-laws and membership rules are not declared invalid simply because they were not processed in accordance with provisions of the Statutory Instruments Act. These amendments will not be considered retroactive for cases now before the courts.

• (1240)

Bill C-122 calls for simple but important technical amendments to the Indian Act. The legislation reflects this Government's themes of progress, fairness, and keeping its commitments to native people.

This House has previously demonstrated its support for Indian concerns and aspirations. I am happy to see that we are moving this Bill into committee today so that we can have a further detailed study of it to ensure that it is acceptable and, hopefully, to put it in place for Indian people in the near future.

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, it will be my intention in participating in this debate to indicate to the House that this Bill, Bill C-122, is far more than merely some technical amendments to the Indian Act, and that there are some far-reaching and undesirable consequences of it which will make it unacceptable to myself and to this Party.

Let me begin with some background and lead up to my objections to Bill C-122. The *raison d'être* for this legislation, says the Government in its communiqué giving the background to this Bill, is to "advance and promote Indian self-government". The Government argues that it does not want to restrict unduly the freedom of democratically elected band councils to pass local by-laws that are necessary for the good government of their communities. So says the propaganda. The Government of Canada does not want to interfere unduly in how such by-laws are enacted or implemented. The objective of the legislation is to exempt the band councils, in the case, for example, of their membership rules and other by-laws, from the application of the Statutory Instruments Act.

On the surface that may appear to be technical. In due course I want to show that it is much more than technical. At the same time this Bill provides what are considered to be guarantees that proper notice will be given to all persons likely to be affected by such band council enactments.

A couple of points must be made in dealing with the principle of this Bill. The first point is that it is pretentious, pompous, even misleading of the Government to make the fatuous claim that Bill C-122 in some way advances or promotes Indian self-government. I reject that as a claim. I reject that as being in any way a principle of this Bill.

The Special Committee on Indian Self-Government made it very clear that amending the Indian Act can never be a route to self-government. I quote from that report which states: "The antiquated policy basis and structure of the Indian Act make it completely unacceptable as a blueprint for the future".

Piecemeal changes to the Indian Act can never achieve the self-determination which Indian people are seeking. So the question must be asked: Why, today, is the Government tinkering again with the Indian Act in terms of what is proposed in Bill C-122? The real reason is the Government's past failure to comply with the Statutory Instruments Act with regard to the registration and the publication of band membership codes brought into being by virtue of Section 10 of the Indian Act.

The Government sought to end run or get away from the obligation under the Statutory Instruments Act by issuing an Order in Council on June 25, 1987, purporting to exempt band membership codes from the provisions of the Statutory Instruments Act. When the Native Council of Canada discovered this, it regarded the action in this Order in Council to be potentially invalid and certainly undesirable.

The interesting thing is that on closer examination the Order in Council did much, much more than simply exempt the band membership codes from registration and publication under the Statutory Instruments Act. It in fact exempted all by-laws passed by band councils from the registration, the examination, and the publication requirements of the Statutory Instruments Act.

Thus at first the Government tried to get away with it. Then it tried to circumvent the law by Order in Council. In both cases it failed to live up to the legal requirements of good government. Now, to clean up this mess it has decided to legislate, and to do so in Bill C-122.

The Minister advised bands and the aboriginal people's organizations that this was going to be done. They were asked to respond by a certain date, that is, February 28 of this year. They were asked to respond on February 28 in a letter that was dated February 15. Those of us who are aware of the postal service in Canada will know that those letters did not reach a large number of bands until the end of February, or in some cases early in March.

I ask you, Mr. Speaker, is it any wonder that in Canada the word "consultation" when it comes to dealing with Indian people has become a dirty word? I am sure the Minister would argue that consultation had taken place. The Native Council

of Canada, which has a very special interest in band membership by-laws, because so many of its members are pursuing reinstatement under Bill C-31, were not even notified at all of the Government's intentions.

I want the House to know that Bill C-122 has been mishandled. If that were all there was to it, we could be forgiving because Governments by definition mishandle almost everything they touch. It is not the mishandling that I am so distressed about, although it is bothersome, but that this legislation is wrong-headed. It cannot be supported.

Bill C-122 will place new responsibilities on bands to publicize new by-laws. This Bill will require bands to post notices about new by-laws in a conspicuous place, to have the by-laws available to the public for examination, and to place notices in local newspapers.

Some lawyers quite rightly argued and pointed out that if the band is not extremely careful and most scrupulous in this obligation their new by-laws may in fact be null and void. They may have great difficulty enforcing them.

• (1250)

There is a more serious matter than that. That more serious matter is the Bill's provision to exempt all band by-laws from registration as statutory instruments. Bands do not want the legal status of their by-laws to be diminished in that manner, and that is the key point I want to make in explaining why Bill C-122 is unacceptable to us. It is not as innocuous as it seems at first blush. It does something quite detrimental to the nature of all band by-laws. The chiefs at the Assembly of First Nations meeting in Edmonton yesterday passed a resolution totally rejecting the Bill. They did so because the Bill exempts all band by-laws from registration as statutory instruments, as well as exempting them from examination and publication under the Statutory Instruments Act.

The exemption from registration appears to imply that all band by-laws from now on will not be considered as statutory instruments. That is serious. Indian bands have won some very important fishing cases in courts in this country because the courts have said that their fishing by-laws are statutory instruments which therefore supersede provincial legislation and regulations. If their by-laws lose their status as statutory instruments, as Bill C-122 proposes, then the legal status of bands and the by-laws that they pass will be diminished.

In the past, by-laws have been exempted from examination and publication. This Bill goes further by exempting future by-laws from registration. The Native Council of Canada opposes the Bill for its exemption of membership by-laws from examination or publication. The Assembly of First Nations opposes the Bill for taking away the statutory instruments of their by-laws.

Finally, when this Bill goes to committee, as it certainly will because the Government dominates the House with its majority, it will be seen whether or not the First Nations object to the process of passing by-laws contained in this Bill. The process is very much on the municipal model. Most First Nations negatively view the concept that they are no more than federally recognized municipalities. The report of the special committee made it clear that Indian government, aboriginal government in this country, is a distinct order. It is not federal, it is not provincial, and it is not municipal. It is a distinct order of Government and must be so recognized.

The Assembly of First Nations in Edmonton have rejected Bill C-122. They are concerned that the Bill would mean that by-laws would no longer be considered as statutory instruments. I have explained to you, and to my colleagues in the House, the legal importance of that when there are court cases pending with respect to fishing rights and other aboriginal rights.

Therefore, Mr. Speaker, when you put the question to the House, I will ask that Bill C-122 be carried on division. I want it to be clearly indicated that I and members of my Party, the Official Opposition, do not support Bill C-122.

The Acting Speaker (Mr. Paproski): Does the Hon. Member for Skeena wish to speak longer than five minutes?

Mr. Jim Fulton (Skeena): I will attempt to keep my remarks to one o'clock, Mr. Speaker.

Like the Hon. Member for Cochrane—Superior (Mr. Penner), I have extremely serious concerns about Bill C-122. For those people who are watching or listening to this debate, it should be made clear that, in bringing five Bills before the House today, it is a bit of a grab-bag routine. One gets the good, the bad, and the ugly. Bill C-122 is what I would describe as ugly legislation.

Earlier this morning we dealt with Bill C-102 which clearly was required. It is supported by the Inuvialuit and I am sure by all First Nations. Bill C-115 is broadly supported by First Nations across the country. This afternoon we will be debating Indian lands in Ontario. There are two sides to the debate, but again it has broad support and enormous implications for more than 200,000 acres of land that have been in a grey area of title since 1867, and similarly since 1924.

Bill C-122 is ugly in that it is Trojan horse legislation. If one was solely to read the media pulp coming out of the Minister's office, one would think that what the Government is doing is saving the complicated procedure of having to mail in by-laws, published in *The Canada Gazette*, and scrutinized by the Joint Standing Committee on Statutory Instruments of the two Houses. By publishing them in local newspapers and posting them in an open and visible place in local communities, that is somehow cutting back on a bureaucratic problem.

My friend, the Hon. Member for Cochrane—Superior (Mr. Penner) who just spoke, pointed out that there are extremely fundamental legal issues associated with this proposal. I am sure the witnesses we hear before the committee will make it clear that this Bill should be amended down to zero.

Although a few months ago the Standing Joint Committee on Regulations and Statutory Instruments filed a lengthy report that I would encourage Members to read, the facts of the matter are that the Opposition put forward a resolution by the Assembly of First Nations in Edmonton yesterday based on good foundation. My friend referred to by-laws. I know only too well of some of those by-laws that the former Minister of Indian Affairs and Northern Development passed that became tied up in the courts in relation to the Gitksan-Wet'suwet'en by-laws on the Skeena.

There are many fishing and other cases that have succeeded based on the existing structure, albeit rife with problems as identified by members of the standing joint committee, but not simply to tear up the existing section of the Indian Act and amend it in this manner. One need only look at the multitude of press releases that come from the Minister, and information circulars and so on which make it seem that this is a nice way of tidying things up. That could hardly be further from the case. Even some publications make it sound as though it is only getting rid of some red tape and some localized problems in relation to alcohol by-laws, and so on. Nothing could be further from the case, even as is admitted by the members of the standing joint committee.

I wish to read a couple of brief quotations from their fifth report:

> The *Statutory Instruments Act* subjects all by-laws made under the *Indian Act* to review and scrutiny by your Joint Committee in accordance with the statutory reference set out in section 126 of the Act. From 1982 to 1985, the Joint Committee examined by-laws made pursuant to sections 81 and 83 of the *Indian Act* on a regular basis. The Joint Committee's general findings as to the degree of conformity of many by-laws to its scrutiny criteria are recorded in the correspondence reproduced in Appendix 'B' to this report. Your Committee concluded that its scrutiny of by-laws made under the *Indian Act* serves a limited practical purpose at best, and that it would not henceforth review these on an individual basis.

Here we have a committee and statutory instruments based on law passed by this Parliament in 1972 that are not being scrutinized by the joint standing committee. They do not want to have to keep looking at it. They point out problems with by-laws made under Section 81 of the Act which can only come into force 40 days after a copy of the by-law is forwarded to the Minister of Indian Affairs and Northern Development (Mr. McKnight), unless the Minister declares it to be in force before the expiration of that period. They certainly outline problems found with the procedures.

I could not say it more strongly, Mr. Speaker, that all Members of the House should oppose Bill C-122. I certainly oppose it in principle, and in terms of how it is laid out, in terms of how it is portrayed to the nation and to the first nations. I oppose it, my Party opposes it, and I am sure that when we hear witnesses before the legislative committee we will find that it will necessarily be amended to zero and not see the light of day.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Mr. Penner: On division.

Mr. Fulton: On division.

The Acting Speaker (Mr. Paproski): The motion is adopted on division.

Motion agreed to, Bill read the second time and referred to a legislative committee.

The Acting Speaker (Mr. Paproski): It being 1 p.m., I do now leave the chair until 2 p.m. this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

FLOWER WEEK

SUPPORT URGED FOR RESEARCH INTO LOU GEHRIG'S DISEASE

Mr. George Henderson (Egmont): Mr. Speaker, the week of June 1 to 7 has been declared Flower Week by the municipalities across the country. Flower Week is the one time each year we are asked to remember those of our fellow Canadians who have been diagnosed as having a progressive degenerative disease called ALS. Amyotrophic lateral sclerosis, often called Lou Gehrig's disease, causes paralysis, loss of speech, and difficulties with breathing and swallowing. Life expectancy is only three years after diagnosis. What a terrifying thought that is.

ALS strikes as many people as multiple sclerosis yet we hear so little about this debilitating disease. During this Flower Week volunteers will be fanning out across Canada asking for our support and offering the traditional corn flower which is the national symbol of the ALS Society. This money is truly needed by this worthy society as they are attempting to raise funds for research into the cause of this killer disease and possibly to find a cure.

I urge all Members and all Canadians to support this deserving cause. Wear a corn flower and, as Lou Gehrig would say, help strike out ALS.

* * *

NATIONAL ENVIRONMENT WEEK

TOXIC CHEMICALS IN NIAGARA RIVER

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, as you know, this is National Environment Week. It is appropriate

and timely, therefore, to review the preliminary results of a study released by the Ontario Ministry of the Environment.

The backdrop to this study is the declaration of intent signed by Canada and the United States which commits both countries to cut in half by 1996 the levels of persistent toxic chemicals in the Niagara River. This is a positive step forward. However, a new study indicates that, despite clean-up efforts, highly toxic chemicals from the United States continue to seep into the Niagara River.

Environment Week reminds us that we must continue to be vigilant and remind our American friends that they have a responsibility for completely cleaning up the mess they have made.

* * *

NATIONAL ENVIRONMENT WEEK

"LET WATER BE SACRED"

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, two years ago I visited a small community on the outskirts of Lima, Peru. Fifteen years earlier families had moved onto the area as squatters and built shelters out of woven mats. Gradually they replaced the mats with brick, but they had no water and had to purchase it by the barrel, which was both expensive and unsanitary.

Later the community dug an 80 metre well and put in basic plumbing, and Canada provided a pump. When Ambassador Keith Bezanson pressed the button and a four-inch stream of water began to flow, rusty at first but later clearer, everyone cheered and danced. This wasn't just a pump, this was water.

One hundred years ago Ludwig Feuerbach talked about the material basis of life and said: "Therefore let bread be sacred for us, let wine be sacred and also let water be sacred".

During this Environment Week when Ottawa hosts the World Congress on Water Resources we need to remember the importance of water for our cities, our farms, our fisheries, and our forests, for all the peoples of the world. For us let water be sacred.

* * *

[*Translation*]

ITALY

CELEBRATION OF THE REPUBLIC

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, *Buona Festa* to all our Italian friends! Forty-two years ago, Italy became a republic, and will celebrate this anniversary next Sunday.

We have a commonality of ancestors and cultures that goes back to the conquest of Gaul by Julius Caesar, which is probably why we seem to have much in common with the millions of Canadians who are of Italian origin.

On behalf of my constituents in the riding of La Prairie who are of Italian origin and on behalf of all Canadians, we wish to offer the President of the Republic of Italy, Mr. Francesco Cossiga, and the Italian government and the people of that wonderful country, our best wishes on that important day.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

MONITORING OF GREAT LAKES BY GREENPEACE SHIP

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, as you know, Greenpeace is a great Canadian institution. It has served the environment well at home and abroad since its inception in Vancouver in 1971. Right now its ship, the *Beluga*, is touring the Great Lakes. Joyce McLean, the Greenpeace Great Lakes campaign co-ordinator, explains why. She says:

> Our purpose—is to support local anti-pollution efforts ... We believe the public is frustrated with the lack of restrictive legislation concerning ongoing industrial pollution.

Clearly there is a big gap between the declaration of intentions in the Great Lakes Water Quality Agreement and the daily reality.

The *Beluga* has identified many instances where serious pollution is caused by industrial and domestic waste and by human activities. Greenpeace deserves the support of Canadians and the full co-operation of governments at all levels. In identifying the causes of pollution Greenpeace plays an invaluable role in the cleaning up of the Great Lakes.

* * *

• (1405)

MARINE TRANSPORT

WEST COAST CRUISE SHIP INDUSTRY

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, recently several articles have appeared in West Coast newspapers implying that Bill C-52 will severely damage the cruise ship industry on the West Coast.

Bill C-52, which has been passed by this House and is currently before the other place, reserves the carriage of goods and passengers from one port in Canada to another port or the same port in Canada to Canadian ships. When no suitable

Canadian ships are available, a flag waiver will be given so foreign ships may offer the service.

In recognition of the economic benefit to Canada of the cruise ship industry, particularly on the West Coast, cruise ships having overnight passenger accommodation of 250 or more have been specifically exempted from the provisions of Bill C-52. This means that they do not have to apply for a flag waiver but may carry on their business freely.

Press reports state that Bill C-52 will impose new duties and taxes on these ships. This is not so. All duties and taxes are imposed by tax legislation, and all decisions about what moneys are to be collected on these ships are made by the Minister of Finance (Mr. Wilson). Bill C-52 does not amend tax legislation.

The B.C. Members of Parliament have not let down the people of British Columbia.

* * *

CANADA POST CORPORATION

CONDEMNATION OF SUPERMAILBOXES

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, the City of Hamilton recently endorsed a resolution condemning the Government of Canada for its supermailbox program. The resolution calls for an immediate halt to the installation of supermailboxes and for the restoration of home delivery to all affected residences.

I rise today in support of this resolution. Supermailboxes are often mud splattered, prone to vandalism, and frequently surrounded by discarded junk mail. They are inaccessible to the disabled and can be quite some distance from people's homes, making it difficult for seniors and others to collect their mail.

The supermailbox program is an affront to the citizens of Canada and a violation of Canada Post's mandate to "provide a standard of service that will meet the needs of the people of Canada". The program effectively makes second-class citizens of urban dwellers by forcing them to accept this type of inferior postal service.

I join with the citizens of Hamilton in condemning the Government for its supermailbox program. Hamiltonians call for the immediate abandonment of Canada Post's corporate plan and the reinstatement of home delivery to all urban residences.

IMMIGRATION

FAMILY REUNIFICATION—EXPANSION OF SPONSORSHIP ELIGIBILITY

Mr. John Reimer (Kitchener): Mr. Speaker, on behalf of the constituents of Kitchener I would like to congratulate the Minister of Employment and Immigration (Mrs. McDougall) for her recent amendments to the immigration regulations.

Effective July 8, the current policy of permitting family-class sponsorship of only those unmarried children under 21 years of age will now be expanded to allow the sponsorship of never married children of any age. Also, never married children of any age will be able to accompany immigrants in any category as dependants. Other changes will further assist married sons and daughters and sisters and brothers applying under the assisted relative category.

This new policy is consistent with Canada's approach to family reunification and genuine refugees, and its effectiveness will be greatly enhanced with the passage of Bills C-55 and C-84. These two Bills are designed to prohibit the abuse of our immigration system by phoney refugees and queue jumpers. As a result, Canada's immigration policy will be both compassionate and fair to those who respect the process, and tough and decisive on those who do not.

* * *

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—PRINTING INDUSTRY

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, every day we hear of more and more Canadians who will lose their jobs and be casualties of the Prime Minister's (Mr. Mulroney) trade deal.

Yesterday I received a letter from the Canadian Printing Industries Association concerning the effects of this deal. The Canadian Printing Industries Association has recently commissioned and received a report prepared by the prestigious Montreal consulting firm of Samson, Belair which says:

> The industry will lose 3,000 jobs as a result of the free trade agreement unless the Government puts in place adjustment programs dealing with some of the structural weaknesses identified.

The sad reality is that under this lousy trade deal adjustment programs are not even provided for and may even be countervailable as an unfair subsidy.

More and more we find out that this deal is bad for Canada and for Canadian workers.

NATIONAL ENVIRONMENT WEEK

RECYCLING OF GARBAGE

Mr. W. R. Bud Jardine (Northumberland—Miramichi): Mr. Speaker, the United Nations World Commission on Environment and Development has concluded that the world, in order to safeguard the environment which is the ultimate base of all economic activity, must work to attain sustainable development. All Canadians can work toward this goal during this week, National Environment Week, and throughout the year in a small but significant way by recycling and reusing as much as possible the 500 kilograms of garbage each of us disposes of each year at a total national cost of $1.5 billion.

• (1410)

The Brundtland Commission has warned that our environment cannot sustain single-use throw-away products. Hundreds of items in our everyday garbage are indeed recyclables, including paper, glass and other items. Environment Week is a time to bundle it up. It is up to all of us to keep Canada clean, to keep Canada prosperous.

* * *

NATIONAL ENVIRONMENT WEEK

TOXIC CHEMICALS IN NIAGARA RIVER

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, reading the daily newspapers can really put one off celebrating Environment Week. For example, there is one story today about the 27 nuclear facilities around the Great Lakes, the lakes from which roughly 40 million Canadians and Americans get their drinking water.

An accident at any one of these nuclear reactors could be disastrous for that number of people. However, what does the nuclear industry say? It says that the storage is safe and that a little bit of tritium will not do us any harm.

There is also a story today about the fact that more toxic chemicals are showing up in the Niagara River than previously, despite the existence of an agreement on clean-up and the beginning of clean-up in some areas. Clearly the clean-up programs in place are inadequate right now and far more of these sites need to be cleaned up. Canadians would prefer to celebrate Environment Week with real clean-up and action and not a public relations program.

* * *

FUR TRAPPING INDUSTRY

TRIBUTE TO PARTICIPANTS IN EMERGENCY DEBATE

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, last night Canadians had the opportunity to hear 21 individual speeches made in the House of Commons on the fur industry in Canada and the importance of 105,000 individuals who work directly in this $600-million-a-year industry.

I would like to congratulate the Hon. Member for Cochrane—Superior (Mr. Penner), the Hon Member for the Yukon (Ms. McLaughlin), the Hon. Member for Kootenay West (Mr. Brisco), the Secretary of State for External Affairs (Mr. Clark), and the Minister of Indian Affairs and Northern Development (Mr. McKnight) because, together with other Hon. Members, we have definitely sent a sound, straight answer to the British Parliament and to the Prime Minister of Britain that Canada will stand behind the fur industry and the 105,000 people involved in it.

* * *

[*Translation*]

KAHNAWAKE

CRISIS

Hon. Jean Lapierre (Shefford): Mr. Speaker, since yesterday there have been some dramatic incidents at Kahnawake, and I want to condemn the Government and the RCMP for having provoked the kind of situation we are now seeing in this area.

We know that the so-called emergency was a fabrication, because the Indian reserve had been selling cigarettes and advertising the fact on billboards for three years, and now 200 RCMP officers have been used to arrest seventeen convenient-store clerks!

Mr. Speaker, I think this matter should have been settled through negotiations instead of this show of force that provoked a reaction from members of the reserve, so that now the entire population on the South Shore is being inconvenienced.

Mr. Speaker, I think the Government should have acted immediately, and that the Minister of Indian Affairs and Northern Development (Mr. McKnight) should act responsibly and settle this matter before matters get even worse.

* * *

[*English*]

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—*TORONTO STAR* REPORT

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, *The Toronto Star* is not known as the Government's greatest supporter. However, when public support for the Government's free trade initiative is overwhelming, even *The Star* falls into line with praise.

In today's article on the front page of the business section, we read the following:

> —no significant expectation of plant closings, layoffs or divestitures . . .
>
> Business believes that scaling back tariffs on both sides of the border will lead to increased profitability and more jobs—the vast majority of businesses support the trade deal—

The only people remaining out of line and out of step with Canada are the federal Liberal and NDP Leaders, and they, Sir, will pay for their folly at the polls.

* * *

HEALTH

CANADA-UNITED STATES FREE TRADE AGREEMENT—HEALTH SERVICES

Ms. Sheila Copps (Hamilton East): Mr. Speaker, a few moments ago the Minister of Health in Ontario announced the introduction of the Independent Health Facilities Act. This Act will give the Ontario Government the right to discriminate in favour of not-for-profit and Canadian operators in the provision of health services in the Province of Ontario.

We have heard time and again from the federal Government that the free trade deal has absolutely nothing to do with health care services, but according to the federal Government's legislation we cannot discriminate in favour of non-profit and Canadian operators in the provision of health care services because the deal says we have to give national treatment to health care services. You must have non-discrimination. This potentially violates clauses on services and investment.

• (1415)

I challenge the federal Government to lay it on the line. It should drop this section of the free trade agreement dealing with the ability of Ontario to promote non-profit health services. We want non-profit health services in Ontario. We want to support the Ontario Government's Bill. Yet the trade deal may prevent that.

Wake up, Canadians, the health of your children is on the line in this deal. The federal Government should drop health care services from the free trade agreement.

* * *

SOCIAL AFFAIRS

SASKATCHEWAN POVERTY STATISTICS

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, for years Saskatchewan boasted of having the lowest or second lowest rate of unemployment in the country. Succeeding Governments have been proud of this record of achievement. My province has now added a second place rating in another level of economic statistics. However, this time we do not take any pride in it.

The facts are that one in five people in Saskatchewan now live in poverty. Newfoundland is the only other province with a worse record. There, 22.8 per cent of the population lives in poverty. In Saskatchewan, 16.4 per cent of all families live in poverty. What is more disturbing is the poverty level of children. In our province more than 25 per cent, or 64,600 children, live in poverty compared to 26 per cent in Newfoundland. The national average is 17.6 per cent.

What a terrible legacy considering that Conservative Governments at both federal and provincial levels have always said that the family is their number one priority. That is great rhetoric but it is no consolation to the families or children of Saskatchewan.

ORAL QUESTION PERIOD

[*English*]

SUPPLY AND SERVICES

CANADIAN PATROL FRIGATE PROGRAM—CONTRACTUAL OBLIGATIONS OF PARAMAX

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is directed to the Minister of Supply and Services and concerns matters arising out of leaked Paramax internal documents, a complete copy of which I provided to the Minister just before Question Period, and to the RCMP today.

Mr. Arthur Nightingale, President of Saint John Shipbuilding Ltd., confirmed this morning in an interview in New Brunswick that Paramax was in default of its contractual timetable obligations. He also indicated that Saint John Shipbuilding, and subsequently government security personnel, were made aware some time ago of the information contained in the documents made public yesterday. He said in *The Telegraph-Journal*:

> The company was aware of a brown bag circulating and had advised Government security departments of same.

My question is straightforward. Exactly when did the Government first become aware of the material contained in these leaked Paramax documents, and what action did it take to ensure that contracts for the frigate program were being administered in a timely, efficient, and proper manner?

Hon. Otto Jelinek (Minister of Supply and Services): Mr. Speaker, because of the fact we have the most comprehensive audit and verification system anywhere in the world we are made aware of every issue—

Mr. Tobin: Today it went wrong.

Mr. Jelinek: Nothing went wrong at all. The only thing that went wrong is that the Hon. Member had some information

yesterday he said he would give to the RCMP. He held it for 24 hours, so he could grandstand. That is what went wrong.

Because of the most comprehensive audit system that exists in the world, we are made aware on a regular basis of any difficulties when they arise. We knew of this package which the Hon. Member has been handing around for the last 24 hours some two months ago. As a result of that—

Ms. Copps: Shame!

Mr. Jelinek: The big mouth from Hamilton East should listen and she might learn something.

Mr. Speaker: Perhaps the Hon. Minister can complete his answer.

Mr. Jelinek: Because we have that system steps were immediately taken to rectify the situation. I talked to Mr. Nightingale as recently as this morning and he assured me that any differences that existed between Saint John Shipbuilding and Paramax have been resolved in a business-like fashion at no cost to the taxpayer. I do not know where the Hon. Member is coming from, except to say that what he is coming up with is misleading, wrong, and untrue information.

• (1420)

PARAMAX—AWARD OF CONTRACTS TO U.S. AFFILIATES

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, this Hon. Member called the RCMP yesterday and the inspector in question was not available until this morning.

Some Hon. Members: Oh, oh!

Mr. Tobin: The documents now in the Minister's possession, of which he admits the Government had possession two months ago, make clear that Paramax awarded contracts worth in excess of $100 million, without tender or a competitive bidding process, to affiliates of its U.S. based parent company, Unisys. Why has the Government approved of such an uncompetitive process that would eliminate competition and therefore eliminate potential savings to the taxpayer?

Will the Minister tell us what his colleague, the Minister of Public Works, meant when he said yesterday that the single source system is now under review by the Government? Will he tell us what prompted that review?

Hon. Otto Jelinek (Minister of Supply and Services): Mr. Speaker, if the Hon. Member wants to check *Hansard* he will see that the Minister of Public Works did not say anything of the kind yesterday.

Second, the parent company in the U.S. about which the Hon. Member talks was a company responsible in formulating Paramax Electronics in Canada, which became a great success story for Montreal East, Quebec, and all of Canada with the creation of some 700 jobs. As a matter of fact, because of the subcontract being a fixed contract, nothing went outside the rules and regulations of the contract with the primary contractor, Saint John Shipbuilding, in any way, shape or form.

We on this side of the House are proud of Saint. John's Shipbuilding and proud of Paramax. So is the Canadian public.

ADVANCE PAYMENTS TO SUBCONTRACTORS

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, the issue today is not the Canadian frigate, the quality of the frigate, or the pride Canadians feel in a job well done. The issue is how well the Government manages taxpayers' money in a multi billion dollar contract.

The Minister has the documents in question which outline a series of advance payments made by Paramax to subcontractors in advance of any work being done or any cost being incurred by those subcontractors. Government regulations, of which the Minister is aware as Minister of Supply and Services, stipulate that such advance payments can only be made if they were first approved by the Department of Supply and Services and if the Government of Canada is credited with the interest earned on the advance moneys being paid out.

Will the Minister assure the House today that all advance payments made by Paramax have been approved in advance by his Department of Supply and Services and that all interest earned on advance money paid out was subsequently returned to the Government of Canada?

Hon. Otto Jelinek (Minister of Supply and Services): Mr. Speaker, I confirm today that all contracting has been done in accordance with the rules and regulations of Supply and Services and the Government of Canada for the benefit of the taxpayers of this country. Frankly, I am getting sick and tired of irresponsible questions which lead to irresponsible headlines like this one which states: "Questionable Frigate Dealings have Cost Canadians Millions of Dollars", which is not true because this biggest contract—

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member for Glengarry—Prescott—Russell.

LEASE OF CAR FOR U.S. COMPANY PRESIDENT

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Minister of Supply and Services and also pertains to the frigate contract. Even if the Minister pretends to be angry, Canadians still want answers.

According to an inter office memo, the President of Paramax in the United States is not carried on either the Paramax or SOSC payroll, two of the companies involved in the construction of the frigates.

Will the Minister responsible for the approval of the expenditures surrounding this contract explain to the House why the Government authorized the lease of a car garaged in

New York City for the U.S. President of the firm, using Canadian taxpayers' money?

Some Hon. Members: Oh, oh!

Mr. Boudria: In other words, will he explain what a limousine in Manhattan has to do with building ships in Canada?

• (1425)

Hon. Otto Jelinek (Minister of Supply and Services): Mr. Speaker, I have no idea, nor do I care what mode of transportation the president of a company in New York, who set up Paramax for the benefit of Canadian job security and for Canadian productivity, uses.

What I do tell the Hon. Member is that every cent of this contract from the Government of Canada to the primary contractor Saint John Shipbuilding is being utilized to the best of its capabilities. Those capabilities are one of the best in the world. In fact, this major contract is the biggest and most complex contract in Canada's history and is going to win the world championship in being on time and on budget above any other military shipbuilding company in the world. We are proud of that success.

LOBBYING EXPENSES

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, everyone is in favour of having contracts completed on time and providing Canadian jobs. What we want to know is did this Government act properly.

[*Translation*]

I have the following question for the responsible Minister. Internal documents from Paramax indicate that the company's management was very concerned about the fact that lobbyists' fees had been added to the cost of the frigate contract, which, according to them, was against Treasury Board and departmental rules. Could the Minister give the House the assurance that no lobby fees were paid by the Government of Canada in connection with this contract?

[*English*]

Some Hon. Members: You go home!

Mr. Boudria: You can't prevent me from asking an intelligent question.

Mr. McDermid: You wouldn't know an intelligent question if it hit you in the face.

Mr. McKenzie: Now tell us about the *Bonaventure* and the hydrofoil, you great contractors.

Mr. Speaker: The Hon. Minister.

Hon. Otto Jelinek (Minister of Supply and Services): Mr. Speaker, obviously the Hon. Member is not listening to the answers because I already said that the subcontract is a fixed contract. So any of those expenses would obviously come out of the profit of the company and not the utilization of additional tax dollars. If we are talking about spending, I should remind the Hon. Member that he leads all the Members of Parliament in spending expenses as a Member of Parliament. Why doesn't he learn how to run a tight ship? Why doesn't the Liberal Party learn to run a tight ship—

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Member for Oshawa.

* * *

THE ECONOMY

INCREASE IN BANK OF CANADA INTEREST RATE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, in the absence of the Minister of Finance my question is directed to the Minister of State for Finance.

[*Translation*]

A few minutes ago, the Bank of Canada announced an increase in the bank rate of one-third of a point. This kind of decision will have a negative impact on our exports because of its effect on the Canadian dollar. In the past, the Governments of Quebec and Ontario have taken a stand against this policy, and recently, the same kind of stand was taken in Western Canada. My question is this: why does the Government of Canada support the Bank of Canada's policy, which has a negative impact on Canada's economy?

[*English*]

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I am sure my hon. friend remembers back to November, 1981, when this country had interest rates over 20 per cent. That is why we are supporting the Bank of Canada's policy. We do not want interest rates to get out of hand here in Canada.

Let me tell the Hon. Member what has happened. Business intentions for investment are at an all-time high. Demand is very, very strong. Profits are good. Housing starts are at near record levels. We have a very, very strong economy with strong demand. We do not want this to get out of hand. So what has happened is we have all this heat running through the pipe of the Canadian economy. We do not want an explosion of huge, huge inflation and interest rates at the other end. That is why we support the Governor of the Bank of Canada.

• (1430)

EFFECT OF INTEREST RATES ON TAXPAYERS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, spoken just like the Chairman of the Royal Bank or any of the other chartered banks. I can tell the Minister that the Premiers of all the western provinces, the Premier of Ontario, the Premier of

Quebec, as well as the Manufacturers' Association, and the Association of Agricultural Producers—almost every group in every section of the country—are against the Government of Canada's policy in support of the Bank of Canada.

Since the Minister of Finance at the time of his Budget announced—

Mr. Shields: What about free trade, Ed?

Some Hon. Members: Order.

Mr. Speaker: The Hon. Member for Oshawa.

Mr. Broadbent: Mr. Speaker, the Minister has been courteous, if not his colleagues, in answering the question. I would like him to deal with a second question.

The Minister of Finance in the budget documents stated that a 1 per cent drop in interest rates reduces the charges on the Canadian debt paid by the Canadian taxpayers by $1.4 billion annually. If these interest rates continue to go up and there is a 1 per cent increase will this amount to a roughly $1.4 billion increase to the Canadian taxpayers in terms of paying charges on the Canadian debt?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, the Hon. Member's question fell into two parts. First, he asked me about the regional impact of interest rates. I do not know whether the Hon. Member is suggesting that we have a monetary policy for Quebec, and another monetary policy for a different region of Canada.

Mr. Broadbent: They're all in agreement.

Mr. Hockin: What is very interesting—and I hope that the Hon. Member will listen carefully to me since I listened to his question—is that if we had in this country a monetary policy based upon southern Ontario, Oshawa, London, Toronto, and places like that, interest rates would be much higher. Instead we base monetary policy in this country on national statistics, national demand, and national supply. The interest rate policy as a result of that is more moderate than it would be if it were based on southern Ontario alone.

The second point which is important to realize is that commodity prices in this country—pulp and paper, raw fish, zinc, copper, aluminum—all of which affect the regions of Canada outside southern Ontario, are also high. Thus the whole country wants us to have a moderate interest rate policy, and that is what we have.

GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister has just acknowledged that there is a significant difference, in his opinion, between the different regions in terms of the interest rate policy that would be appropriate.

Since I have a communique from the western Premiers who have joined Premier Bourassa of Quebec—

Mr. Shields: Who all supported free trade.

Mr. Broadbent: —and Premier Peterson of Ontario in unanimously calling for a lower interest rate policy, and considering that we in the Opposition have done the same, as have manufacturers and farmers, why does the Government not do what the people of Canada want instead of what the Bank of Canada wants?

Some Hon. Members: Hear, hear!

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, the Hon. Member is very careful when he quotes those Premiers. When they support free trade he is not in favour of what they say.

When these Premiers ask questions about interest rates, we listen. We make sure that we have a monetary policy based for all of Canada, not just Oshawa, Toronto, or London, Ontario.

* * *

FUR TRAPPING INDUSTRY

PROPOSED BRITISH LABELLING CAMPAIGN

Mr. George Baker (Gander—Twillingate): Mr. Speaker, my question concerns the proposed resolution before the British Cabinet on labelling of fur products from Canada. An all-Party House of Commons committee reported to the House in December of 1986 stating: "Steel-toothed leghold traps are no longer used by Canadian trappers and have not been manufactured in North America for well over a decade."

The Government is having no results whatsoever in dealing with the British Cabinet. The Secretary of State for External Affairs said in the House last night:

> —the Minister of Consumer and Corporate Affairs . . . , raised the matter at recent talks in London . . . I also raised the subject in the course of bilateral discussions with Sir Geoffrey Howe . . . The Prime Minister—discussed the matter during his conversations with Mrs. Thatcher, who said she wanted to obtain more information on the subject.

What more information does Margaret Thatcher need? Or is this just another example of this Government's problem in communication?

Some Hon. Members: Hear, hear!

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, I would like to draw to the attention of the House once again the participation in the debate last night of all three political Parties.

In answer to the Hon. Member's question, the discussions between the Prime Minister of Canada and the Prime Minister of Great Britain, and between the Secretary of State for External Affairs and Sir Geoffrey Howe, and other officials, have had some effect.

I would like to inform the Hon. Member that since the notification that is necessary to move this legislation in the British Parliament has not taken place, there is now a delay, a delay that we feel is important to Canada so that we can make our case once more. I believe that everyone would recognize that, rather than proceed as it could have with this piece of legislation, a delay is a good sign for Canada.

CANADIAN POSITION

Mr. George Baker (Gander—Twillingate): Mr. Speaker, I am sure the Minister will agree that if the British Cabinet passes this resolution then the next logical step would be to outlaw leather shoes, leather briefcases, or leather clothing, and certainly the consumption of meat products. Can you imagine, Mr. Speaker, the British doing without roast beef and Yorkshire pudding, or steak and kidney pie?

If the British Government is intent on destroying the Canadian fur industry with false labels and information, is the Government prepared to tell the British that we will cut back on our business with them, and that they can take their nuclear submarine and sink it?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, I know the Hon. Member is concerned about leather—that includes leather lungs.

What we have to understand is that it is not only the Canadian Government that recognizes that Great Britain does business with Canada. The trappers and aboriginal people in Canada recognize that certain companies such as Marks & Spencer, Boots Drugs, and Cadbury's, do business in Canada. They are prepared to take action and ask other Canadians to join them which I, as an individual am prepared to do, as I am sure is the Hon. Member.

What one has to understand is that we cannot settle this in Canada. It has to be settled in the Parliament of Great Britain. That is why the Prime Minister has taken an interest in it, as has the Secretary of State for External Affairs, and why all Parties in the House last evening took part in a very historic debate.

REQUEST THAT MINISTER TRANSMIT CANADIAN PARLIAMENT'S MESSAGE

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, my supplementary question is for the same Minister. Can he indicate to the House after the 21 speeches last night if his Department is prepared to carry forward the message that was delivered here last night to the British Parliament to ensure that Canadians from coast to coast will be able to have the same economy and the same jobs in the industry for years to come?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, I appreciate the Hon. Member's question. I would like to take this opportunity to compliment the Hon. Member for Timiskaming for initiating the emergency debate last night, and for his contribution.

Some Hon. Members: Hear, hear!

Mr. McKnight: The Secretary of State for External Affairs will be forwarding through the Commissioner, Mr. McMurtry, the videotapes and the complete text of the debate last evening to the British Parliament which will allow them to see the feelings of the people of Canada expressed through their elected Members. Those tapes and that *Hansard* are to be used in public relations addressing this problem in Great Britain.

It is a positive step. The Members who took part last night should be proud of their activities.

* * *

AGRICULTURE

ELIMINATION OF TWO-PRICE WHEAT SYSTEM—EFFECT ON CONSUMERS

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is for the Minister of Agriculture. Over the past couple of years Canadian consumers have paid something near the cost of production for products which contain wheat, such as pasta, bread, and other products. With the Government's announcement yesterday of the elimination of the two-price wheat program beginning April 2, consumers should see a measurable drop in the price they pay for wheat based products such as bread. What measures will the Government take to ensure that these savings are in fact passed on to the consumer?

• (1440)

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I certainly appreciate the question of the Hon. Member and, indeed, the thrust and thinking behind it.

I think it was very obvious that my colleague, in making the announcement on the two-price wheat issue yesterday, signalled the high expectations that, when phasing out of the two-price wheat system comes into effect after the next crop year, one would fully expect that the savings would be passed on and definitely be reflected in consumer prices.

REQUEST FOR ASSURANCE CONSUMERS WILL RECEIVE FULL BENEFIT

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my supplementary question is directed to the Minister responsible for Consumer Affairs. Canadian consumers know that generally prices go up and hardly ever come down. With the drop in the domestic price of wheat, we can calculate almost exactly what should be the reduction passed on to the consumer.

Would the Minister assure consumers that they will definitely receive the full benefit of the elimination of the two-price wheat program?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I do not know whether I have the legal and constitutional authority to do that. I can assure the Hon. Member that my Department will be watching bread prices very closely, and using whatever authorities are available to ensure that the consumer receives the full benefit of any reduction in the cost of wheat that goes into making bread.

ELIMINATION OF TWO-PRICE WHEAT SYSTEM—ONE-YEAR ADJUSTMENT PROGRAM

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Agriculture. The Canadian wheat growers have been receiving some $280 million per year benefit from the two-price wheat system. Now that this is being cut out due to the Prime Minister's trade agreement with the United States, why will the Government only provide an adjustment program for one year when the United States is increasing its support to its producers under the Export Enhancement Program and other programs, and we are cutting out this benefit subsidy announced yesterday by the Minister of State for Grains after only one year?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I think the Hon. Member is not in possession of the facts when he attempts to make a connection between the phase-out of two-price wheat and the FTA.

I must make it perfectly clear that there is absolutely no connection whatsoever between the Government's decision to phase out the two-price wheat system and the FTA.

The decision was under consideration long before the discussions or negotiations began between the two countries with respect to the FTA. The decision was taken to ensure the financial viability of the Canadian domestic industry.

GOVERNMENT POLICY

Mr. Maurice Foster (Algoma): Mr. Speaker, surely no one believes that the Government is cutting out the two-price wheat system for any other reason than because of the Prime Minister's trade deal with the United States.

What we want to know is how many other agricultural industries, for example, poultry, dairy, or the fruit and vegetable industry will be similarly destroyed? Will they only receive adjustment assistance for one year? Surely the adjustment should be for many years, if the Government is determined to destroy an industry like this, rather than cut it out after only one year.

Is this grant that the Minister announced yesterday just a cynical gimmick because there is an election coming up?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I will try once again and indicate to the House that there is absolutely no connection between the phase-out of the two-price wheat system and the FTA.

In respect of the Hon. Member's other reference to the impact of the FTA on Canadian agriculture, the Hon. Member should recognize that that will have very positive effects on Canadian agriculture.

Mr. Benjamin: One supplementary?

Mr. Speaker: The Hon. Member for Ottawa Centre.

* * *

[*Translation*]

PUBLIC WORKS

PLAN FOR OLD PORT OF QUEBEC—GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): My question is directed to the Minister of Public Works and concerns the Old Port in Quebec City. Is the Minister aware of the growing opposition of the people of Quebec City to the Conservative Government's plan for privatizing a substantial part of the Old Port, and more specifically, for the sale of Pointe-à-Carcy to a developer, Rocois Construction?

Since Quebec City has been registered by UNESCO on its world heritage list, why does the Government refuse to say how it will protect the heritage character of this part of the Old Port? Why did it decide to privatize this important location before setting up a plan for the preservation and development of the Old Port?

[*English*]

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, the Old Port of Québec Crown corporation called for proposals for development of the lands in question referred to by the Hon. Member. There were public hearings held over a period of months to give organizations and residents of the area the opportunity to air their views on the pros and cons of the development. After those public hearings were concluded an award was made to one of the developers.

A poll of people in the area indicated that 93 per cent of Quebecers in that area approved of the plan and the development that was eventually chosen.

[*Translation*]

THE COALITION—REQUEST THAT PLANNING COMMISSION BE CREATED—MINISTER'S POSITION

Mr. Mike Cassidy (Ottawa Centre): I have a supplementary, Mr. Speaker. Is the Minister aware of the fact that a coalition has been formed of thirty organizations representing about 40,000 Quebecers, including the *Société Saint-Jean-Baptiste*, Laval University's school of planning, the University of Montreal's planning faculty, and so forth? Is the Minister prepared to accept their request for a meeting as soon as possible? And will the Government agree to let a planning

committee prepare a development plan for federal property in the Old Port before any sales to the private sector take place?

[*English*]

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, when 40 community groups indicate that they have some reservations about a plan, obviously we will review their position to see what alternatives are available and what we might do.

I have asked my Department to explore the reasons for the opposition, and whether an adequate opportunity was given to voice their opinions. We will take another look. The Hon. Member has to bear in mind that the developer who was given the contract also has rights.

* * *

BUREAU OF REAL PROPERTY MANAGEMENT

FEDERAL LAND HOLDINGS IN TORONTO

Mr. Alan Redway (York East): Mr. Speaker, my question is directed to the President of the Treasury Board. The McLaughlin Report that was released one year ago indicated that the federal Government, through its various Departments and agencies, is one of the largest land holders in Metropolitan Toronto.

I would like to ask the President of the Treasury Board if one of those mysterious arms of the Treasury Board, that is, the Bureau of Real Property Management, would be prepared to release and make available some of that land in Metropolitan Toronto for badly needed housing. If so, would the Bureau also be prepared to authorize the leasing rather than the sale of that land in order to try to ensure that any housing built on that land remains affordable?

Some Hon. Members: Hear, hear!

Hon. Pat Carney (President of the Treasury Board): Mr. Speaker, I believe that the Hon. Member is aware that this issue is being given serious consideration by the Bureau. The Hon. Member is also aware that our policy does permit the sale of land surplus to government needs, and that this can be used for housing, if that is the appropriate use.

The Hon. Member may be advised that such land is usually offered to municipal authorities before it is offered to individual developers. The matter is being given consideration.

IMMIGRATION

THWARTED ATTEMPT TO SMUGGLE ILLEGAL MIGRANTS FROM WEST GERMANY

Mr. Sergio Marchi (York West): Mr. Speaker, my question is directed to the Minister of Immigration and it concerns last week's attempt to smuggle a boatload of people into Canada who were intercepted by police in West Germany.

We now learn that through investigating this incident the West German police have uncovered an elaborate human smuggling ring that includes a Canadian connection and Canadian context.

Given that the Government has already failed to act on similar operations from Portugal, Turkey, Brazil, and Lebanon, can the Minister now outline what information the Government has in its possession about this latest West German affair? What action is the Minister taking to prevent and stop the illegal and criminal activities involved in the business of human smuggling?

• (1450)

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I am sure the Hon. Member is aware that we will soon be introducing our response to the Senate on our immigration Bill which, he will recall, in its original form contained some considerable deterrence.

This is something I take very seriously and I think the Hon. Member knows that. We will be actively pursuing all means at our disposal, both nationally and internationally, to ensure that these people are brought to justice.

Mr. Marchi: Mr. Speaker, the Minister ignores the fact that these activities are contravening existing laws and our existing Criminal Code. Her provision to turn back boats will not punish or penalize those smugglers, and the Minister knows that.

REQUEST FOR INVESTIGATION BY RCMP

Mr. Sergio Marchi (York West): In the absence of the Solicitor General I will direct my question to the Minister of Immigration again. The West German police found that many of the 269 would-be passengers were carrying documentation and correspondence from Canadian universities, Canadian language schools, and Canadian government agencies, and that passport alteration was possibly done in this country.

In view of that will the Minister be asking her colleague, the Solicitor General, to order an RCMP investigation immediately into the illegal immigration network which is obviously operating in this country which contravenes our existing law and our existing Criminal Code in order that these culprits can be found and prosecuted at once?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I have already discussed with the officials in my Department the best approach we can take to

this. Clearly, it will involve investigation by other Ministers. I think the Hon. Member knows that I take this seriously. I have said that before.

We do not know that there are violations here but we do know that allegations have been made which we should explore, and we intend to bring this to a halt.

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[*Translation*]

NATIONAL FILM BOARD

CLOSURE OF CERTAIN DISTRIBUTION CENTRES—MINISTER'S POSITION

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, my question is directed to the Minister of Communications. The National Film Board's distribution network is gradually disintegrating. Distribution centres in Chicoutimi, Rouyn-Noranda, Sudbury, Calgary, Victoria and thirteen other cities will soon be closed. Could the Minister explain the whys and wherefores of this decision?

[*English*]

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I will be glad to have a full explanation given to the Hon. Member by the National Film Board. I would like him to understand that what is being put into place is a new system of distribution which will be electronically run and will offer much wider distribution to centres all across Canada than we presently have.

That will mean that there will be some changes to the present system, but it will not mean that there will be any diminution of the services.

PROVISION OF SERVICES IN SMALLER CENTRES

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, is it not a fact that the Government has cut the budget of the Film Board by 15 to 20 per cent in real terms and that in fact it is imposing user fees? In fact, the Minister is so scared that she will not even table her new film distribution legislation.

Is it fair that Canadians can only watch NFB films in the larger centres now and that the people in the smaller centres like Chicoutimi, Kingston, and Sudbury are in fact deprived of the services? Is that fair? Why is the Government doing that?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I must advise the Hon. Member that, as usual, he is way out of date with things. The system is being changed because there has not been adequate distribution or possibility of using National Film Board films in the smaller centres across the country. That is what is being addressed, that is what is being changed.

When the Member says that the budget of the National Film Board has been reduced, he might take a look at the additional moneys which were just put into film and video distribution. Some $200 million was announced last month and $25 million of that will be going to the National Film Board.

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MARINE TRANSPORT

WEST COAST CRUISE SHIP INDUSTRY

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of State for Finance. British Columbia's Alaskan cruise ship industry alleges that it is in danger of being wiped out by the imposition of duties and taxes to which it was not previously subjected. This industry brings in $70 million a year for B.C.'s economy.

Does the Minister know about what is going on out there, and is he doing anything about it?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I would like to thank my hon. friend for his very important question. He knows that in 1987 the cruise industry in British Columbia travelling to Alaska paid no duty or taxes. I am happy to confirm that it will be paying no duty or excise taxes this year. An interdepartmental committee is examining this whole matter and we hope to put a program in place for the future as well.

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[*Translation*]

CANADA POST CORPORATION

NEW CORPORATE PLAN—MINISTER'S POSITION

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, my question is directed to the Minister responsible for the Canada Post Corporation. In its new corporate plan, Canada Post continues to close rural post offices, it refuses to provide door-to-door mail delivery in new urban developments, but it will continue to increase postal rates by as much as 30 per cent.

Is it true that in March 1988, the Minister recommended that his Cabinet colleagues approve this plan? Was he aware of its contents? And if so, how could he force this kind of injustice on Canadians? Will he withdraw this disastrous plan?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, that plan, which was released to the public at a press conference on May 12, contained all the information about rate changes for first class letters which is the most important rate for ordinary citizens. The price is proposed to go up 1 cent next January, which is less than the rate of inflation. Therefore, in terms of constant money the price is actually going down.

The Hon. Member continues to make the false accusation that post offices will be closed. If he reads the corporate plan he will see that in fact over the course of the next five years there will be 5,000 new postal outlets opened, 2,000 of which will be in rural Canada. Therefore, they are opening new offices, not closing offices as the Hon. Member says.

Mr. Gagliano: Mr. Speaker, maybe the Minister doesn't know that there is a caravan travelling across Canada right now collecting letters and petitions from rural Canadians against the Post Office closing rural offices. Maybe the Minister should get acquainted with what is going on around the country.

Some Hon. Members: Hear, hear!

APPROVAL OF CORPORATE PLAN—MINISTER'S POSITION

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, whatever the Minister says, he approved the plan which increases postal rates up to 30 per cent. Will he now admit that he made a mistake in approving this corporate plan, and order Canada Post to scrap it immediately?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the Hon. Member obviously has not read the plan or he would not be making such silly statements. He talks about the caravan complaining about privatization. It appeared in Alberta and in Saskatchewan. A reporter talked to the people in the town of Tantallon, Saskatchewan, where they transferred the post office to the local general store. One of the residents, Miss Val Hamilton, said: "A lot of people think it's the best thing that ever happened".

The fact is that the union does not like it. In Manitoba a poll was taken in three towns where the post office had been changed. Eighty-six per cent said the service is either the same or better than it was before.

The Hon. Member should stop listening to the union leadership which is giving him false information. Talk to the people who recognize that service is getting better.

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ENVIRONMENTAL AFFAIRS

ELKS FALLS PULP MILL SPILLS

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, my question is for the Minister of the Environment. The Elk Falls Pulp Mill in Campbell River has recently had four major spills of green liquor and sulphuric acid. Last week more than 80 tonnes of 100 per cent caustic were pumped into the Straits of Georgia.

Will the Minister ensure a solid investigation of these spills and ensure that that company puts settling ponds and treatment ponds in place so that this will never happen again?

• (1500)

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I agree with the Hon. Member that the problem is serious with the most recent spill falling on the heels of previous ones that were at least as environmentally dangerous and threatening. The idea of a settling pond, for example, to prevent future spills is a worthy one. I will explore it with my scientific and environmental advisers and some of the legal people to see whether, in fact, the Minister of the Environment for the federal Government has jurisdiction to make such a requirement.

I know the employees of the mill themselves have played an exemplary leadership role here in monitoring the situation and drawing it to the attention of the public, to the Member, and through him to me. I salute them for their leadership and I will explore ways in which their committee could be given more formal recognition.

EMPLOYEES' ENVIRONMENTAL COMMITTEE

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, in almost all of the pulp mills on the coast of British Columbia there are contractual requirements for recognition of environmental committees.

Will the Minister attempt to set up some formal mechanism between his Department and those environmental committees of the employees who are loyal to both the company and concerned about it but are also serious about protection of the environment? Will he look into the possibility of setting up a formal working relationship with these groups?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I think the idea is a good one. During this Environment Week, I can think of no better time for the Minister of the Environment to commit himself and the Government of Canada to working with employee groups such as the one to which the Member has made reference in his question, and I give him that commitment now.

* * *

[*Translation*]

INDIAN AFFAIRS

CRISIS IN KAHNAWAKE—MINISTER'S POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. He is aware of the situation that now exists in Kahnawake, a situation that, I believe, was provoked by the undue use of force by persons under the jurisdiction of the Solicitor General. I would like to ask the Minister the following question: Now that they have made trouble on the reserve and the population of the South Shore is caught in the middle, does the Minister of Indian Affairs and Northern Development intend to wash his hands of the situation or will he help

his provincial colleague, Mr. Savoie, who is on the reserve again today to try and settle this question? Will the Minister act responsibly and co-operate with the provincial authorities in order to clean up the mess they made?

[*English*]

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I am standing in for the Minister of National Revenue and wish to respond to the Member's question.

The Hon. Member knows that warrants were issued yesterday under the Customs Act and the RCMP advised Customs and Excise that an enforcement operation was under way on the reserve.

I understand from officials that the barricades placed in the way of traffic are in the process of being removed and that removal is expected within an hour. As well, I wish to acknowledge the good work that has been done by provincial officials in this matter.

Mr. Speaker: The Hon. Member for Thunder Bay—Atikokan, a single question.

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CANADIAN WHEAT BOARD

SHIPMENTS THROUGH THUNDER BAY

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is for the Deputy Prime Minister in the absence of the two Transport Ministers.

Earlier this year the Canadian Wheat Board promised the Port of Thunder Bay that 7,000 grain cars a week would be rolling into our city. As of next week we will have only 2,700, resulting in lay-offs of 600 to 700 grain handlers followed, I am sure, by seafarers and people in the ports downstream.

What action will the Government take to ensure that the promise is lived up to that Thunder Bay would not be a residual port? When will we get some action to protect these jobs?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I appreciate the Hon. Member's continuing interest in the Port of Thunder Bay. While I cannot give him a precise answer today, I will certainly try to get an answer for him. I am sure though that the actual statistics are quite a bit better than the Hon. Member has suggested.

We undertake to look into the matter and I will get back to the Member as soon as I possibly can.

PRIVILEGE

CORRECTION OF COMMENTS DURING QUESTION PERIOD

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, in answers earlier today, the Hon. Minister of Supply and Services (Mr. Jelinek) may have, I am sure inadvertently, led the House to believe that he had information relating to my expense account as a Member of Parliament. Although you, Sir, are in possession of such documents if they exist, you know that they are confidential only to you and not to other Members of this House, even cabinet Ministers.

Perhaps the Hon. Minister could correct the record and also table the document he has, which may have something to do with the fact that I was once a Member of the Legislature. In that legislature the Government refused to provide translation services to francophone Members.

Hon. Otto Jelinek (Minister of Supply and Services): Mr. Speaker, I was about to rise to speak prior to the Hon. Member. I would like to correct what I said during the exchange earlier in Question Period. When I said "Member of Parliament", I should have said that it was the former Member of the provincial Legislature who led all Members' expenses at that time. I am quite certain, Mr. Speaker, that his spending habits have not changed since then!

Some Hon. Members: Oh, oh!

Mr. Jelinek: At the same time I would like to table the documents from which I was quoting. They call him "Don the big spender".

Some Hon. Members: Oh, oh!

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, some Members on the government side may find this very funny but I do not find it amusing at all. What the Minister just did—

Mr. McDermid: I understand it.

Mr. Gauthier: Just a minute. I know why you understand it, because knowing from where you come and knowing your background you would understand the Minister's bad habits.

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria), as it turns out, quite properly raised a matter in which an answer given by a Minister was incorrect. The Hon. Member for Glengarry—Prescott—Russell had every right to raise the point. The Minister in turn has given an explanation. I think the Hon. Member—

Mr. Nunziata: There should be an apology.

Mr. Speaker: —for Ottawa—Vanier (Mr. Gauthier) is rising to remark on whether or not that explanation was

satisfactory. I think Hon. Members ought to give him the courtesy of listening to him.

Mr. Gauthier: I thank you for your understanding, Mr. Speaker.

In this House of Parliament translations are commonplace if you are dealing with a constituency where that requirement is essential. There are many colleagues in my caucus and I know many Members on the government side who constantly, normally, and very justly use translation services. It is a *fait accompli* in the Parliament of Canada and that I think is a good thing.

When the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) was a Member of the provincial Legislature, there were no translation services allowed to its members. I want members on the government side to understand that. There were no translation services allowed and, therefore, dealing with a constituency which is close to 90 per cent Francophone he had to use a great deal of translation. For that, Mr. Speaker, we thank him because he rendered a good service to the constituents of his riding.

Mr. Jelinek: I am sorry, Mr. Speaker, that the Whip of the Liberal Party is dragging this matter down to a lower level than it should have been.

Ms. Copps: You are standing on your head.

Mr. Jelinek: There is the big mouth from Hamilton East.

Some Hon. Members: Oh, oh!

Mr. Gauthier: You are the king of sleaze yourself.

Mr. Mazankowski: It was $8,000 for translation.

Mr. Speaker: Perhaps what we need is a little bit of calm. The Hon. Member for Glengarry—Prescott—Russell has raised a complaint; it may not be a question of privilege, but it is a complaint. The Hon. Minister has responded and, while there may be some complaint the Hon. Minister ought not to have said what he said, he has explained the context in which he said it.

• (1510)

The Hon. Member for Ottawa—Vanier has risen, as he certainly is entitled to do and as I think Hon. Members would expect him to do, given the fact that he is the Whip for that caucus. He has come to the defence of the spending of the Hon. Member for Glengarry—Prescott—Russell in another place and on another occasion. I think the situation has been made clear. I do not think it is to the advantage of order in this place to carry on with the discussion, so I am closing off this particular matter of order unless there is some compelling reason to continue it.

I will hear from the Hon. Minister, and then I will hear from the Hon. Member for Hamilton East (Ms. Copps).

Mr. Jelinek: Mr. Speaker, if I may have the attention of the House, very calmly, I believe there is a compelling reason for me to rise again because the Whip of the Liberal Party, inadvertently I am sure, misled the House when he said that the expenses were for translation. In fact, the document which I just tabled very categorically shows that the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) in that year spent some $89,000, only $8,000 of which was for translation. The rest was—

Some Hon. Members: Table it!

Mr. Speaker: I must advise Hon. Members that this is now becoming a debate on a lot of facts that are completely extraneous to this place, and I do not think it is in order.

[*Translation*]

Ms. Copps: Mr. Speaker, the reason I think it is up to the Chair to decide once and for all that the libelous statements that continue to be made about my hon. friend, the Member for Glengarrry—Prescott—Russell (Mr. Boudria), should stop, statements made by the Deputy Prime Minister, is that we clearly saw in this House that the Deputy Prime Minister was circulating documents listing the expenses incurred by the Hon. Member when he was a Member of the provincial legislature. I myself am a former MPP and I know that at the time, the Conservative Government of the Province of Ontario did not provide translation services, which put an additional financial burden on Members who had to make use of such services. At the time, the Hon. Member for Glengarry—Prescott-Russell represented the riding with the largest number of Francophones outside Quebec. If the Deputy Prime Minister continues to suggest, as he has done several times before, that MPPs do not have the right to declare translation expenses in provinces where services are not provided in both official languages, unlike the situation here in the House, I am sorry, but this means the Conservatives are denigrating both the excellent translation services available in this province and the province's Francophone Members, and that I cannot accept. I therefore demand an apology, not only from the Minister but also from the Deputy Prime Minister who passed these documents around several times.

[*English*]

Mr. Speaker: I think that the debate is getting well beyond the original complaint. I will hear from the Hon. Member for Glengarry—Prescott—Russell, very briefly.

Mr. Boudria: Mr. Speaker, I would like to be helpful and put a conclusion to this. As a former Member of the Legislature and as a Member of the House, I do not apologize to anyone for having served my constituents by phoning long distance, no more than federal Members from British Columbia, according to the Public Accounts of this year, would have to apologize for having the highest travel bills. It was a fact of serving my constituents, just as it is a fact as indicated on page 12-14 of Miscellaneous Information in the Public Accounts of Canada. I am proud of having served my

constituents, as I am sure the Conservative Members who have the highest expense accounts in Ottawa would be as well for serving their constituents.

Mr. Speaker: I appreciate the co-operation of all Hon. Members in allowing this matter to close.

Ms. Dewar: Mr. Speaker, I did not realize that we were here to dissect what has been public information for a long time. It seems to me that we are not serving our constituents well with this kind of thing.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I think it would be appropriate if I were to ask the Minister of State (Mr. Lewis) to give the usual statement of government business for the coming week.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, tomorrow we will continue the second reading debate on Bill C-129, the Air Canada privatization Bill, followed by consideration of Senate amendments to Bill C-55 and Bill C-84. If we do not finish that consideration tomorrow, we will then deal with those matters also on Monday.

For Tuesday, we are trying to put a package together which would involved Bill C-111, the National Housing Act, and would hope to get second reading on that Bill and send it to committee, followed by report and third reading stages of Bill C-93, the multiculturalism Bill. This would be followed by Bill C-131, the amendments to the National Transportation Act, and we would send that off to committee as well.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I rise on the House business question to ask a question of the Minister of State (Mr. Lewis). Apparently, there were some discussions with the Deputy Prime Minister (Mr. Mazankowski) and representatives of handicapped groups this past Sunday or Monday with regard to components of the Election Expenses Act.

As we know, that particular piece of legislation is in limbo right now. Apparently the Deputy Prime Minister indicated that there might be a willingness to carve out from the Bill the access components of that legislation, as well as the components dealing with opening up the number of electors who will be allowed to vote in terms of the mentally handicapped. I appreciate that the Minister of State may not be in a position to respond immediately, but I wonder if he could take that under advisement and check with the Deputy Prime Minister. We on this side of the House would be pleased to give consideration to such a proposal. It is a national week respecting special needs, so if the Minister could check on that matter, we would appreciate it.

Mr. Lewis: Mr. Speaker, I think that is a very helpful suggestion. I will take it up with the Deputy Prime Minister (Mr. Mazankowski) and see what we can do in that respect.

GOVERNMENT ORDERS

[*English*]

INDIAN ACT

MEASURE TO AMEND

Mr. Deputy Speaker: By unanimous consent, I do now leave the chair for the House to go into Committee of the Whole.

House in Committee of the Whole on Bill C-115, an Act to amend the Indian Act and another Act in consequence thereof—Mr. McKnight—Mr. Danis in the chair.

• (1520)

The Chairman: Order. House in Committee of the Whole on Bill C-115, an Act to amend the Indian Act and another Act in consequence thereof.

Clauses 1 to 9 inclusive agreed to.

On Clause 10—Advice based on personal information statements, etc.

Mr. Schellenberger: Mr. Chairman, in amendment to Clause 10 I move:

That Clause 10 of Bill C-115 be amended

(a) by striking out lines 19 to 21 on page 6 and substituting the following:

"(2) An expenditure made out of money raised pursuant to Subsection (1) must be so made under the authority of a by-law."

(b) by striking out line 31 on page 6 and substituting the following:

"Regulations not consistent with this section respecting the exercise of the"

On the first amendment, subsection 83(2) is being reworded in a positive rather than negative way for greater certainty in providing band councils the authority to expend tax revenues under a by-law.

In explanation of the second amendment, the phrase "not consistent with this section" is being added to ensure that regulations are consistent with the purposes of Section 83, which is to enable bands to pass taxation by-laws.

Mr. Fulton: Mr. Chairman, I just wonder if I can get some clarification from the Parliamentary Secretary or the Minister. I thought there were two earlier amendments that were going to be dealt with, one in Clause 10 at page 5 and one in relation to page 1, the title.

Mr. Schellenberger: Mr. Chairman, I also want to move an amendment to Clause 10 on page 5 which is:

Indian Act

That Clause 10 of Bill C-115 be amended by striking out lines 43 and 44 on page 5 and substituting the following:

"taxation for local purposes of"

That phrase is removed by this motion and refers to by-laws subject to regulations under Subsection 83(5). The phrase is redundant since Subsection 83(6) requires that by-laws be consistent with any regulations under Subsection 83(5).

Perhaps I might reverse the order in which I moved them so they are consistent with the way we deal with Clause 10.

Mr. Penner: Mr. Chairman, I have a few questions for the Minister. In some cases they are of a fairly broad nature. I waited for the right moment in the Bill to raise these questions, but in order to facilitate the proceedings this afternoon this may be as good a place as any.

First, I wonder if the Minister could give the committee an idea of how much so-called surrendered, or now, more appropriately, designated, land is affected by C-115? I can understand if the Minister does not have it, but perhaps it could be sent along at a later time. I am also interested in what potential revenue this may mean for bands and that information may be in the same category. It may need to be communicated later.

I would also like to have some information from the Minister about the position of the Government of British Columbia regarding Bill C-115. There is a lot of concern about the role of that Government and its relations with Indian people. I am wondering whether, for example, the municipalities of British Columbia have in any way lobbied the Government with respect to this legislation and what has been the effect of that lobbying endeavour on the attitude of the Government of British Columbia.

While we are talking about the province, perhaps the Minister could clarify an issue raised with me over the role of the province in taxing additionally non-Indians on surrendered lands. Is there still a taxation power retained by the province in this regard? I am sorry to throw it all at the Minister at once. I could have done it in a series of questions, but I want to move along as quickly as I can so that we can deal with other Bills related to Indian affairs.

My final question has to do with a concern raised by the Assembly of First Nations. Other chiefs have brought this to my attention as well. Once bands begin to enjoy the revenues from this taxation power being extended to them, is it likely that the Government will use this as a reason for cutting back on what may be described as normal or regular programs? I know the Minister wrote to Chief Georges Erasmus on May 16 and said on the second page, second last paragraph: "Please be assured that it is not the Government's intention to reduce financial support available to non-Indians because of their own tax-raising activities."

I am sure the Minister means what he says and it is not the Government's intention. However, knowing the record of relations between not only his Government but many Governments over a long period of time with Indian people, sometimes intentions are just not enough. I wonder if there is some way the Minister can strengthen that. Is there some kind of guarantee that First Nations are not going to see cut-backs in normal and regular programs because they have acquired this taxation power?

• (1530)

Mr. McKnight: I do not believe it would benefit anyone to provide a guarantee. All Governments need to operate on revenues and grants. Municipal Governments operate on revenues and grants.

I cannot think of a way to guarantee what would be a policy decision. I cannot see the benefit that would arise from such an action by any Government. Indeed, it would discourage Indian Governments from taking the very action that the legislation is allowing them to take, which is long overdue. It allows them to tax their own assets. I cannot see why anyone would want to reduce those revenues.

As I say, all Governments operate on a form of grants and revenues. The revenues that are provided in this case would come from Indian assets. Grants would flow as they do to other forms of government. I do not know how to assure my hon. friend that that could not happen, except that I do not believe it would because it would be totally counter-productive.

He asked if there is the ability for taxation by the province on a non-Indian resident residing on designated land. I believe the answer is yes.

I cannot give him the exact acres with respect to his first question, but there are about 100 bands that have designated lands at this time. We are undertaking to find out how much and what the usage of that land is. I cannot inform the Hon. Member of the outcome of that endeavour at this time.

With respect to how much revenue, I can talk about British Columbia where I believe 60 per cent of the designated lands are located. The revenues on those designated lands are about $5.5 million annually. It is a very small percentage of the municipal revenues in the Province of British Columbia, bearing in mind that there are some municipalities where the proportion of revenue from these lands is much higher than the average in British Columbia.

Mr. Penner: Mr. Chairman, dealing with the Government's good will in the future regarding regular or normal programs, the Minister is attempting to assure the committee that the kind of thing we mentioned is unlikely to happen, that it is counter-productive. I want very much to believe that.

Of course, the James Bay Cree discovered to their dismay that when they made a settlement with Canada in exchange for vast tracts of land that could then be utilized by the Government of Quebec and Ontario Hydro, they in fact did suffer on certain regular programs. They had to use what were

described as compensation funds for community infrastructure.

The Grand Council of the Cree often reported that Indian Affairs officials in the Quebec region told them that since they had done rather well, there is only so much money and the Department had better look after somebody else.

In fact, the Tait Inquiry drew attention to the fact that in many cases they were short-circuited on regular and normal programs because they had made a tripartite agreement with Canada, Quebec and themselves.

Then there is the case in southern Alberta, the Blackfoot cattle claim, where there was an outstanding settlement. When it was decided to negotiate that claim and accept compensation moneys in exchange for cattle, and when the band dispersed those moneys among its members, they found to their dismay that the social assistance was accordingly cut back.

The Minister justified this on the basis that this was the way it was done in the province and he had to follow provincial guidelines.

My point is simply that in the past these kinds of situations have happened. It is easy to understand why bands, in attempting to improve their position, are nervous that there may be some rearguard action that will give on the one hand and take on the other. Therefore, how does one make any progress or get out of the treadmill situation?

The Minister asks me the rhetorical question: What kind of guarantees can be offered? Let me suggest to the Minister that when agreements like this are reached, what is wrong with signing a memorandum of understanding between the Government and the bands that they will in no way be jeopardized in regular or normal programs because they have gained revenue on their own designated lands through taxation?

The Minister admitted that the province will continue to have taxation powers on these designated or formerly called surrendered lands. Will the Minister elaborate and explain to the committee what is the nature of this taxation? What kind of taxation powers are they? Is it a concern of any of the chiefs that these provincial taxation powers will continue?

Mr. McKnight: Mr. Chairman, the Member referred to the James Bay Agreement. I draw his attention to the active involvement in the catch-up phases of construction of schools over and above the way they were scheduled, and over and above the way they were scheduled in the region of Quebec.

With respect to the Blackfoot cattle settlement, the band was informed that rather than distributing cash, if it distributed benefit in kind to its membership it would not be doing anything that will cause the Government of Canada to use the provisions of social assistance that apply to other citizens of Alberta.

That being said, the taxation of non-Indians is a concern to some of the bands and chiefs. At this time, we have been unable to find a constitutional way of removing the Province of British Columbia from exercising that opportunity.

It is a concern, but it is my understanding from my discussions with Chief Jules and other chiefs who will be involved that although it may not be perfect, they are willing to see it proceed in this manner.

Mr. Fulton: Mr. Chairman, it is always good to see my cousin in the Chair. I think the Minister is aware of the Supreme Court ruling on the *Nowegijick v. the Queen.* Once Bill C-115 becomes law which, hopefully, if not today will be no more than a couple of days, there are three situations under which Indian employees will not be liable to pay income tax, those working for an employer based on conditionally surrendered lands and working there, or working for an employer based on conditionally surrendered lands and working off reserve, or working for an employer off the reserve but doing work on conditionally surrendered lands. I wonder if the Minister would confirm that those three situations will in fact somewhat expand the horizon and definition of not having to pay income tax in relation to Bulletin IT 62.

• (1540)

Mr. McKnight: Mr. Chairman, I am pleased to inform my colleague that that is accurate. It adds, I believe, to economic opportunity and again it would certainly be inconsistent with the action being taken by the House at this time to add to economic opportunity.

I should draw to the attention of my friend, the Hon. Member for Cochrane—Superior (Mr. Penner), that the Province of Ontario, I believe, has moved away from taxation in the area we discussed, the ability to tax non-Indians on designated land. Saskatchewan, Manitoba and Alberta do not exercise that opportunity. Hopefully, British Columbia would be consistent with the actions taken by other provinces where conditionally designated land is found.

Mr. Penner: Mr. Chairman, I have just one other question. I think the Minister may have missed it in my list at the beginning of questions. It had to do with British Columbia municipalities, some of which are currently taxing on surrendered Indian lands. In preparation for dealing with this Bill, I was in communication with the Minister's office and was advised that municipalities did have some concerns. I think it might be of interest to the House if we knew what those concerns were.

Mr. McKnight: Mr. Chairman, the concerns expressed are that of how to share in the costs of servicing those designated lands, how they will be arrived at, the municipal infrastructure that is presently there, how that will be compensated for. I really believe that the move we are taking today will allow us, over a period of time, to find our way through that. The establishment of the Indian Taxation Advisory Board, I

believe, will be very beneficial in allowing us to step slowly to a resolution.

I believe that when municipalities can benefit, respond and co-operate beside one another, there should be the same opportunities for municipalities and designated lands to be able to co-operate in infrastructure and the use of public buildings and gathering places, those utilities that are provided around designated land and on municipalities.

It is a concern. Chief Jules has discussed that concern with some individual urban mayors in British Columbia. We have discussed it extensively with the British Columbia Urban Municipalities Association. I believe there are actions we can take once this Bill is moved to establish a process where we will all be able to learn as we progress. Chief Jules and those other chiefs who have designated land are certainly not lacking in knowledge about the concern. They and I and, I am sure, other members of this House feel it can be addressed.

The Acting Chairman (Mr. Edwards): Moved by Mr. Schellenberger that Clause 10 of Bill C-115 be amended by striking out lines 43 and 44 on Page 5 and substituting the following: "Taxation for local purposes of".

Shall the amendment carry?

Some Hon. Members: Agreed.

Amendment agreed to.

The Acting Chairman (Mr. Edwards): Moved by Mr. Schellenberger that Clause 10 of Bill C-115 be amended (a) by striking out lines 19 to 21 on Page 6 and substituting the following: "(2) an expenditure made out of moneys raised pursuant to subsection (1) must be so made under the authority of a by-law". (b) by striking out line 31 on page 6 and substituting the following: "Regulations not consistent with this section respecting the exercise of the".

Shall the amendment carry?

Some Hon. Members: Agreed.

Amendment agreed to.

The Acting Chairman (Mr. Edwards): Shall Clause 10, as amended, carry?

Some Hon. Members: Agreed.

Clause 10, as amended, agreed to.

The Acting Chairman (Mr. Edwards): Shall Clause 11 carry?

Some Hon. Members: Agreed.

Clause 11 agreed to.

The Acting Chairman (Mr. Edwards): Shall Clause 12 carry?

Some Hon. Members: Agreed.

Clause 12 agreed to.

The Acting Chairman (Mr. Edwards): Shall Clause 13 carry?

Mr. Schellenberger: Mr. Chairman, we would ask that Clause 13 be deleted. I move that Clause 13 be deleted.

The Acting Chairman (Mr. Edwards): Are there questions?

Mr. Penner: Just an explanation, Mr. Chairman.

Mr. Schellenberger: I ask that Clause 13 be deleted and the title be changed. It has to do with the Veterans Lands Act, which we feel was legislative housekeeping, and removing a section that really expired in 1977. The amendment to the Veterans Lands Act is not necessitated in this Bill and it is not consequential as a result. Therefore, there is no need to have it in. We would like to remove that clause and also change the title in order that it not be a part of this legislation.

Mr. Penner: Mr. Chairman, I certainly accept the Parliamentary Secretary's explanation. I think members of the committee, however, would be interested in knowing why it was determined initially that this was a consequential amendment. Why was it there in the first place?

Mr. Schellenberger: Mr. Chairman, it was proposed by the drafting committee of the Bill as a legislative housekeeping matter, but after looking at it, it was decided we should not move at this time with that amendment. As well, Chief Jules as well has asked that we not do so, and we agree. As a result, we would like to have it deleted from the Bill.

Mr. Fulton: Mr. Chairman, can I just get it clear, then? Has Section 46 of the VLA already been repealed somewhere else in 1977?

Mr. Schellenberger: It expired.

Mr. Fulton: It expired in 1977. So I take it this was an attempt to use this Bill to shotgun it out of an existing statute.

Mr. Schellenberger: The Hon. Member has answered his own question.

The Acting Chairman (Mr. Edwards): That is efficiency. I would indicate to Members that a negative vote on the carrying of Clause 13 will have the effect of deleting it from the Bill.

Shall Clause 13 carry?

Some Hon. Members: No.

Clause 13 negatived.

The Acting Chairman (Mr. Edwards): Shall the title carry?

Mr. Schellenberger: Mr. Chairman, we would also, as a consequence of the amendment we just moved, have the title as well amended. Therefore, I move:

That Bill C-115 be amended by striking out the long title on Page 1 and substituting the following:

"An Act to amend the Indian Act (*Designated Lands*)"

The Acting Chairman (Mr. Edwards): Is there agreement to the amendment?

Some Hon. Members: Agreed.

Amendment agreed to.

The Acting Chairman (Mr. Edwards): Shall the title carry as amended?

Mr. Penner: I am sure there is a simple answer to this question. I listened with interest when the Parliamentary Secretary introduced the Bill this morning. I had the impression from what he said—unless I misunderstood him—that we would henceforth be talking about designated Indian lands, that we were going to get rid of the unfortunate phrase "surrendered lands". "Surrendered lands" and "extinguishment" is very bad vocabulary. It has been around for a long time. We were going to clean up our act and start talking in a new way. But here it comes up in the title of the Bill. Why not call it "an Act regarding designated lands"? Why call it "surrendered lands"?

• (1550)

Mr. Schellenberger: Mr. Chairman, do not ever let it be said that we are not convinced by the arguments of the Hon. Member. I would be happy to withdraw the term "surrendered" and substitute the term "designated" therefor. That seems consistent. It is a good suggestion, one which we should adopt.

Therefore, I move:

That Bill C-115 be amended by striking out the long title on page 1 and substituting the following:

"An Act to amend the Indian Act (designated lands)"

Mr. Fulton: I have one quick question, Mr. Chairman. I know that we are just about to complete committee of the whole and move on with the Bill. I am wondering whether or not the Minister might give his assurance that he will do whatever he can to make sure that this gets quickly through the other place.

Mr. McKnight: Mr. Chairman, the Hon. Member realizes that I usually only make commitments that I can keep. I will talk to my colleagues, if he will talk to his, in the other place.

The Acting Chairman (Mr. Edwards): Shall the title as amended carry?

Some Hon. Members: Agreed.

Title, as amended, agreed to.

The Acting Chairman (Mr. Edwards): Shall the Bill carry?

Some Hon. Members: Agreed.

Bill reported.

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development) moved that the Bill C-115, an Act to amend the Indian Act, (designated lands), as reported (with amendment) from the Committee of the Whole, be concurred in.

The Acting Speaker (Mr. Edwards): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

Mr. McKnight moved that the Bill be read the third time and passed.

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

* * *

INDIAN ACT

MEASURE TO AMEND

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development) moved that Bill C-123, an Act to amend the Indian Act (minors' funds and surviving spouse's preferential share), be read the second time and referred to a legislative committee.

Mr. Stan Schellenberger (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, it gives me great pleasure today to rise in debate on this Bill, one that my constituents in the constituency of Wetaskiwin have been asking for for some time.

The bands at Hobema use their trust accounts to assist the parents of children to raise minors. This has been the practice of those bands for some time. However, in the last number of years the Auditor General has raised some questions as to the manner in which Parliament is allowing this to take place. So it is indeed a pleasure to see this legislation before us today. Once and for all we will no longer have this practice being questioned by the Auditor General and Members of Parliament as to whether or not it is in fact in order.

One of the primary goals of the Government is to return to Indian people control over their lands, over their lives and over their funds, moneys that have been gathered either through resources, through the Bill which we just finished debating, or in other business activities on the reserve. The manner in which they use those funds should well be within their jurisdiction.

Since coming to office we have moved steadily forward in this regard. We are doing so again with this legislation today. We are giving new impetus to the whole area of devolution, encouraging local decision-making and Indian participation in the development and delivery of a wide range of programs.

The Bill before us today is an important step for all Indian people. The key element of Bill C-123 is that it will provide Indian bands with an opportunity to take an active role in the release of funds to Indian minors, to parents or guardians of such minors, which is presently the sole responsibility of the Minister.

Indian people have the ability to direct their affairs and those of their children. The legislation before us today is very progressive in that sense. In fact, it has been in practice for some time.

As I have said before, serious concerns have been raised by the Auditor General concerning the way that the Department discharges its trust responsibilities. Accordingly, many of those concerns are now being addressed through a major review of the Department's plans, revenues and trust functions. As a result, this Bill, Bill C-123, deals almost exclusively with minors' trust funds.

Presently under the Indian Act all moneys derived from the sale or lease of Indian lands and resources are held in trust by the Government of Canada for use by the bands. As well, the Minister of Indian Affairs and Northern Development (Mr. McKnight) is authorized to direct the expenditure of those funds for the benefit of the bands concerned.

The Indian Act also authorizes him, with the consent of a band, to arrange payments to individuals or individual band members. The total amount distributed in this way cannot exceed 50 per cent of the band's capital moneys derived from the sale of surrendered lands. These lands are generally surrendered for resource exploration purposes.

Distribution payments to minors are held by the Government of Canada in individual trust accounts and released to minors when they reach the age of majority. The Department now maintains about 19,000 of these accounts worth more than $145 million. The vast majority are held on behalf of resource-rich bands in Alberta, or other bands of a resource nature in British Columbia.

One of the difficulties that I have noted over the years with respect to holding trust accounts until the age of majority, particularly in the oil-producing bands of Alberta, is that when these funds are released to a person who reaches 18 years of age there is a great feeling that these young people are not yet capable of investing, in some cases many tens of thousands of dollars, at that age. They often use that money to their personal detriment. Perhaps they buy a new car, which we are all susceptible to doing when we receive some money, and then go out on a bit of a celebration because of the windfall that comes at 18 years of age. I have spoken to the chiefs about this issue, and together we should consider a way in which this money can be sent out to the person after the age of majority, not all at once but in payments over a period of a number of years. That is an aside, but is relevant to what is happening and to this Bill.

• (1600)

In 1981, Indian bands in Alberta asked the Minister of Indian Affairs and Northern Development to make payments from these trust funds to parents or guardians of Indian minors to help provide for minors. A departmental directive was subsequently developed, and has been used for the last five years. Upon receipt of a band council resolution, the Department will pay up to $3,000 annually from the distribution made on behalf of minor band members directly to the parents or guardians of all such minors, in the band.

However, there are no specific provisions in the Indian Act authorizing the Minister to make payments to parents or guardians of minors, on a minor's behalf without a specific request for that money, and also establishing the need for that money. The Auditor General has suggested that the Minister is bound by provincial trust laws, common law practices and principles of trust.

Bill C-123 is designed to incorporate the basic principles of the provincial regimes governing moneys held on behalf of all minors in Canada, while still accommodating the particular needs and circumstances of Indian minors. In this manner, it strikes an important balance between ensuring that Indian communities can protect the interests of their minors, and providing for the lawful release of moneys by the Government of Canada to those who are entitled to them.

Specifically, Bill C-123 amends the Indian Act to provide the Minister of Indian Affairs and Northern Development with express discretionary authority to make payments from a minor's trust fund to a parent or guardian for the maintenance, advancement, or benefit of the minor.

The legislation further amends the Indian Act to provide band councils with the authority to direct the Minister to pay all or part of per capita distributions owed to an Indian minor to a parent, guardian, or the council for the minor's maintenance, advancement, or other benefit. Under this amendment, the council itself may assume responsibility for distribution to a parent or guardian. The amount payable will be the lesser of $3,000, or the amount of the annual per capita distribution paid to members of the band.

Bill C-123 also amends the Indian Act to enable the Minister of Indian Affairs and Northern Development to pay all moneys owing to the minor at age of majority in a series of payments over a period of not more than three years. This is what I mentioned before, Mr. Speaker. In some cases, perhaps three years is not long enough, but it certainly is an improvement over what was allowed in the past.

A request to make payments in this way must be made in writing to the Minister by a parent, guardian, or the council of the band to which the minor belongs. This provision was included at the request of concerned Indian parents who were becoming increasingly alarmed at the tragic loss of their children's heritage through their inability to manage large sums of money at the age of majority.

These amendments are important from both a legal and a practical point of view. From a legal standpoint, they ensure that the Minister has the authority to discharge his trust responsibilities. From a practical standpoint, they ensure that at least some of the minor's trust money is available for his or her maintenance, advancement, or benefit.

The Bill also provides for one other important amendment to the Indian Act. This one is unrelated to minors' trust funds. Subsections 48(1) and 48(2) of the Indian Act will be amended to increase a surviving spouse's preferential share in the estate of an intestate from $2,000 to $75,000. This brings the Indian Act in line with the most progressive provincial legislation in this area.

Progress, fairness, and keeping commitments are what this Bill is all about. I know that all Members from all Parties are concerned about this, and hopefully this Bill can be moved along relatively quickly.

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PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Edwards): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows. The Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly)—Health—Pulp mill outfalls—Dioxin levels in crabs/Example set by Swedish pulp mills; the Hon. Member for Hamilton Mountain (Ms. Dewar)—Unemployment insurance—Canada Packers—Closure of Winnipeg plant—Workers' unemployment insurance benefits/Difference in treatment of salaried employees and wage earners.

GOVERNMENT ORDERS

[*English*]

INDIAN ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. McKnight that Bill C-123, an Act to amend the Indian Act (minors' funds and surviving spouse's preferential share), be read the second time and referred to a legislative committee.

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, this is not an extraordinarily complicated piece of legislation, by any means. It simply clarifies the Minister's trust responsibilities for moneys held by Canada on behalf of an Indian person who has not yet reached the age of majority.

The Bill amends the Indian Act to provide the Minister with express authority, as indicated by the Parliamentary Secretary, to make payments to those who have not reached the age of majority on the request of a parent, guardian, or the band council in order that a child's maintenance and advancement or other benefit may be looked after.

Anyone tuning into this debate may wonder why it is that we are amending the Indian Act, and why it is necessary for us to do so. The answer is that in 1986 the Auditor General raised concerns about the trust accounts for Indian children held by the Government of Canada. They are called the minors' trust accounts. As the law now reads, the Minister of Indian Affairs must maintain trust accounts for Indian children until they reach the age of majority.

This is all part of what I consider to be the outdated but still lingering paternalism in this country which still characterizes the relationship between the Government of Canada and Indian people generally. I cannot imagine any other Canadian allowing such interference by the state in his or her personal financial matters and concerns.

Did you know, Mr. Speaker, that, pursuant to the Indian Oil and Gas Act, all the royalties from oil and gas reserves held by Indians and that come from Indian lands are held in trust by the federal Government on behalf of the bands concerned. I do not know what message that communicates to you or to my colleagues in the House, but to me the underlying supposition is that somehow these bands cannot, by themselves, be trusted to handle and disburse their own revenues. That flies in the face of self-determination, to which I will return in a moment.

Trust accounts for minors must be held by the Government until they reach the age of majority. There are some 14,000 such trust accounts at present, with a value of approximately $100 million. Despite the obligation to hold these moneys until the child reaches the age of maturity, it has in the past been the Department's practice to release annually around $3,000 on request for a child's education, maintenance, or benefit. That is to say, this money could be released to the child's parent or guardian.

• (1610)

Here comes the rub. There is fear about the Minister's liability in doing this. That is to say, the Minister might at some time in the future be sued for breach of trust by an Indian person whose trust moneys were disbursed while he or she was still a minor.

We have to be very frank in this House of Commons that what we are doing this afternoon with Bill C-123 is not something for Indian people, despite what the Parliamentary Secretary would like us to believe. What we are doing this afternoon is something to protect the Minister. We are trying to keep the Minister from being sued for breach of trust.

The Auditor General noted that in order to make these payments from a minor's trust account there really ought to be, according to the various trust acts in the provinces, a court order. Obviously, every time $3,000 was granted to a parent or guardian the Department of Indian Affairs did not want to get

a court order. That would be a bureaucratic nightmare. If we do not want to go the court route, Section 52 of the Indian Act must be amended to give express authority to the Minister to advance such trust funds for the maintenance and education of Indian minors. That is what we are doing with Bill C-123. Therefore, this is a simple Bill to help out the Minister and his successors.

However, this problem of liability does not just dissipate and go away. We have transferred liability from the Minister to the band council. Band councils which make a determination that money is needed and request the disbursement of funds for a particular child themselves become liable and may find themselves at some time in a breach of trust situation.

Neither I nor my Party want to stand in the way of this Bill in any way. We will not hold it up at all. We want the Minister to have the protection he is seeking. As long as the Government of Canada has the enormous power and control, which is almost totalitarian in scope, over Indian people, a Bill like C-123 will be necessary.

It ought to be demonstrated through this legislation to Members of the House and all Canadians just how far we in Canada still are from recognizing the right to self-determination of Indian people. The failure to recognize the inherent right of aboriginal people to self-government in our Constitution continues, day after day, year after year, to compound our problems.

The sad thing is that we came so close. We almost made a breakthrough. We stood at the very edge of a major decision to complete the Canadian federation by inviting aboriginal people to come in, not as wards of the state, but as partners of our Confederation. However, at the last minute at the last of those First Ministers' Conferences there was a hesitation. I do not at all place all the blame on the present administration. There was provincial hesitation as well—hesitation and withdrawal. The political will failed. The vision which was seen for a moment faded and courage folded.

We are now at the point where a new generation of Indian leaders is rapidly losing patience. I have marveled, in the many years in which I have been involved in the House of Commons with aboriginal affairs and Indian rights, at the degree of patience which has existed among the leadership of the aboriginal communities. However, Chief Erasmus in Edmonton this week alluded to the fact that that patience is beginning to dry up, it is beginning to run out.

I raise this in the House of Commons because I think Members of Parliament from every political Party ought to be concerned. I do not believe that Chief Erasmus was threatening anyone, I do not believe he was sabre rattling. I think he was simply reporting on a reality which is becoming more and more apparent to him. The situation in Canada is deteriorating and statesmen like Georges Erasmus may not be able to control the situation unless they get co-operation and understanding from members of the administration and all Members of Parliament.

In his book written in 1976, I believe, entitled *Across the Medicine Line*, C. Frank Turner quotes Sitting Bull, Chief of the Sioux, who at one time explained to Inspector Walsh of the Northwest Mounted Police why he had left the United States of America to enter Canada, which he did in the year 1876. Sitting Bull said: "The grass in Canada is not stained with blood".

Members of the House may know that the civil rights activist Rap Brown once said that violence in the United States is as American as cherry pie. Well, that is not the tradition in Canada and it must never become the route to problem solving. Violent action is always, inevitably, a no-win situation for everyone. If anyone doubts that, all they need do is to look at Beirut or Belfast.

There exists in Canada today the most vital need to establish a new working relationship between aboriginal peoples and the Government of Canada. This new relationship must be established on two pillars, the first being the full recognition of aboriginal rights, including that of self-determination. The second pillar is fair, honest, and open negotiating in order to settle and resolve differences, disputes, and problems.

Until this is done we are going to go on and on tinkering with the Indian Act. We will continue to see matters like the Lubicon claim in northern Alberta mushroom into an international issue. We are going to continue to see police raids such as the one on the Kahnawake Reserve on the Mohawk people where, I am told, some 200 RCMP officers in three buses descended with loaded automatic rifles. Why? Because there is a problem there, a dispute, a misunderstanding, about the importation of cigarettes and the taxation of those cigarettes as they are sold. It seems to me that a problem like that can be resolved if reasonable people sit down around the table to try to solve it. In fact, I am advised that negotiations were in progress at Kahnawake on this matter.

• (1620)

I ask the House and the Government, where are we going when we send in 200 police officers with loaded automatic rifles to solve a problem like that? This is not the Canada that I thought we lived in. It seems to me when we do things like that we are on the very verge of becoming some kind of police state. It is time to call off that kind of action and proceed in a totally different way. Until we do, Mr. Speaker, there will be more and more grievances. The list will get longer and longer and the situation will become increasingly more tragic. This does not have to happen. There is a reasonable, informed, talented and capable leadership with the aboriginal communities of this country, but it does not feel that it has access to problem solving. The leadership feels that it is being manipulated, pushed around and used.

I am asking Parliament and the Government of Canada, for God's sake come to your senses and stop. What we need here in Ottawa is the kind of political leadership which is strong enough to say that the kind of paternalism that has gone on in

this country for so long has to come to an end. Confrontation has to stop whether it is between police officers and band members or whether that confrontation is in a court of law. Why can matters not be resolved by way of negotiation? No finer a Canadian than the Hon. E. Davie Fulton said that the problem at Lubicon could be resolved. He gave a recipe for the resolution and he agreed to become the mediator. His recipe, his plan and volunteering to be a mediator were all rejected. The Minister decided instead to throw the whole issue into a court of law based on well defined premises laid down ahead of time by the Government of Canada. It is not the way to proceed, Mr. Speaker. It will not work. It will simply compound our problem.

I thank you, Sir, for your patience, but I want to make a plea once again. We have to begin today to establish a new working relationship with the aboriginal people of this country, a relationship between the Government of Canada and the aboriginal people, a relationship that will work, will yield understanding and goodwill, rather than have the situation that we see at present.

Mr. Jim Fulton (Skeena): Mr. Speaker, as my friend just said, Bill C-123 will do what it is designed for. It is a legal bandage for the Minister and for the Department of Indian and Northern Affairs.

I had an interesting conversation earlier this week with some senior people from the Department regarding the five Bills we are dealing with today. I was not shocked but I was not amused to hear from them. I am not sure what code names they use. People who are senior in the Department use code names now. The one I am speaking of is probably "S", although I am not sure. I know he is probably watching the debate. I was not amused to learn that there is extensive, widespread law-breaking taking place right now by the Department in relation to the very issue before us today. It has been going on for many years and at great length. It was a point finally driven home, I suppose, by the Auditor General.

As is often the case in aboriginal matters in this country in recent years, matters seem to be resolved, at least in part, in the interests of Canada's first citizens by rulings by the United Nations as we saw in the Lovelace case, and ultimately by Bill C-131, which I said yesterday is like a balloon that has been heavily perforated with all kinds of legal problems.

The five Bills we have before us today I described earlier as being the good, the bad and the ugly. The ugly Bill C-122 we dealt with just before lunch. It deals with changes proposed by the Government to by-laws and the procedures affecting by-laws. This one I describe as bad. My friend, the Hon. Member for Cochrane—Superior (Mr. Penner) touched on some of the reasons why many Canadians and Members of Parliament consider this kind of an approach to be bad. Where is the commitment to self-government when one looks at Bill C-123? Where is the consultation? Where is the imagination in dealing with what I was advised about yesterday in terms of the total? The minors' trust is about $100 million, but if you look at the total amount being held by the Government of Canada, it is around $900 million. Where is the imagination to deal with funds of this amount? They are sitting in the Consolidated Revenue Fund drawing interest the same as a Treasury bill. There are sufficient funds to do all kinds of things in terms of leverage, banking proposals, in setting up tourist industries et cetera. Where is the imagination? There is no imagination in this Bill. All it is is a big roll of Elastoplast bandage to protect the Minister from being sued, from being in court, from having his bureaucrats charged with all kinds of offences. The officials admitted to me the day before yesterday that there is rampant law-breaking going on, and I am talking about very senior officials in the Department.

My friend from Cochrane—Superior asked, how does the Government respond to a treaty issue under negotiations at Kahnawake with the federal Government? How has it responded there? A para-military troop of 200 police officers has gone in with machine guns. This is the importation of violence. Whoever in Canada made this decision must have been watching *Rambo I, Rambo II* and *Rambo III* back to back a little too much lately. That is violence, Mr. Speaker. That is violent activity by the state against a group of peaceful people who have been operating this kind of a commercial transaction for years in full view. It is not hidden. It is not some kind of underground operation. The federal Government should hang its head in shame for the way it has been responding to this issue here in the House and outside in the last 48 hours.

The Auditor General in 1986 asked certain questions about whether or not the Minister had the authority to make payments out of trust funds for minors. The second part of this Bill is the distribution of estates, a problem that has been chronic in some cases. I do not know any other identifiable group in Canadian society that has had to put up with such things. Some payments in relation to estates have been held up for 20 years under the existing bureaucratic regime set up by the Department.

I talked earlier today about the kind of political pulp that comes out of the Minister's office every once in a while on Bills like Bills C-122, C-123 and others. It is basically propaganda trying to paint a nice face on legislation that is coming forward. Here is how it was covered by the press:

> The federal government has set out rules to ensure Indian bands, parents or guardians don't raid trust accounts set up for young native people.

That is a nice way to put it. It continues:

> Under a bill tabled in the Commons this week, a band council would have to give 14 days notice that it intends to take money out of a minor's trust account, and would have to hear any objections from band members at a general meeting.
>
> Withdrawals would be limited to $3,000 a year and would have to be used only for the benefit of the child, such as paying education expenses.
>
> Guardians who want to get at the cash would have to apply directly to the Indian Affairs minister, stating in writing how the money will benefit the minor. There would be no cash limit on the amount the Minister can approve.

What is this Parliament up to? This kind of paternalistic attitude, I suppose, is best revealed. I do not think it is a political philosophy per se, I think it is an attitude, perhaps most rampantly and repugnantly revealed in the remarks of someone who is in Cabinet in British Columbia. Stephen Rogers, when he was commenting on South Moresby, said, "Wouldn't it be wonderful, the Haidas could act as so-called living exhibits in South Moresby". There is a revelation by someone in Cabinet thinking, "Aboriginal people. They will attract tourists. We will have them as living exhibits in South Moresby". This is a living exhibit of the same kind of mentality. It is not an attempt to deal realistically with extensive sums of money that should be flowing more appropriately to settle estates of someone whose spouse passes away. Right now one can get $2,000 automatically, and here in Ontario, there is a case of a family that has been waiting 20 years for the Department to settle the estate. That is preposterous. I am not sure that this Bill will speed things up.

• (1630)

Let me carry on with this story:

> The accounts, for which the minister is a trustee, are created when a share of royalties from oil and gas revenues on Indian lands must be distributed to band members younger than 18 years.
>
> The federal spending watchdog, Auditor General Ken Dye, criticized the department in his 1986 report for automatically releasing $3,000 a year from all minors' trust accounts without the written request of the parent or guardian and regardless of need.

The Minister has been automatically releasing funds without any justification as to whether the minor needs it or not or whether it is ever spent on a hockey glove, a bus pass to get to school or the fee to join an orchestra. What is proposed here is nothing better.

If we are to really move toward self-government, and I think the will to do so exists in Canada and, if properly mobilized, even exists here in this Chamber, we should close down the Department of Indian Affairs. This Bill sets up a whole new bureaucracy. As quick as we can rub one out, another one is built, another great dream castle to deal paternalistically with those people.

Of course, this violates laws. As I said, senior bureaucrats admit that there is widespread law-breaking going on, but I do not see any charges being laid by the Solicitor General (Mr. Kelleher) or by the Minister of Justice (Mr. Hnatyshyn). Perhaps that is the way this should have been dealt with, rather than with this legal Elastoplast.

The publication continues:

> And an 11-page legal opinion for the department by University of Victoria law professor Donovan Waters warned that the current system violates provincial trust laws and should be changed.

We did not hear from the Parliamentary Secretary or from the Minister yet whether or not that will continue to be the case. Obviously, this is a good reason why this piece of legislation should go to a legislative committee for proper hearings. To continue:

> The opinion—argued that no money should be released without evidence of need.
>
> The bill, an amendment to the Indian Act, aims also to cut into the backlog of cases involving the distribution of the estates of deceased natives.
>
> Dye's 1986 report noted long delays in the department's handling of estates, partly because of poor staff training. In Ontario alone, there were about 600 such cases awaiting settlement, some of them more than 20 years old.
>
> Under the proposed legislation, up to $75,000 from an estate could be automatically given to the surviving spouse. The current limit for automatic payment is $2,000.
>
> Departmental officials and Dye agreed in 1986 that the higher limit would reduce the estate-settlement workload.
>
> A spokesman for the Assembly of First Nations said the bill was put together without consulting native groups and that it barely touches the huge financial mismanagement problem at the department.
>
> "They got stung so they're scratching in one spot, ignoring the rash on the other side of the body," Ted Montour said Thursday.

I will not spend any more time on this Bill. I am looking forward to getting it before the legislative committee. I do not know that we can amend it in the direction of the principle that should have driven it, the principle of self-government and providing control of trust funds with those they are for. Surely that should be an underlying principle that all parliamentarians could agree on. I do not think there is a Member of this House who would agree to this kind of a Bill which would affect his or her children, grandchildren, cousins, nephews, nieces, uncles, aunts, fathers or mothers.

As I said earlier, this Bill falls into today's category of bad legislation. It is not ugly like the one with which we dealt a little earlier nor is it good like two of the ones with which we have already dealt today.

The Acting Speaker (Mr. Edwards): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Edwards): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and referred to a legislative committee.

* * *

INDIAN LANDS AGREEMENT (1986) ACT

MEASURE TO ENACT

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development) moved that Bill C-73, an Act to provide for the implementation of an agreement respecting Indian lands in Ontario, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, it may be convenient at this time to ask if the House could ignore the clock. I know that one of our

colleagues is anxious to leave. I would like all of my colleagues to have an opportunity to participate, and if we should by some chance go past a certain hour, I wonder if the Chair could ask Members at this time to ignore the clock for a very short time so that we could conclude these remarks.

The Acting Speaker (Mr. Edwards): The Hon. Minister has proposed that the clock be ignored, with the proviso that Private Members' Business be given the full hour. Is there unanimous consent for that?

Some Hon. Members: Agreed.

Mr. McKnight: Thank you, Mr. Speaker. I hope it will not be necessary, but I very much appreciate it.

Bill C-73, the Indian Lands Agreement (1986) Act, basically brings into play discussions that have gone on for several years regarding Indian lands in Ontario. It will provide a mechanism to resolve the question of control over unsold surrendered Indian lands and the royalties derived from mineral rights that are now being held.

By providing for a means to negotiate these issues, the 1986 Indian Lands Agreement could lead to the return of unsold surrendered lands to Ontario Indians and to their full entitlement to the mineral royalties on reserve lands. This will in turn contribute to the economic development in some communities and to the establishment of infrastructure that is indeed needed to support Indian Government.

The Governments of Canada and Ontario attempted to resolve a series of post-Confederation court decisions which established that title to surrendered Indian lands and the mineral resources on them be passed to the provincial Government. Among other things, these decisions cast doubt on the legality of past federal sales of surrendered Indian lands. This situation occurred in 1984, and the agreements were designed to give the federal Government the right to sell surrendered lands and to transfer the proceeds to the appropriate bands.

Despite the good intentions, the agreement was ambiguous in wording and brought into question whether it applied to lands surrendered before the agreement was signed. Moreover, under the 1924 agreement, Ontario retains 50 per cent of all mineral royalties on the lands.

As a result of this ambiguity, several million dollars in royalties are now being held in suspense accounts. Efforts have been ongoing since the late 1950s to resolve the problems that were found in the 1924 agreement. It was not until March, 1986 when the Indian Lands Agreement was approved by the Ontario tripartite council of federal and provincial Ministers and Indian association leaders that the agreement we are talking about today was finally reached.

Naturally, there are two sides to this. The 1924 agreement was ratified by Parliament and by the provincial legislature, and further legislation is required to amend the terms and conditions. On the federal side, that legislation is Bill C-73. Similar enacting legislation will have to be introduced in the Ontario Legislature.

The Indian Lands Agreement (1986) will allow the federal and Ontario Governments and individual Indian bands to negotiate specific agreements regarding the future control of the lands and minerals in question. It confirmed the federal Government's right to retain and administer land sale revenues for Indian bands.

• (1640)

In Ontario there are some 2.5 million acres of reserve land which has been surrendered by Indian bands. Not all of it has been sold. With the passage of this important legislation, the reserve land base of Ontario will have a potential to increase by as much as 12 per cent or 200,000 acres. We also anticipate that as part of specific agreements Ontario will relinquish its interest in existing mineral royalties which are now being held in suspense. Those royalties are worth today some $4.3 million.

The future value of mineral rights is, I think, even more important. Over the next 15 years royalties which could be worth several millions of dollars will flow to the bands in question. There is also provision for a separate agreement to ratify federal letters patent, some 33,000 of which have been issued to non-Indians for title to Indian lands. As I say, the expanded land and resource base resulting from this Bill will contribute to economic development in Ontario.

The impact will be favourable on a number of Indian bands in Ontario. Some 30 bands will eventually be involved in negotiations arising out of Bill C-73. Sixteen bands have already started the process. An example is the Nipissing Band which is negotiating agreements involving some 34,000 acres and Sarnia, which is negotiating for royalties of some $4.3 million now being held in trust, and six bands are involved in negotiations for the land at Manitoulin Island.

As we go forward we are prepared to assist Indian bands as much as possible during this negotiating process. My Department will be offering financial assistance to bands who undertake these negotiations. I would like to assure Hon. Members that this Act will in no way prejudice Indian rights in Ontario. In fact, I believe it will advance those rights by providing Indian people with a greatly enhanced opportunity for economic development. Neither will this Act affect third parties. I believe that as we look to where occupied lands cannot be returned to reserve status, other methods of compensation must be explored.

In conclusion, there are two features which have to be stressed. It is important to note that the agreement is between the Governments of Canada and Ontario, but there is strong support from most Indian bands in Ontario. I think that reflects a commitment by all three parties to resolve a long-standing issue so that the development of Indian lands and resources can proceed.

The second point is that the lands agreement is an opting-in agreement. That means the bands who do not wish to enter into any specific agreement will continue to be governed by the 1924 agreement. This is in keeping with the policy of proceeding with changes according to the timetable of Indian bands.

I want to point out that there are many bands in Ontario who are eager to proceed quickly with Bill C-73 so that they can accelerate the vital task of economic development for bands in Ontario. As we proceed we will both be able to clarify an outstanding problem and again benefit all people in Ontario by causing economic development to take place.

Mr. Penner: Mr. Speaker, I would be grateful if you would recognize my friend from Skeena to speak first from this side of the House because of a flight he has to catch very quickly.

Mr. Jim Fulton (Skeena): Mr. Speaker, I would like to thank my hon. friend from Cochrane—Superior and also the Minister for keeping his remarks brief so that I can get into the air to British Columbia.

Bill C-73 is supported by most groups in Ontario, so I am advised. I also understand there are some who are opposed to it and I can understand why they might well be. However, I think by having this legislation go from here to a legislative committee an opportunity will be open for the chiefs of Ontario who have requested that the legislation be studied in committee to make their views known, as will groups such as the Association of Iroquois and Allied Indians who have expressed concerns about the legislation. They will be able to air their views once it is in committee.

The one point I do not think can be passed by today is that we have to send a signal to the Legislature at Queen's Park in Toronto that they must reintroduce the parallel legislation that was before their Chamber two years ago but lapsed after the Legislature was dissolved. It has not been reintroduced. The fact we are dealing with it today in an expeditious manner may well be a sufficient signal. However, it may well be that Members participating in this debate and who are concerned about this issue will have to take additional steps to get the Government of Ontario to move to bring in the parallel legislation necessary to implement the tripartite process we are moving on today.

The problem is an old one. It started in 1867 with respect to most of the land. In fact, just 100 years ago, in 1888, there was the famed St. Catharines Milling case, which of course is part and parcel of what we are dealing with here today. It involves about 30,000 properties, if one were to look at the individual titles in Ontario with letters patent from the federal Government, but letters patent that are not really what one could describe as full title or title in fee simple. There are technical legal problems with how the land was ceded, and that is in part what we will be dealing with in Bill C-73.

About 200,000 acres are affected. Sixteen bands have expressed direct interest in proceeding and, as the Minister said, and I am sure my friend from Cochrane—Superior will restate, it is certainly our view from reading this legislation that it is an opt-in situation. Those who wish to stay outside of this process can continue to operate under the 1924 lands agreement.

It is a situation somewhat different from that in my home Province of British Columbia. We have only 14 very small treaty areas on Vancouver Island that were dealt with wisely by Governor Douglas a long time ago, and Treaty 8 in the northwest part of the province. The matter of land and a land base in Ontario is somewhat more complicated, to say the least. There is not what one could describe as the comprehensive claims settlement process that will ultimately deal with the land question of British Columbia. It is more a situation of specific claims.

Sadly, there are now almost 500 specific claims backed up in Canada, many of them here in Ontario, and only a few of them can be dealt with by the passage of Bill C-73 as it stands or as it may well be amended in the legislative committee when it goes there after today's debate. Therefore, I look forward to having this go through second reading today.

I know there are some in the country, as I said earlier, and some in Ontario, some first citizens and First Nations, who oppose this kind of approach to dealing with individual parcels of land. Certain people have a very much different relationship to land per se than do many other cultures and civilizations. However, I think at least in a small way, perhaps somewhat like Bill C-115 which we dealt with earlier today, this is a tool that will be effective and valuable to some bands and some individuals who will be able to make use of it once it passes through here and in a parallel fashion through the provincial Legislature in Ontario so we can get on with the process of returning at least those 200,000 acres which have been tied up in this rather bizarre legal problem with respect to deeding and patenting of the land.

• (1650)

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, it should be understood by anyone observing this debate on Bill C-73 that, strictly speaking, we are not legislating anything. Through Bill C-73 we are ratifying an agreement that has already been reached. This Bill implements an agreement respecting Indian lands in Ontario. The purpose of Bill C-73 is to confirm and ratify a bilateral agreement between Canada and Ontario.

That agreement is known as the 1986 Indian Lands Agreement. That agreement is appended to the Bill as a schedule.

While the 1986 agreement came close to being ratified by the Legislature of Ontario, an election interfered and we are still waiting for the Legislature to ratify the agreement. However, we are ratifying the agreement in the House of Commons this afternoon.

The agreement to which I am referring makes it possible for three parties—Canada, Ontario and any Indian band or group of bands—to negotiate regarding certain lands and resources in Ontario.

These lands became alienated from the Indian people at some point and passed over to the Province of Ontario as a result of an earlier agreement between Canada and Ontario that was signed in 1924. This agreement passed over to the Province of Ontario complete beneficial interest in any surrendered Indian land and any federal Government control or administration of those lands seized.

Furthermore, under that 1924 agreement, Ontario was able to retain 50 per cent of all mineral royalties arising from the sale of minerals underlying those Indian lands.

It must be clear for those who follow such matters that Bill C-73 is not altering the 1924 agreement at all. It is providing for three-party negotiations regarding land and natural resources that have become an issue through this process of alienation.

The Minister has already given us the figures. We are talking about some possible 200,000 acres which could be added to the reserve land base of Ontario Indians. It may never happen, but it is possible that that much land could be at stake. As well, through these negotiations, the province may in time relinquish its interests in Indian mineral royalties, and these royalties are potentially worth many millions of dollars.

It has to be understood by the House that there is no guarantee that this land and these royalties will in fact be returned. A procedure will be put in place whereby these lands and these resources may be obtained if the negotiations are successful and if there is a settlement. However, there can be no settlement until we ratify the agreement of 1986. That is what we are doing now.

The Minister mentioned that there has already been one settlement, the Nipissing Band. As soon as the agreement is ratified they are in a position to receive some 34,000 acres. The Sarnia Band could receive something close to $5 million, which is Ontario's share of revenues from the sale of minerals underlying the Sarnia reserve.

Again, my colleague, the Member for Skeena (Mr. Fulton), and the Minister both mentioned that there are another 16 bands in Ontario who are seeking to obtain specific agreements.

I repeat that no agreement can become effective until this Parliament and the provincial Legislature of Ontario complete the ratification process.

There is some opposition to the 1986 agreement between Canada and Ontario by some Indian leaders in Ontario. There are some who object to the idea that they have to negotiate with the provincial jurisdiction regarding Indian land and mineral rights.

I want people to try to grasp a principle that is strongly held by many Indian leaders. The principle to which they hold dearly is that when they relate to the Crown, that Crown is with the federal Government and not with the provincial authorities. Therefore, many Indian leaders insist that the relationship always remain bilateral in nature and that negotiations be bilateral negotiations.

It has also come to my attention that Ontario is insisting that any renegotiation of the 1924 agreement has to be done on a *quid pro quo* basis. I have not been able to get more information about that, but I have carefully examined the agreement which is part of the schedule and I do not see that there.

When the Bill goes to the legislative committee we will have to look very carefully at what Ontario means when it talks about renegotiating on a *quid pro quo* basis. There are certain chiefs in Ontario, with whom I agree, who find it unacceptable and highly objectionable to be called upon to give up something in return for the correction of a past injustice. That would make no sense at all.

If that does somehow reside in the agreement that we are now ratifying, we will have to be sure that we take it out and make the negotiations open and clean and that no such prerequisite is established.

Bill C-73 basically provides nothing more than a legal framework to allow negotiations with the province to get under way. No Indian band is obliged to negotiate. Where negotiations do occur, leading to agreement, there is another aspect of the Bill which will have to be studied at the clause by clause stage. There is a clause that carries with it the tones of the old extinguishment problem that we have in our land claims process at the present time.

Members will want to look carefully at Clause 6 which says that all existing and future members of any band, and the council of that band and all its successors, are bound for all time by any such agreement that is negotiated. It is a very binding agreement on the band members and the band council.

Is it not strange that there is no such binding obligation imposed upon the federal or provincial Governments which enter into this agreement? The Government is insisting that this clause be there to prevent any future legal obligations, but what is there in the agreement to prevent the Government of Canada or the Government of Ontario from reneging on its obligations? There is nothing there at all.

Of course, if one wanted to write the history of Canada from the perspective of Indian people, it would be a history of reneging on agreements, of breaking promises, ignoring treaties, of backing away from obligations and trampling on rights. That is a history that is not taught in the schools. It is a history that is known by some but not widely dispersed by way of textbooks.

There is some controversy about Bill C-73 among Indian leaders in Ontario. These differences of opinion must be aired

when Bill C-73 goes before the legislative committee. Perhaps in some respects we may be able to satisfy all the parties if appropriate amendments are introduced to allay concerns about the Bill and its effect. If that is the case, I ask the Minister if he would be willing to co-operate with the legislative committee if we want to make necessary changes based on the testimony we will receive? I conclude on a note about parliamentary reform. The Hon. James McGrath served this Parliament so well by establishing through his report that legislative and standing committees ought to be a check, a balance, against the powers of the executive and the administration and they ought to be able to exercise their authority based on testimony, consensus and agreement. So far these reforms are in the letter but have yet to be realized in the Parliament of Canada fully in their spirit.

• (1700)

The Acting Speaker (Mr. Edwards): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Edwards): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and referred to a legislative committee.

The Acting Speaker (Mr. Edwards): It being five o'clock p.m., the House will now proceed to the consideration of Private Members' Business as listed on todays Order Paper.

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

HEALTH

SUGGESTED DEVELOPMENT OF POLICIES ON PATIENTS' RIGHTS

Mr. Jim Manly (Cowichan—Malahat—The Islands) moved:

That, in the opinion of this House, the government should consider the advisability of participating with the provinces in the consideration and development of policies in the field of patients' rights, including the right of patients to have access to their files and the obligation for doctors and hospitals to keep patients' records for at least fifty years, and to encourage the enactment of provincial legislation on such matters.

He said: Mr. Speaker, I welcome the opportunity to make a few comments in support of my Motion 114 relating to the question of patients' rights to access to their medical records and their rights to have those records retained by doctors and hospitals.

The issue of patients' rights was first brought to my attention by a constituent's letter a year ago. Since then I have written to the Minister of National Health and Welfare (Mr. Epp) a number of times, and I have raised it in statements in the House of Commons. What this motion does is to urge the federal Government to work with the provinces to try to implement a scheme by which patients' rights would be recognized, including the right to have access to their files, and to have their records retained for a period of up to 50 years be enshrined in legislation.

I am sure all Members, after they have had an opportunity to think about the issue and have had a chance to look at the facts, will want to agree with the principle. I hope we will have agreement on this motion so it can be referred to the Standing Committee on National Health and Welfare for study. The problem, of course, is not with the principle but rather with the implementation. I think an hour is plenty of time for this House to agree on the principle involved, but it will take officials from the federal, provincial and territorial Governments many hours, indeed, days, weeks and months, to agree on some process for implementation. It is something like the federal Government trying to get 13 clocks of different brands all ticking at the same rate.

I want to say a word of appreciation to Ruth McVeigh, my research assistant, for initiative and hard work in developing this issue, for contacting the provinces and getting information from them. The need for patients to have access to their own files was shown by a letter sent by a constituent—who first raised this matter with me—to the Minister of Health in British Columbia, the Hon. Peter Dueck. I would like to read extensively from that letter. It says:

Dear Mr. Dueck:

As you may be aware there are currently actions being taken against the A.H. Robins Company due to damages caused by their I.U.D. Dalkon Shield, which was fitted in many women in Canada in the early 1970s. These damages include infections, infertility, septic abortions and deaths.

My wife was fitted with a Dalkon Shield in 1974 in Montreal, Quebec. Many of the records concerning the fitting, and subsequent hospitalization due to complications were lost or destroyed between then and 1985 when we first tried to get these records. Acquiring the hospital records that were left took several letters, phone calls, and ultimately a trip to Montreal. This proved frustrating and time consuming, but we were finally able to acquire some records while keeping costs below $100.

Recently my wife's law firm requested proof of the surgery and other treatment she had recently with her current OB/GYN here in Victoria. These treatments relate to the damages the I.U.D. caused. When she went to see her OB/GYN about getting copies of her medical records, she was informed by her OB/GYN that he would not release the records to her, and in fact would not release the records to her lawyers either without a payment of $222 plus photocopying and postal costs. Although the law firm representing her offered to pay for medical record fees from her award settlement, her OB/GYN refused to provide a copy of her records unless he was prepaid.

This has created quite a snag in our case. Neither my wife nor I can afford the kind of fees for medical records being requested. We are working with the lawyers on contingency because we cannot afford to hire a lawyer at salary. Also, there is the possibility the courts may request another copy of her medical records directly from her OB/GYN, new records may be needed to update the file at a later date if the case continues to be delayed (it has already taken 2 years), and my case is separate from my wife's, which may mean I need separate copies of the records. This could end up costing over a thousand dollars just for the file from one of her doctors. Also, after all these costs my wife still would not have a copy of the records to review for accuracy. There is a possibility that errors exist in her file, since she speaks with a strong accent . . .

There is even a greater issue at stake in this matter. As I understand it, the B.C. Medical Plan pays doctors for the time it takes them to write up the original medical record (as part of the office visit fee), the plan pays for the diagnostic lab reports and tests, the plan pays for hospital and surgical reports, and so forth. The discretionary $222 fee (plus photocopying fees) the B.C. Medical Association suggests be charged to patients for the service of sending a copy of medical records to lawyers, insurance companies or others is actually a type of double billing since most of the time involved in creating the original medical record has already been paid for by the B.C. Medical Plan. Doctors regularly provide this copying of medical records and summary sheet to other doctors as a professional courtesy, free of charge. Obviously, the time involved is not that great. My G.P., who believes patients have the right to retain copies of their medical records, often provides me with copies of my records for the cost of photocopying. This $222 charge suggested by the B.C. Medical Association to its members is a bit like going to a car mechanic to have one's car checked, paying the mechanic for the tests, and then having the mechanic tell you that if you want copies of the test results, or his opinion of what is wrong with your car you'll have to pay an extra $222.

I can understand a doctor charging a nominal fee for the time it might take to have the records photocopied or for the cover letter (hospitals typically charge between $15 and $35 for this service, and it takes much more time for the hospital to locate all the records of one patient, than it would for a private physician, since hospital records are often in several locations throughout the hospital), but the $222 fee is certainly well out of line. Also, I would think it fair that any record that would be sent to third party sources, such as courts, lawyers, insurance companies, etc. should also be provided to the patient to review for accuracy. Anyone can see and correct their confidential financial credit rating, so why not their medical record?

Lastly, I seriously question the policy of not allowing a patient a copy of their medical record, including lab test results, diagnosis and prognosis. In this mobile society, people often change doctors and locations, and medical records are often not retained beyond a few years. With the emphasis on medical history as a diagnostic tool, with slow developing environmental and occupational illnesses, with viruses which do not manifest for up to ten years, retention and access to medical record is becoming more and more important to the health of the patient. I am sure many less misdiagnoses would occur if doctors had better access to longer term medical histories.

• (1710)

The importance of record retention is becoming increasingly apparent. This is important in a number of ways. It is important in tracing the pattern of a single individual's illness from the time when the first symptoms appear and to show how it develops. It is important for being able to trace genetic disease.

Last fall, we had the very interesting story of the Attorney General for Oregon, David Frohnmayer whose two daughters suffer from Franconi's anaemia. Mr. Frohnmayer brought them to a small town in Nova Scotia, Musquodoboit Valley, to try to contact relatives who would have the bone marrow that might be compatible for a bone marrow transplant. It is this type of genetic tracing that can become extremely important.

Again, it is important for us to know of what disease did my grandfather died, and what is the pattern of heart disease, cancer or diabetes in my family. Individuals could find information like that extremely helpful in dealing with their own health.

It is also important for the statistical studies of disease. For example, we have a great many industrial diseases. It might be helpful if we had access to the medical records of workers in bleach plants in the pulp mills across Canada to see how that impacts upon their health. Or we could look at the way in which anti-sapstain application in lumber mills has affected health.

Statistical studies of disease are becoming increasingly important. We just have to look at the effects on children who grow up in families where there is a great deal of heavy smoking; or we can look at the effects of children who live on streets where there are heavy traffic patterns and lead impacts on the environment. There are any number of issues in which environmental concerns that have important impacts upon an individual's health could be examined statistically if these records were available.

There are those who when they hear of this problem of retention of records talk about the cost. I think that we have to balance the cost of retaining these records against the cost of having to repeat tests. We have to balance the cost of retaining records against the value of having access to knowledge that can help to reduce costly disease.

The amazing thing about this situation is that records are not being kept now. We made inquiries of the different provinces in this regard. It is astounding that there is absolutely no pattern across the country as to how long the different provinces keep records.

Newfoundland agrees that retention is worth while, but has no regulations in that regard. Prince Edward Island keeps records for 50 years, if microfilmed, 20 years following discharge or five years following death. Nova Scotia keeps records for seven years, and New Brunswick for 21 years. Quebec keeps records for five years and Ontario for ten years, and this is under review. Manitoba keeps records for 30 years. Saskatchewan is aware of the growing concern and cited cost as a problem. Alberta keeps records for ten years, and British Columbia for six years. The Yukon keeps records for 25 years, while the Northwest Territories understands the benefits of record retention but has no regulations.

In other words, in the whole field of provincial regulations in what other area would we find such a complete hodge-podge where there is absolutely no pattern whatsoever, no rhyme or reason? There is an important role here for the Minister to play. Unfortunately, when I wrote to the Minister he replied that this is under the responsibility of the provinces and territories. We know that. He stated: "Thus, it is now up to my provincial/territorial counterparts to bring the matter up for discussion. As I have stated, I will be pleased to respond to any issues or any questions they may wish to raise in this regard." In other words, the federal Government has not indicated that it is willing to take any initiative, in bringing the different provinces together on this issue but that it would be happy to discuss it if one of the provinces chose to raise it.

That is not a good enough response to a serious problem. It is a national problem, not simply a provincial one although health falls under a provincial jurisdiction. People move from one province to another. They move from Prince Edward Island to British Columbia and from Saskatchewan to the Northwest Territories and back to Quebec and so on.

There is a need for a national initiative and a national co-ordination. In addition to co-ordination the federal Government probably has a role to play in providing financial help to make this possible. It also has a role in terms of providing storage and access facilities for records after a certain period of time when it would be difficult for hospitals or individual doctors to retain them.

The modern methods of storage, retrieval and transmittal of information encourage this kind of centralized facility. Whenever we talk about centralized storage of personal records and centralized retrieval we pose some problems with regard to civil liberties. Certainly, that is true with medical records.

This is a sensitive area. Perhaps it is one of the areas that the committee should be studying. However, I suggest that the centralization of medical records does not pose a more serious question for civil liberties than does the centralized storage of income tax records and other kinds of sensitive information.

The committee should look at the experiment of some United States insurance companies which give their clients a medical record card which is kept up to date by coded material of test results and doctors' records. This card remains with the patient so that if they change doctors of if they move from one location to another their medical records go with them.

There are possibilities here. In the 20th century and the 21st century, which will soon be upon us, we have to have access to medical records in a way that our present regulations give us absolutely no guarantee of happening. I urge all Members to think about this matter. I hope that they will agree that it is important. I hope that they will agree that it is desirable that there be some national system of retaining records, that there be a recognition of the rights of patients to have access to their own records, and that they will accept this motion.

• (1720)

[*Translation*]

Mr. André Plourde (Kamouraska—Rivière-du-Loup): Mr. Speaker, recently, the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly) asked the Minister of National Health and Welfare (Mr. Epp) to take steps to provide for a uniform policy across this country on the preservation of, and access to, medical files.

Mr. Speaker, as you know, under the Canada Health Act all matters connected with medical or hospital files necessarily come under provincial jurisdiction, as do municipal files, for instance. Consequently, until the provincial ministers express an interest in the matter, the Minister of National Health and Welfare of Canada cannot take steps to introduce legislation to that effect. Although in most cases, access to such documents is provided without any problems, free of charge, the fact remains that this Government is sympathetic to the difficulties encountered by some Canadians when they try to obtain access to their medical files.

Mr. Speaker, that is why our colleague, the Minister of National Health and Welfare, is seriously considering the possibility of initiating consultations and talks with the provinces and a number of national health organizations, in order to reach a consensus on legislation concerning medical files, whether the files are kept by health professionals or by a hospital.

For instance, the matter could be submitted to the Advisory Committee on Institutional and Medical Services, whose next meeting will be held in November 1988. Mr. Speaker, as you know, the terms of reference of this Committee are to consider and discuss, at the interprovincial and federal-provincial levels, matters of interest or mutual concern relating to health services or institutional medical services, and include preparing recommendations as appropriate. Matters of interest or mutual concern may be generally understood to include any matter relating to medical files Committee members may decide to discuss.

For your information, Mr. Speaker, the Committee's membership includes senior public servants representing each of the provincial and territorial Governments and the federal Government. If the Committee should express the need for such a policy, the Minister of National Health and Welfare of Canada would be willing to act in such a way as to encourage the creation of uniform policies across this country for the preservation of and access to medical files.

Mr. Speaker, I repeat that this is a matter that falls under provincial jurisdiction. I also wish to mention what has been done by certain provinces to deal with this problem. For instance, in 1984, the Province of Quebec adopted Bill 65 and created the Information Access Commission. Under the legislation, everyone is guaranteed the basic right to access to his own medical files. In Ontario, however, attempts to introduce amendments with the same purpose in mind were unsuccessful. That was the case in 1980, when the Province made an indepth study of this question, as reported by the Krever Commission.

On October 15, 1987, the federal Government tabled a document entitled: Access and Privacy: The Steps Ahead, its response to the Standing Committee's report on access to information and privacy protection.

Mr. Speaker, the Government of Canada recognizes the fact that Canadians must have access to a wide range of information, including personal information. However, it is also absolutely necessary to protect the vital interests of Canadian citizens, so that the right balance is struck between the two. The Access to Information Act guarantees the public's right to information. By definition, this includes all medical information.

Mr. Speaker, it also means that the medical files of over two million Canadians which are now the property of the Minister of National Health and Welfare of Canada, are available to them without charge, except for the cost of photocopying the files.

In concluding, Mr. Speaker, I would like to thank the Hon. Member for Cowichan—Malahat—The Islands for raising this very important issue.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I would like to start by congratulating the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly) on his decision to bring this motion to the attention of the House. This is a very important matter.

In his motion, the Hon. Member says:

> ... the government should consider the advisability of participating with the provinces in the consideration and development of policies in the field of patients' rights, including the right of patients to have access to their files ...

He goes on to recommend that doctors and hospitals have the obligation to keep patients' records for at least fifty years, and to encourage the enactment of provincial legislation on such matters.

Mr. Speaker, I agree that this is not a federal matter as such. However, I think this House has the right to express its common wish and desire to see the provinces establish a system, as they see fit, that would provide for a uniform policy across this country with respect to the disclosure and preservation of patients' records.

Mr. Speaker, the Privacy Commissioner's Annual Report for 1984 mentioned a complaint about a medical report. This is what it says:

> An Ontario man, refused a disability pension under the Canada Pension Plan, complained to the Privacy Commissioner that he was denied access to the report which generated the refusal. The complainant had authorized Health and Welfare Canada to obtain proof of his disability from the Workers' Compensation Board. The Commission provided the report but refused to give it to the applicant when he was refused a pension.

This is an example of a Canadian who was denied access to his own medical record.

Mr. Speaker, I already had the honour and privilege to sit in the Ontario Legislative Assembly, as the Minister of Supply and Services (Mr. Jelinek) pointed out earlier today in this House, and as an MPP, I often had to defend cases where work accidents were overlooked, where workers had been injured on the job or in the workplace. And many times I had to call doctors and hospitals to get medical reports for my constituents from them.

Interestingly enough, it was often the constituent who went to the hospital for his or her medical record and was refused. If the MPP called, he was given the file. One wonders why! In many cases, the constituent could have defended his own case for worker's compensation if he had had access to the document in question. And I find it quite wrong that the patient should be refused what the MPP could obtain. Of course, when I as MPP had the file, we both got together around a table, the constituent and I—and I am sure that most MPPs still do—to share the information in order to better defend the accident victim's claim.

• (1730)

[*English*]

It is sometimes hard to understand why there is that reluctance on the part of the medical profession to make available to patients their medical records.

I have a newspaper article written by Mr. Arthur Schafer, the Director of the Centre for Professional and Applied Ethics at the University of Manitoba. Mr. Schafer refers to an article from *The New England Journal of Medicine* in which an American doctor says that there is sometimes a reluctance on the part of the medical profession to make medical records available because patients could potentially find out about mistakes made by doctors. The article reads in part:

> Dr. Hilfiker recounts, for example, how he relied upon negative results produced by the standard pregnancy test when deciding to perform a dilation in curettage—on one of his patients. Had he ordered an ultrasound examination before he scraped out her uterus, he would have discovered that she had a viable pregnancy. He relied too heavily upon one kind of test, and was insufficiently skillful in determining the size of the uterus by pelvic examination. The result of this error: "Nothing can obscure the hard reality: I ... killed their baby."

That also gives the doctor's position on abortion, one with which I concur. However, the point I am making is that it is obvious that in a case like this the doctor would not have had much to gain by giving that information to the patient.

I do not want to accuse all doctors of making it difficult for medical information or medical reports to reach patients for similar reasons, but it is, nevertheless, the view of the author of this article that there are occasions on which the medical profession is hesitant to provide information because the information in question could be detrimental to the practitioner.

I suppose there are other reasons for this as well. Sometimes medical practitioners make notes in the file to which a patient reading the note would take offence. There are occasions, of course, on which a patient may have a disease, the news of which must be broken to the patient in a specific manner.

If a patient is terminally ill the doctor may have to inform the patient of this in such a manner as to ensure that the patient will not go into an immediate depression or some other medical condition. Physicians know how to break such news although I would not, obviously. If the patient requested his or her file that very day and it was provided, the patient could be negatively affected I suppose. Therefore, I recognize that there are occasions on which a physician would have to use proper judgment and not provide information immediately.

When defending a worker at the Workers' Compensation Board I ran across a case in which a medical practitioner had indicated in the file that the claimant's difficulty in readjusting to the workforce was due to the fact that he was, in the view of the practitioner, somewhat deficient in terms of his mental ability. I imagine that had the claimant seen that, he would not have been too happy with the physician who did not have specific training in that field. This was a general practitioner,

not someone who had done a thorough mental examination of the patient. Obviously, had the patient seen that, he would have been offended by the doctor describing him as suffering from mental retardation, which I believe was the actual term used in the medical note in that file.

Therefore, I realize there are circumstances which could cause medical practitioners to be reticent to have patients view their files. However, in my opinion that is not generally an excuse for not providing that information to the patient. If it is the file of the patient, in my opinion it is the patient's file.

The medical profession, together with the provinces, could probably adopt an ethical way of releasing the document. If it is sensitive at a particular time a specific delay may be invoked in certain cases for certain medical reasons, but simply to refuse to give it out either to protect the physician or to cause less expense for the physician or hospital is not satisfactory.

Having defended workers at compensation hearings in the past I know it is difficult to get that information, or at least it was in the days when I was a member of the Ontario Legislature. It was not impossible, but it was difficult, and, in my opinion, unnecessarily so.

It is my opinion that if we had a uniform system across the country established by the provinces, of course, perhaps with input and assistance by the federal Government, such a system would be helpful to injured workers and other people needing access to their medical files for whatever reason.

I am pleased to support this initiative. I do not want it to be interpreted that we intend to impose this on the provinces. That is certainly not the way I read the motion. The motion does not propose to impose it on anyone. It proposes a process of consultation and assistance to the provinces in establishing this. That is the way I see it as well. Given that that is the tone of the motion as I read it, I am happy to support it.

• (1740)

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I would certainly like to congratulate the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly) for bringing this matter to the attention of the House this afternoon. It is a very interesting and important matter and although, as the Member correctly points out in the motion, most of that with which we are dealing lies within provincial or territorial jurisdiction, it is quite properly a matter for debate in this House.

I notice that the motion is really divided into two parts, the first deals with patients' rights in general, and the second deals with access to records and a proposed standardized period of retention of records of some 50 years.

I want to address most of my remarks to the first part of the motion, one that has not really been dealt with yet. When one enters a hospital, a person undergoes a radical change in status. When you are on the outside, you are very much in control of your own affairs. You do what you want to do and when you want to do it. Once a person passes through hospital doors and is admitted, life is much different. When you are on the inside you are told when to go to sleep, when to get up, what you have to eat, when you have to eat it, what drugs you have to take and what kind of needles have to be stuck into you. It is an entirely different social situation in which you find yourself.

It has never really happened to me, but I have studied other people who have had the experience. The situation must be pretty difficult to take. Most of us do and accept it because we know that it is in our own best interests. The tendency in a hospital is to be treated like a thing or a number. Perhaps it is more akin to being treated as a child rather than an adult. But the situation is almost unavoidable. Hospital personnel try very hard and most, I am sure, do the best they possibly can to be as humane as possible to patients, but there will always be certain exceptions.

I do not know whether we can legislate in this area. We can obviously legislate things such as criminal negligence and so on, but perhaps what each and every hospital should adopt is some form of a patients' bill of rights, something that can become part of a particular hospital's policy, something with which the administration of a hospital could make sure that its staff and physicians are familiar and something the staff can keep foremost in their minds when dealing with patients. Maybe this bill of rights could be posted in a conspicuous place in several locations around a hospital for the benefit of the staff and the patients. Maybe when an accreditation committee makes its rounds periodically the presence or absence of a patients' bill of rights should be something which it could take into account when making examinations. Included in a bill of rights could be a mechanism to deal with any complaints and any recommendations patients may have.

One of the problems that we have in medicine today—it is one of the prices we pay for what is generally a good system of socialized medicine in Canada—is that you lose that "client" relationship between a patient and a doctor or a patient and a hospital because someone else is paying the bill. Sometimes you get the impression that hospitals may not be quite as nice to a patient as they should be because they know it is not the patient who is paying the bill but a third party.

The second part of the motion deals with medical records. I agree wholeheartedly with the position taken by the proposer. I have never been able to understand the reluctance to allow people to see their own medical records. It seems to me that it is an elementary right that should be available to anyone. I do not agree with the argument sometimes used that medical records are couched in technical language and people are not able to understand them. You can get legal records about yourself, but most people have difficulty reading those.

I remember many years ago trying in a provincial House to amend the law to give people access to medical records made as a result of examinations by workers' compensation physicians. We were unable to do that. I could not then and cannot

now think of any reason why somebody should be refused access to records made by workers' compensation physicians. It is interesting to note that those people who opposed my proposal at that time were people generally of a socialistic leaning. I am unable to understand that either. Surely when we have dealt with access to information in general terms and we have passed access to information legislation in this House, that access should be equally applicable to medical records. Of course, the other side of the coin is privacy.

Medical records should, of course, be private. You have something of a built-in conflict between the two as we have between the Access to Information Act and the Privacy Act. One might want to make some kind of distinction between medical records on the one hand and what might be described as doctors' notes on the other. I know that doctors might be reluctant to have made available hand-scribbled notes which they have made on the spur of the moment. Similarly, a Member of Parliament would have no objection to giving anybody a copy of any letter that he or she has ever written, but I do not know that I would want to hand out transcripts of notes or doodles that I have made when answering the telephone. I can understand the reluctance of certain physicians to hand out information. It might very often be wanted in connection with a malpractice suit or something like that. It seems that very often medical records are easily interchangeable between physicians and government Departments and agencies thereof, such as workers' compensation boards, and this is done with considerable ease. The only people who are not able to get in on this and not able to get copies of records are those most intimately involved, namely the patient.

With respect to the proposed 50 years suggested time for retention of records, at first blush that seems a little bit long. Fifty years is certainly longer than the working career of most physicians. In the days before the computer, if we had insisted on the retention of records for 50 years, we would have used up all doctors' offices and surgeries for the storage of paper in no time flat. With the coming of the computer it might make longer term retention a lot simpler. Certainly, as the Hon. Member pointed out, it would be very useful for medical research to have statistical studies to look into hereditary type diseases.

There is a wide variety of practices from one jurisdiction to another. Surely we can work toward a more standardized system right across Canada. I am advised of the existence of a committee called the Federal-Provincial Advisory Committee on Institutional Medical Services, which is a creature of the Conference of Deputy Ministers of Health. It would seem to me to make a good deal of sense, and that committee may have done so in the past, for that committee to take this matter under study so that eventually we could come up with a systematic national system.

• (1750)

Thank you very much, Mr. Speaker, for your kind attention, and once again I thank the Hon. Member for Cowichan—Malahat—The Islands for bringing to the attention of this Chamber such an interesting topic.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I too am very pleased to rise today in strong support of the motion of my colleague, the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly). It is an interesting and quite an important proposal. It is nice to know that Members on all sides of the House support it.

The motion reads:

> That, in the opinion of this House, the government should consider the advisability of participating with the provinces in the consideration and development of policies in the field of patients' rights, including the right of patients to have access to their files and the obligation for doctors and hospitals to keep patients' records for at least fifty years, and to encourage the enactment of provincial legislation on such matters.

I know, after talking to the Hon. Member and looking at some of his background materials, that his preparation for this motion has been very interesting. He has contacted all the different provinces and has documented the kind of recording procedures that exist at this time. I know that the Hon. Member referred to this in his remarks.

At the present time, there is no federal legislation which regulates the length of time medical records must be retained, nor is there any legislation requiring doctors or hospitals to release medical records or test results to patients. The Minister of National Health and Welfare (Mr. Epp) has indicated that such legislation and regulation is in the provincial jurisdiction and it is up to his provincial territorial counterparts to bring the matter up for discussion. I rather question this position, because under the principle of medicare, the federal Government is supposed to ensure a system that is universal, with universal access and portability among provinces.

We are told that if the provinces do bring this matter up for discussion, the Minister has said that he would be pleased to respond to any issues or questions they may wish to raise in this regard. I am pleased that my colleague has been in touch with the provinces, and I hope that this will stimulate some action on the part of provincial Ministers to put this on a common agenda with the Minister of National Health and Welfare.

As is the case when matters lie within provincial jurisdiction, the provinces and territories tend to respond in different ways with different approaches. On the matter of the retention of medical records, responses have varied from that of Prince Edward Island, which keeps them for 50 years if microfilmed, for 20 years following discharge or for five years following death, to those of Saskatchewan and the Northwest Territories which have no regulation to keep them at all. That seems to be a very strange policy. Of course, other provinces have varying regulations.

The other part of the problem lies with the fact that patients have no rights of access to their own medical records. I agree with the previous speaker who said that we should have a statement of patients' rights to which the medical profession

and hospitals should adhere. At this time, neither doctors nor hospitals are under any obligation to share medical files with patients, and whether or not they do so is entirely up to their own judgment.

Further to the difficulties of obtaining patients' files, the cost of obtaining copies of files is also discretionary to the doctor. The B.C. Medical Association, for instance, suggests that there should be a charge of $222 for this, plus photocopying fees. This seems to be ridiculous since we do have a medicare plan which surely should be able to cover such expenses.

Mr. Manly: Double billing.

Ms. Mitchell: Double billing, as my colleague has said, quite correctly.

The Hon. Member for Cowichan—Malahat—The Islands has written to all the provincial Ministers of Health urging them to initiate discussions with the federal Minister of Health so that patients' rights will be met in a consistent manner across Canada. This is a basic principle of medicare. The Hon. Member wrote them in October of last year, and unfortunately there has been no action other than the supplying of the information to which we both referred.

I strongly concur with my colleague that it has become incumbent upon the federal Minister of Health to take the initiative to put this matter before the provinces for discussion. This Minister, repeatedly, on many different issues, has preferred to take a *laissez-faire* approach, sometimes deliberate and perhaps sometimes through neglect, when he should have been taking a leadership role. He has the right and the obligation to assume a leadership role in ensuring that there is a good quality of medical records, and that relates to a good quality of medical procedures across Canada.

There are some very good reasons for keeping good medical records and for providing fair and equitable access to them for all Canadians in a standardized way. Obtaining accurate medical histories is essential to moving our health care system away from its focus on curative methods only toward a more preventive approach. The Minister of National Health and Welfare himself has endorsed this direction for Canada's health care system in his document *Achieving Health for All: A Framework for Health Protection.*

As we know, some conditions and diseases are hereditary or genetic. Access to medical records would allow the transfer of correct information to offspring and other relatives. It also provides data for research into genetic diseases.

I understand that Canada already has better access to records for research purposes in some instances than countries which do not have a public medicare system, and that is very good. Certainly, however, longer and more consistent case histories that cover a period of a family's history would be very valuable, not only to the patient involved but to medical researchers.

Canadians are very mobile. We move between provinces and territories all the time. This is another reason for such a system, and other colleagues have mentioned this as well.

In the case of liability suits and legal matters, access to medical records can be essential to victims. An example of this is the harm done to the victims by the Dalkon Shield or Thalidomide. As well, women whose mothers took the chemical DES may be subject to developing cancer.

There are many reasons for adopting this motion, and I have many more which I do not have time to present. In view of the time limits with which we are faced, I would like to move:

> That this motion be accepted by the House.

I would like as well to call for a vote on this matter.

The Acting Speaker (Mr. Edwards): I regret that the Chair cannot accept the motion.

Mr. Alex Kindy (Calgary East): Mr. Speaker, it is a pleasure to be able to speak on this motion. The reality is that our time is expiring, but I would still like to say a couple of words.

As the motion before the House suggests, one important aspect of the broader issue of patients' rights relates to the patients' access to medical records. The federal Government is currently involved with native and inmate health care. However, any consideration of access to medical records at the federal level would not be complete without reference to the Privacy Act. The Privacy Act was given Royal Assent on July 7, 1982, and was proclaimed into force on July 1, 1983. The purpose of the Privacy Act is set out in Section 2 as follows:

> The purpose of this Act is to extend the present laws of Canada that protect the privacy of individuals with respect to personal information about themselves held by a government institution and that provide individuals with a right of access to such information.

• (1800)

As this important provision suggests, the Act has two basic objectives. First, it is intended to protect an individual's privacy. Second, it is intended to provide individuals with a right of access to information about themselves which is under the control of government institutions. Both these objectives are relevant to any discussion of patients' rights.

The focus of the Privacy Act is personal information. This term is defined by the Act to mean information about an identifiable individual that is recorded in any form including information relating to the medical history of the individual. Thus, it seems clear that a patient's medical records would fall within this definition as long as the patient could be identified therefrom.

The Acting Speaker (Mr. Edwards): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 42(1), the order is dropped from the Order Paper.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

HEALTH—PULP MILL OUTFALLS—DIOXIN LEVELS IN CRABS/EXAMPLE SET BY SWEDISH PULP MILLS.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, on May 17 I raised with the Minister of National Health and Welfare (Mr. Epp) the question of dioxin testing around pulp mills in Canada, particularly in British Columbia. As you know, dioxins are the most dangerous substances known to humanity. They do not break down when they are released into the environment. Rather, they accumulate. Therefore, this is an extremely important question concerning our health.

In the last number of years we have become aware of the fact that our pulp mills produce dioxins. Therefore, this testing process was very important. As a result, the Minister of the Environment (Mr. McMillan), the Minister of Fisheries and Oceans (Mr. Siddon), and the Minister of National Health and Welfare released a press statement saying that there is no problem, nothing to worry about. I quote from the statement:

> The results of analyses of fish samples in these surveys have been evaluated by Health and Welfare officials. They have indicated that the levels of dioxins and furans found in the edible portions of fish samples are not considered to pose a health hazard to consumers.
>
> Relatively higher levels of dioxins and furans have been identified in a few samples of prawns and crabs, particularly in the digestive gland (hepatopancreas) of dungeness crabs, taken near pulp mills in Port Mellon, Woodfibre and Prince Rupert, British Columbia.
>
> Health and Welfare has recommended that further samples from these three sites be analysed to assess whether these recent findings are representative.
>
> The elevated levels of dioxins and furans found in the digestive gland of crabs are not unexpected as this organ concentrates ingested materials including contaminants such as dioxins and furans. Since this portion of the crab is not normally eaten, the levels found do not pose a hazard with respect to consumption of the edible portion of crabs.

Following that statement we had headlines such as "Pulp Mills Said No Threat To Fish Eaters", and "Dioxin In Fish No Threat: Govt. Test" and "Level Of Dioxin In Fish No Threat, Siddon Says". I think those headlines and the press release are belied by the facts released along with the press statement.

• (1805)

Background information points out that of three samples of oysters taken near Crofton, there were findings of 31, 12, and 14 parts per trillion respectively of dioxin in those three samples. There is a tolerance threshold of 20 parts per trillion. Therefore, one out of those three was much above that 20 part per trillion threshold, with 31 parts per trillion. They point out that there is no problem there because the area is already closed because of other forms of pollution. However, the fact is that the oysters there are at risk and people who eat them as they are, are also at risk.

Then they talk about crab hepatopancreas. Residues of 2, 3, 7, 8-TCDD, that is dioxin, in the crab hepatopancreas from several different areas ranged up to 100 parts per trillion. We must recall that 20 parts per trillion is the tolerance level. However, three samples, one each from Port Mellon, Woodfibre, and Prince Rupert contained 662, 356 and 487 parts per trillion 2, 3, 7, 8-TCDD respectively.

The other less toxic dioxic congeners ranged from non detectable to 1,514 parts per trillion in crab hepatopancreas with the exception of the three samples from the above noted sites where a maximum level of 4,682 parts per trillion was observed. Residues of 2, 3, 7, 8-TCDF ranged from non detectable to 2,605 parts per trillion, except in the case of the three samples for Port Mellon, Woodfibre and Prince Rupert where residues of 2, 3, 7, 8-TCDF ranged from 18,890 parts per trillion to 24,968 parts per trillion.

That is a frightening statistic. First, we do not know what we are talking about. The Government does not have any level of equivalency for these other toxins to equate it with dioxin. Yet there are some very high levels.

The Government does not explain what the equivalency levels are because it does not have equivalency levels established. It has said that the hepatopancreas is not normally eaten, but the fact is that it is considered a delicacy by some people.

The serious nature of this issue is shown by a study of the great blue heron colony near Crofton which forages on the flats near the pulp mill. Last year, of 57 nests, not a single egg hatched. When they studied the residue of the eggs, they found that there had been a threefold increase in the level of dioxins in 1987 from 1986. This is a serious problem, and the headlines that say there is nothing to worry about do a disservice to Canadians.

The Government should take action in four areas. It should forbid all fishing in the immediate area of pulp mill outflows. There should be more rigid monitoring and enforcement of pollution control. Twenty-one out of 22 pulp mills in British Columbia are in violation of federal pollution standards but nothing was done about it.

The Government should bring in tough new regulations that will force pulp mills to reduce dioxin levels as is done in Sweden and West Germany where those levels have been cut by 80 per cent. Finally, it should encourage the production and consumption of unbleached and semi-bleached pulp products, rather than continuing this fetish with totally bleached white products that are doing us and the environment great damage.

• (1810)

Mr. Pat Binns (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly) must be

congratulated for continuing in his interest in this very important environmental area with respect to the fishing industry and shellfish in particular. The class of chemical substances known as dioxins has been described in the media and elsewhere as being the most toxic chemicals known to man. Certainly, this Government does not in any way take away from that recognition. Consequently, any reports of dioxins being present in the environment, and particularly in the food supply, understandably evoke a great deal of concern in all of us and in the Government in particular.

I want to assure the House that the Government is not only concerned about dioxins and toxic chemicals in mollusks and fish in general. I believe Canada has the safest fish products anywhere in the world reaching the market-place. For instance, in Atlantic Canada every body of water used for harvesting of mollusks and other shellfish is being tested on a regular basis to ensure that the products are safe for consumption. There is a very rigorous examination and standard to ensure that the fish consumers are eating are safe. As I indicated, it is the safest food we have available to us at the present time.

However, it is important to know some facts about these substances before arriving at any conclusions about the possible hazards associated with their presence in fish and shellfish. The term "dioxin", for example, does not refer to one compound but rather to a whole family of 75 related chemical compounds. These 75 compounds are also often associated with another family or organochlorine compounds known as furans. There are an additional 135 related, yet individual, compounds in the furan family.

One might question the significance of all of this to the assessment of dioxins and furans in fish and shellfish with respect to any potential hazard to the health of the consumer. Well, Mr. Speaker, the fact is that based on the available information relating to these compounds, it is known that the toxicity of the individual members of the dioxin and furan family varies significantly. The most toxic is 2,3,7. 8-TCDD, or 2,3,7, 8-Tetrachlorodibenzo-para-dioxin for which a limit has been established under the Canadian Food and Drug Regulations of 20 parts per trillion in fish. The other dioxin and furan isomers have not yet been studied as intensively as 2,3,7, 8-TDCC, but on the basis of the available data they are considered relatively less toxic.

The reported levels of up to 25 parts per billion of these substances in shellfish relate to levels of individual furans in the digestive glands of crabs from one specific location. Such levels in the digestive glands of scavengers like crabs, taken near a waste disposal effluent pipe, are not unexpected since this organ concentrates many types of ingested substances. Furthermore, Mr. Speaker, while there have been anecdotal reports of consumption of the viscera of crab, consultations with officials in the British Columbia Ministry of Health have not confirmed these reports. Clearly, it is in everyone's best interest to minimize exposure to toxic chemicals such as dioxins and furans. But let us proceed in a rational and orderly fashion based on sound information so that we can ensure that consumer products are safe for the fishery.

UNEMPLOYMENT INSURANCE—CANADA PACKERS—CLOSURE OF WINNIPEG PLANT—WORKERS' UNEMPLOYMENT INSURANCE BENEFITS/DIFFERENCE IN TREATMENT OF SALARIED EMPLOYEES AND WAGE EARNERS

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, I rise tonight on an issue of fairness. When I raised this issue in the House on March 30, the then Minister of Employment and Immigration agreed that the problem was serious enough to warrant a very thorough investigation. I am talking about the closure of the Canada Packers Plant in Winnipeg.

In December of 1986, Canada Packers announced that its plant would be closing and 660 workers in the Winnipeg plant would lose their jobs by early 1988. In April 1987, a collective agreement was amended to provide allocation of separation payments to a one week period following the closure.

• (1815)

Then, on April 5, 1987, the unemployment insurance regulations changed to require that separation payments be considered earnings as per the regular week's salary, regardless of collective agreements. This would delay unemployment insurance claims by the number of weeks represented by severance pay earnings.

The reality of the situation is one-half the workers who were laid off on April 10, 1987, received their severance pay which was seen to be one week's pay. They were allowed to collect their unemployment insurance.

This year what has happened is that the rest of the plant closed. Over 300 workers were laid off. They were told that because it was after the unemployment insurance amendments had taken effect that they would not receive their severance pay as representative of one week but that it would be taken as a week for each week of salary earned. Unfortunately, it was older workers who were laid off latterly. We know it takes older workers longer to get back into the workforce. We also know that there was a number of older workers who have not been able to get back into the workforce. They are now seen as people who are not participating.

We have to take into account as well that these older workers have depended on their Canada Pension and retirement plans for their existence. Certainly, in many cases it is not a very lucrative existence after the age of 65. All the years that they do not pay into these plans is depleting them of what they will receive at age 65. The fact is that they have had to spend their severance pay at a time which could have been included as part of a retirement plan. They are now excluded from doing that.

To make the matter even more unfair, what has happened is that when the doors of the plant were closed, the salaried workers were exempted. These are workers who very often receive a much more generous settlement for all sorts of

reasons, such as their salary or their status in the company. They were allowed to look at their severance pay as one week of pay after which they could collect unemployment insurance.

This gross unfairness is something that even the Prime Minister (Mr. Mulroney) addressed in Winnipeg. He said he was very concerned about it and that he wanted to look into it. He did look into it. He reviewed the situation when he was in Manitoba.

Strange as it may seem, after the Manitoba election the Prime Minister said that there was no justification for them to have an exemption. Surely there is a justification. Both groups of workers were working in the same plant. They knew at the same time that the plant would close. To add insult to injury, one group of workers which left the plant on the very same day had an exemption made for them. We are not only talking about a very unjust kind of policy. We are talking about a Government which promised to do something for older workers.

The Government announced in 1986 that it would do something for older workers. It still has not done anything. It announced that $125 million would be made available. Yet it has not implemented anything.

In my riding of Hamilton Mountain there are many older workers who have not been able to get back into the workforce. Those between the ages of 50 and 65 are certainly looking at a much reduced income in terms of pension. Over and above that they are having a very difficult time trying to find employment.

It is very clear to me, and I do not know why it is complicated for the Government, that this is a very unfair situation. We are talking about people from the very same plant who work for the same number of years and in many cases who were friends. Very often the ones who are being deprived are ones who taught others their skills. It seems clear to me that the Government should make an exception in this case and rectify the injustice which has gone on. Not only would an injustice be rectified but a great deal of comfort would be given to families which are suffering very much at this time.

Mr. Benno Friesen (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, on behalf of the Minister of Employment and Immigration (Ms. McDougall) I am pleased to respond to the Hon. Member for Hamilton Mountain (Ms. Dewar).

First, I want to say that I was disappointed in the way she framed her question on March 30, a question which she ended by stating that this was a case of discrimination. That is probably the easiest accusation to throw around nowadays. It does not matter what level of Government or what agency wants to provide help, benefit, or a program for any group of citizens deemed to require help. The group that is just beyond the fringe of receiving that benefit cries discrimination. It is unfortunate that the Hon. Member used that word. The Act and the manner in which the Act has been applied is not discriminatory.

• (1820)

The Hon. Member comes from a rich experience of city administration and now represents a riding which is very active in union work, and union and collective agreements. It is not correct for the Hon. Member to suggest that there is a difference between salaried employees and hourly paid employed employees. If she asked a second or third question about the problem about the question she would know that it has nothing to do with whether or not they are salaried or paid by the hour, but it has everything to do with when the collective agreement was arrived at.

Ms. Dewar: They are all the same.

Mr. Friesen: No, they are not. The collective agreement for the salaried people was pre-1985. The collective agreement for the hourly workers, at least one part of it, came into force in June, 1987. That triggers an entirely different response on the basis of the Act. If the Act is applied fairly and legally for both groups, one cannot say that it is discriminatory. At the time the collective agreement was arrived at, the Act was already in force, and the workers knew that.

I wish to say to the Hon. Member that I understand exactly what she means when she talks about the distress, particularly of older workers who have a difficult time finding employment again, especially if they have been in that one location for 30 years and have perhaps not done any other type of work since they were teenagers. It is not easy. It is very difficult.

The other factor not included by the Hon. Member is when one is dealing with a collective agreement, one of the most important ingredients is seniority. I know that the Hon. Member would not want anybody to infringe on the seniority rights of the employees. When the first group of employees became unemployed or were laid off, naturally it was those who had not worked so long at the plant. Those who stayed on for another few months were the senior members.

In this case, it worked to their disadvantage in terms of re-employment. It probably would not have made much difference in terms of the space between the two periods of lay-offs. But in this case, seniority worked against the senior workers. I think the Hon. Member understands that. She has pointed that out and elaborated correctly in her remarks.

The Hon. Member also pointed out that in the legislation which was adopted in 1985 there was a factor which was used by the labour management people to balloon all of the severance pay into one week, thereby making the unemployment insurance provisions trigger more quickly. This was deemed to be an avoidance or circumventing the effect of the UI regulations. The Government is bound by that. It was changed by an amendment passed on April 5, 1987, and that amendment was passed before the next collective agreement came into force.

I understand the Hon. Member's concern for the workers, and I have some of those workers in my constituency—

The Acting Speaker (Mr. Edwards): I regret to inform the Parliamentary Secretary that the time has expired.

[*Translation*]

The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.25 p.m.

HOUSE OF COMMONS

Friday, June 3, 1988

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

IMMIGRATION ACT, 1976

MEASURE TO AMEND—CONCURRENCE IN SENATE AMENDMENTS

Hon. Barbara McDougall (Minister of Employment and Immigration) moved the second reading of, and concurrence in, amendments made by the Senate to Bill C-55, an Act to amend the Immigration Act, 1976 and to amend other Acts in consequence thereof.

She said: Mr. Speaker, in responding to the message of the Senate with respect to Bill C-55, I want to stress the degree of scrutiny to which this Bill and Bill C-84 have been subjected. These two vital Bills, which I consider a complementary package, have been considered from every possible angle by parliamentarians, non-governmental organizations, legal experts, the media and many others. As a Government, we have encouraged the scrutiny and appreciate the efforts and sincere concerns of those who have contributed to the examination of these Bills. The process has been an example of how representatives of all Parties can contribute to the shaping of constructive and urgently needed reform. Make no mistake, Mr. Speaker, Bill C-55 is urgently needed.

I have been aware of those who have expressed concerns about certain aspects of Bill C-84, and I will address those concerns shortly in the Government's response to the Senate's message on that Bill. The time has now come for rapid passage of these measures. Can we continue to debate the same issues over and over again knowing that the situation will only get worse if no action is taken?

[*Translation*]

We believe the amendments I am tabling reflect Canada's concern for the protection of the genuine refugee, ensure more consultation with knowledgeable groups, and provide greater safeguards without in any way diluting the ability of this bill to help restore order and justice to our system.

A more efficient refugee determination system, with greater emphasis on fairness and due process, can only serve to help those in genuine need of our protection and those who play by the rules.

[*English*]

It follows that these are the people who will suffer if we further delay the passage of legislation to restore integrity to our system. We want to be able to deal with those who really need our protection as quickly and humanely as possible. The Government believes that Bill C-55, in concert with the control initiatives of Bill C-84, can achieve the stable, fair and efficient system refugees and Canadians clearly deserve. We meet all our international obligations. Our system is linked to the recognition in Canadian law of the Geneva Convention definition of a refugee. Further, in Canada we offer a solid, practical role to the United Nations High Commissioner for Refugees in helping us resolve refugee issues.

I want to also say a word about the many thousands of Canadians who volunteer their efforts to help refugees and who are working for the highest ideals and in the best Canadian tradition.

• (1010)

[*Translation*]

It was with the complementary nature of these Bills in mind, that many amendments were considered and approved by the Government for Bill C-55. It is our intention to soon introduce amendments to C-84.

The twin objectives of ensuring fairness in the system and curbing abuse were the *raison d'être* of C-55 and 84 and they remain the bottom line of this important legislation.

I will be detailing the C-55 amendments in their entirety shortly, Mr. Speaker. But I would like to mention briefly some of the more crucial changes that are under consideration by the House.

[*English*]

To address concerns about the status of safe third countries we are recommending the establishment of a special consultative committee. This consultative body will include non-governmental representatives with experience in refugee matters. It will advise and update the Minister concerning the establishment of the safe third country lists, and, on a regular basis, about any changes internationally that could affect safe return to a third country. We believe this is an important safeguard against possible error.

However, we will review and take into account the human rights record of countries under consideration for inclusion on

the safe third country list. In addition, this provision will not be used to put people in orbit between countries, as we want assurances that the people we send to third countries will be accepted there or will have access to that country's refugee determination system.

Another area of concern was the review process as it applied to the exclusion of individuals from the determination process for security or other reasons. The Minister must now personally make the final decision on this exclusion of possible security risks.

As well, execution of the removal order has been extended from 24 to 72 hours in order to permit those being removed to retain and instruct counsel who may file for a leave application to seek judicial review. But filing an application for leave will not further stay the removal order.

We want to do everything we can to ensure fairness and equity in the legislation. We are bending over backwards to ensure no one who makes a refugee claim in Canada is ever removed to face death or torture. Where the refugee division rejects a refugee claim, the authority of the Minister and her delegates to act on humanitarian or compassionate grounds continue during the time during which any applications for leave to appeal a decision is being made. This authority will be exercised in every case.

The Government believes that the deterrent measures in Bill C-84 provide ample power to discourage the increasing abuse of our refugee determination system. These are necessary measures that will maintain the integrity of our immigration program. They will also send a message to the Canadian public and, beyond that, the Government is committed to restoring order.

[*Translation*]

Mr. Speaker, the net result of these measures will be a refugee determination system better able to help those truly in need and to handle the unprecedented global pressures we are facing.

Our commitment to real refugees is strengthened by removing the opportunities for abuse by those who would exploit our system.

[*English*]

Over the past two years the Government has tried every administrative means at its disposal to maintain order within the existing legislative context. In May, 1986, we set a base system to fast track claims. This was followed by the control measures of February, 1987, to reduce the growth and abuse of claims, and by the imposition of visas on 10 countries, those which were the source of the most blatant abuse.

In the absence of the long-term solutions we are considering today, these measures were necessary. But it is only through the implementation of Bill C-84 and Bill C-55 that we will bring about meaningful change in our determination system such as we have seen in other areas of our immigration program. This Government's commitment to genuine refugees is matched by an equal concern for the immigration program as a whole. We will not trade off refugee protection for a sound immigration process. Through extensive consultation we have revitalized our immigration program and given new direction to the crucial question of immigration levels, including refugee levels.

In 1984 landings were at historic lows. We set about to restore the program and the results have been impressive—an increase from fewer than 85,000 landings in 1984 to 150,000 in 1987.

Growth has been evident in all immigration categories. This holds true for the humanitarian stream that includes refugees, the economic stream, and the family-class stream which forms the foundation of our immigration policy. Just last week I announced new regulations expanding immigration opportunities for members of the family and assisted relative classes.

To complement these measures we have also begun to streamline immigration procedures, something long overdue. The more efficient processing that will result from these measures means better service not only for potential immigrants but for Canadians who want to bring close family members to Canada.

[*Translation*]

Mr. Speaker, many people both here and abroad are recognizing and benefiting from this new sense of direction and purpose. And I believe that all of us in this House, after months of debate, consideration and compromise, now have a responsibility to give refugee determination a similar sense of direction.

It is time we sent a message to Canadians, to immigrants, to refugees—and to those who would abuse our system—that fairness and efficiency will now define our determination process, from this day forth. This is the way to preserve our humanitarian traditions of helping those in need.

[*English*]

Certainly, this Bill before Parliament represents one of the most enlightened attempts anywhere in the world to create a fair and efficient refugee process that will protect the genuine refugee. Many countries are simply washing their hands of the responsibility to distinguish between the economic migrant and the legitimate refugee. In fact, some nations have moved to exclude all potential refugee claimants, false and genuine alike, before they even arrive. Border police are making executive decisions to deny entry of transportation vehicles.

The processes in these countries now have no place for review panels and lawyers. There are no representations from the United Nations High Commission for Refugees, and no safeguards to prevent genuine refugees from being shuttled from country to country. We will not have that in Canada. It is not and never should be the Canadian way, or this Government's way.

Bill C-55 can and will make the distinction between those in need and those abusing the system. Bill C-84 can back it up with deterrent measures that mean something and are fair. Can there be any doubt that our attempts to rebuild a credible refugee determination program rests with the passage of this Bill and Bill C-84, legislation that is founded in our Charter of Rights and which meets our Convention obligations? Until this legislation is in place very little can be done to reduce the vulnerability of the refugee claims process. By September there will be more than 60,000 claims in the backlog. As we have seen in the last week or so there is a very real possibility of ships arriving again this summer.

How long are we as representatives of the Canadian people going to live with such an outdated system? After much discussion we now have before us legislation that can restore confidence in our system at home and abroad. It is legislation that gives all of us the chance to set a new course for refugee determination in Canada. Clearly, the time to act is now, to act quickly and in a non-partisan way to pass these Bills into law. We owe it to Canadians and to refugees who need our protection.

• (1020)

We occupy a unique and privileged place in the world. Canadians have always been cognizant of the political stability and of the economic stability and development that we enjoy. We have met and will continue to meet our international obligations. We shall do our part in assisting the oppressed, the tortured, and the persecuted, of whom there are far too many on this planet. We shall not shirk from our responsibilities, and we shall offer protection to those who are the subject of inhumanity.

Therefore, I move:

That a message be sent to the Senate to acquaint Their Honours that this House agrees with amendments 6(b) and 12(c) made by the Senate to Bill C-55, an Act to amend the Immigration Act, 1976, and to amend other Acts in consequence thereof, but disagrees with amendments 1(a), 2, 5, 6(a), 7, 8, 9(a), (b), and (c), 10, and 12(a) and (b), because this House believes they contradict the principles of the Bill for the following reasons.

Amendment 1(a) would imply that the right to counsel of choice would no longer be subject to the requirement that the adjudicator assign counsel at the expense of the Minister where counsel of choice is not reasonably available; arguments over this erroneous implication could be used to delay the refugee determination process.

Amendment 2 would result in the recommencement of every hearing where the claimant indicates a fear of return only after substantive evidence has been heard, providing an opportunity for abuse by those who lack a credible basis for a claim or who would seek to delay or avoid removal by frustrating the "safe" third country mechanism.

Amendment 5 would introduce subjective elements which cannot be easily proven or rejected, thus opening a major loophole in the "safe" third country mechanism.

Amendment 6(a) arises out of Senate amendment 9(a), but is not consistent with the House amendment to Senate amendment 9(a), as set out below.

Amendment 7 would impair the effective elaboration of the "safe" third country list without improving the quality of the protection available to the claimant.

Amendment 8 would extend the scope and nature of refugee division hearings, significantly increasing the workload of the division and thereby delaying decision-making for all claimants.

Amendments 9(b) and (c) arise out of Senate amendment 9(a), but are not consistent with House amendment to Senate amendment 9(a), as set out below.

Amendment 10 would change a fundamental principle that there be one high quality hearing on the merits of the claim by competent decision-makers, which hearing represents a proper balance between fairness and efficiency.

Amendment 12(a) would frustrate the selection of the best possible candidates, including present Members, for each division of the new Board.

Amendment 12(b) is consequential on amendment 12(a), which is not acceptable, and is therefore inappropriate.

And, that this House agrees with the principle set out in amendments 1(b), 3, 4, and 11, but would propose the following amendments:

Amendment 1(b) be amended to read as follows:

"Strike out line 25, on page 8, and substitute the following:

Ready and able to proceed within a reasonable period of time, unless the"

Amendment 3 be amended to read as follows:

"Strike out lines 26 to 31 on page 14, and substitute the following:

ant's habitual residence,

(*I*) that has been prescribed as a country that complies with Article 33 of the Convention either universally or with respect to persons of a specified class of persons of which the claimant is a member, *and*

(II) whose laws or practices provide that all claimants or claimants of a particular class of persons of which the claimant is a member would be allowed to return to that country, if removed from Canada, or would have the right to have the merits of their claims determined in that country;"

Amendment 4 be amended to read as follows:

"Strike out lines 3 to 15, and on page 15, and substitute the following:

19(1)(*j*),

(II) a person

(a) described in paragraph 19(1)(c), or

(b) who has been convicted in Canada of an offence under any Act of Parliament for which a term of imprisonment of ten years or more may be imposed

who the Minister has certified constitutes a danger to the public in Canada, or

(III) a person described in paragraph (1)(*e*), (*f*), or (*g*), or 27(1)(*c*) or (2)(*c*) and the Minister is of the opinion that it would be contrary to the public interest to have the claim determined under this Act; or"

Amendment 9(a) be amended to read as follows:

"Add, immediately after line 13, on page 43, the following:

(1.1) Subsection (1) does not apply with respect to a decision of a visa officer on an application under section 9, 10, 25 or 79 or to any other matter arising thereunder with respect to an application to a visa officer".

Amendment 11 be amended to read as follows:

"Strike out lines 25 to 27, on page 55, and substitute the following:

tion, the country's policies and practices with respect to Convention refugee claims and the country's record with respect to human rights;"

Thank you, Mr. Speaker.

Mr. Sergio Marchi (York West): Mr. Speaker, I am pleased to rise on behalf of the Liberal caucus to respond to the Minister's response to the recent Senate report on Bill C-55, a

Bill that will reform and establish a new refugee determination system for our country.

If one was to quickly analyse the words spoken by the Minister of Employment and Immigration (Mrs. McDougall) and the documents accompanying her remarks that she will no doubt utilize at her press conference later, I think the Minister is involving herself in a bit of legislative magic. To a certain degree it is a game of smoke and mirrors, and an attempt to parade for the Canadian public, and obviously the media, a number of the more minor amendments that she had agreed with in the Senate in terms of tinkering with words here and there, clarifying a number of phrases, and attempting to pass these off as major amendments to the Bill. Through that, she is attempting to convince Canadians that, under her leadership, Bill C-55 is indeed a very different piece of legislation from that of her predecessors, and there were many.

I would submit, with all due respect for the Minister and the House, that essentially she is peddling the same old baggage that was brought and carried by her predecessors. Major principles in Bill C-55 were unanimously objected to by groups and witnesses across the country, by legal experts who told the Government time and again that these measures will encourage every lawyer worth his or her salt to challenge them in the courts under the provisions of the Charter as soon as they become law, and that this ran contrary to the report some years ago of the Standing Committee on Labour, Employment and Immigration that enjoyed support from all three political parties and the members thereof. Yet the Minister is attempting to say to those various parties and interest groups that we are looking at a different piece of legislation, a piece of legislation that has corrected its flaws, that has protected itself from possible charter challenges which, if they are successful, will paralyse this policy and this program, and then the haemorrhaging of public confidence will begin again. She is trying to pass this off as a very different Bill, but it is no different from what was introduced and debated at second reading, from what was debated in committee, from what was debated at third reading, and from what was studied by the committee in the other place.

• (1030)

There have been numerous objections to the way in which Bill C-55 establishes the refugee determination system in this country. The first problem dealt with the question of pre-screening. The Government was to establish a new refugee board that would offer claimants an opportunity to give their side of the story and provide proof and credible evidence that would substantiate their refugee claim. That exists, and the refugee board will be in place to offer a legitimate opportunity to those claimants to come forward.

However, the Government has built a very high wall around that refugee board and called it the pre-screening stage. This stage will involve a refugee board member and an immigration adjudicator who will essentially try to stop and return as many individuals from where they came, without allowing them to have access to the new refugee board, whose purpose was to listen and judge the cases it received.

The pre-screening stage is a significant barrier that will impede full accessibility to the new refugee board which the Government is promoting throughout the country. Those two officers will have no discretion to make decisions because that pre-screening stage will be rooted in the whole safe country concept.

Those two officers will essentially ask refugee claimants for only part of the story. They will only want to hear something of the refugee claim so that they can make a determination as to whether that claimant can legitimately proceed to the next step, the refugee board.

The Government has been complaining that it wants to minimize the bureaucracy, red tape and processing time in the system. However, it is actually adding to that bureaucracy when it has two pre-screening officers conduct a mini hearing of its own before a possible real hearing before the refugee board.

The more important dilemma for the refugee at that stage is that the claimant will be asked to only give part of the story. If you are a legitimate refugee who is escaping persecution, torture or some other form of intimidation, you will want to provide your whole story to the refugee board. Where do you stop when trying to convince the officers to allow you to go to the next stage and be accepted by the refugee board? The pre-screening stage is a clear attempt to minimize the number of people who would be eligible to come before the new refugee board.

It would be like a hospital trying to maximize its efficiency by minimizing the number of patients coming into the hospital. It does not matter whether the patients are ill or in need of emergency health care, the hospital is trying to minimize the number of patients to maximize efficiency. Obviously that would be insane because hospitals exist to care for those who need health care, regardless of the number or the services offered by the hospital.

Similarly, if the Government is to establish a refugee board, let the refugee board take those claimants, adjudicate those hearings and render a decision. The Government is taking one step forward and three steps back. It is looking for acclaim, applause and accolades for introducing a new refugee board while Canadians may not be aware of this pre-screening stage that forms a huge barrier to the refugee board.

The second principle still contained in the legislation is the safe third country concept. Again, the Government is trying to wash its hands of the claims of these refugees, and wash its hands of the responsibility that this country has upheld for many years and for which it has earned us a proud record and tradition throughout the world as a leader in trying to galvanize an international solution to an international problem.

Canada won the Nansen Medal for a good reason. It is because of our long years of work and toil. Those reforms and those achievements were not made easily. They were the result of commitment, integrity, of compassion and long struggles to try to mould a progressive stance on an emotional issue that is causing increasing human misery throughout the globe.

Just as with the pre-screening stage, the Government's principle of a safe third country is another attempt to minimize the number of people coming into the system. According to this principle, those coming from a country that the Government deems to be safe will be returned there. Yet the Government has made very little effort to define what is a safe third country.

It would also have Cabinet make that decision. The Cabinet must make major decisions daily dealing with domestic policies and challenges. Now it will have to try to determine a list of safe third countries. How will the Cabinet establish that list? What will be the issues to determine what country is on the list and what country is left off?

We had an exceptional example of the fallacy of the safe third country concept being in the hands of Cabinet. The three member panel of the refugee advisory committee unanimously endorsed the fact that a refugee claimant, Santokh Singh, was a refugee. He had security clearance from both the RCMP and CSIS. It was made public a few weeks ago that the Secretary of State for External Affairs (Mr. Clark), out of the blue, wrote two confidential letters to the previous Minister of Employment and Immigration suggesting that this individual should not receive a refugee claim as recommended unanimously by the refugee advisory committee. The former Minister suddenly established a new committee and reversed the decision.

As of today we are still trying to find out the legitimate causes that would substantiate the intervention of the Secretary of State for External Affairs. That is a classic example of what happens when a Minister who is critically interested in the case can interfere in the procedures of what we are told is an impartial institution.

• (1040)

One would think that part of the reasons for the actions of the Secretary of State for External Affairs, as he said in the letters, was the fact that India was putting continued pressure on Canadian authorities to have this individual removed. Despite the fact the Indian Affairs Minister from India and the Indian High Commissioner for Canada then denied that they had put pressures or wanted this man returned or wanted him refused refugee status, there is obviously an appearance and a perception that political and diplomatic pressure was brought to bear on our External Affairs Minister to involve himself and intervene on the Government's behalf to the detriment of the individual claimant. That is a test case of how this Conservative Cabinet will probably react when devising the so-called safe country list.

What will be the Government's priority? Will it be the individual merits of those coming from so-called countries which the Government wants to describe as safe? Will the Cabinet be concerned more with the political pressures that are brought to bear in the equation, the diplomatic relationships and pressures that we have with other countries? What about our trade with various countries and the political ramifications of putting countries that, while friendly and are allies to Canada, may be erring seriously in the refugee program?

The previous Ministers of Immigration never really answered these questions. They never really answered the question, when posed to them by myself or other groups in the House or in committee, that if the United States of America because of its political policies and stance in Central America discriminates against Central American refugees and deports them, would that mean a Central American refugee coming to our system and being asked by our Government where he came from—the answer being the United States—that the Canadian Government would decide the United States is not a safe country?

What political pressures would be brought to bear on the Conservative administration that boasts about its special relationships with Uncle Ronnie in the United States? What would be the consequences of leaving the United States of America off a so-called safe country list? I do not believe that this administration would leave the United States off a safe country list. Yet the question must be asked: "Is the United States a safe country *vis-à-vis* refugees coming from Central America?" If one were to pursue a truthful answer with both Canadians and Americans, Americans who testified at our committee, the answer would be a resounding "no".

Would this Government leave Great Britain off the safe country list? Probably not. Britain is a strong ally and friend. There are bonds of mutual respect and admiration with which I concur, yet when we break that relationship and just look at the refugee policy, Great Britain is indiscriminately deporting Tamil refugees. What happens when a refugee claimant who is a Tamil applies to our refugee board and is asked from which country did he come to which he answers Great Britain? Will Great Britain be left off a safe country list? The answer would be "of course not". What will constitute a safe country, Mr. Speaker?

The suggestion was made to consider what happens if the Government really wants to persist and hold dear to its safe country concept. This concept I think is flawed because the new Minister of Employment and Immigration should contemplate what happens if every other country defines and establishes a safe country list equally as flawed as this one. Every country will have a safe country list and every country will be safe and then every country will be sending refugees back and forth like a ball in a pinball machine. That is the domino effect of the policy. It encourages other countries to do likewise. Other countries up until now have been saying that Canada has shown leadership in this area. I know, as a

Member of Parliament and as a Canadian that Canada, cannot nor should it accept every refugee claim. That literally would be impossible.

I do not accept the premise that Canada should be playing the Pontius Pilate of the world in trying to cleanse its hands of its responsibilities, shoving the problem somewhere else, only to have other countries do the same thing. What happens then to refugees around the world? What happens to those individuals? What happens when those people become desperate? They do not try to get in through the front door, they try to break in through the back door, which is precisely an action we want to stop. In a very contradictory way, this type of legislation, because it is more restrictive and more inflexible, will push and motivate people to go through the back door. It will encourage profiteers of human misery to continue to market their business of illegal human smuggling from different parts of the globe.

An attempt was made in West Germany, with no response from this Government. The same situation occurred in Brazil, Lebanon and Portugal and again there was no response from the Government. Then we hear that the answer to the problem is a safe country concept. It is not because that argument is intellectually and factually dishonest. We in the Opposition said: "Look, the Government has an absolute majority. In the end if it really wants to push something against the better judgment of the House of Commons and Canadians, the Government will probably succeed". At least an attempt was made at the eleventh hour to ask why the Cabinet would not simply make an advisory list of safe countries it deems safe and allow the new refugee board and process to determine in the end which countries are safe for refugee claimants. That request was refused.

At the eleventh hour we also suggested passing the opportunity and authority to create a safe country list with the new refugee board. That request was refused. We also attempted to change wording and suggested that before allowing someone to go on a safe country concept list, to allow for an assurance and a guarantee that that person will be permitted not only to enter but to enter the process of refugee determination. You would not be sending a person into orbit. There would be a guarantee that that so-called safe country would accept an individual and allow him or her to have a refugee determination. But that request was refused.

That safe country provision is onerous for many individuals and groups. I believe it is onerous for those around the globe who have worked tirelessly for progressive refugee legislation. That principle is still in the Bill today despite the Minister trying to parade a Bill that is very different from the one crafted by her predecessors in Cabinet.

There is a third principle, and these are only principles that are basically the major areas of concern. There are other individual concerns, but I am trying to highlight in the time available I have before Question Period some of the more major ones. The third principle is the whole question of an appeal. There again the Government refused the amendments of the other place, the Senate, to try to make the appeal system stronger and more foolproof. Why did the Senate attempt that?

On the advice of legal experts and organizations across the country, the Senate tried to help the Government recognize that when an individual goes before a refugee board, if he or she is a legitimate refugee, then we have to face the fact that the decision can dictate life or death. If you were a true refugee, Mr. Speaker, and you were fleeing from potential death, murder, torture, imprisonment or intimidation, you would want a full opportunity to defend yourself. If an error is made for some reason at some stage within the process, we need an appeal system as a safety valve that can recognize an error and rectify it so we do not have to pay for that mistake with a human life, that of a legitimate refugee who is sent back to his homeland to face that horrible music.

• (1050)

The current legislation suggests that an appeal be made to the Federal Court of Canada on leave. This means that the appeal is not automatic, it can only be appealed if the Federal Court agrees. Up until now, only 2 per cent of all cases that have been appealed to the Federal Court have been successful. Ninety-eight per cent of the cases are simply refused.

Moreover, the Federal Court is the wrong body to deal with refugee matters. Legal experts have told us that that is not the proper, knowledgeable body to judge such an appeal. As well, the Federal Court will only deal with points of law. It will not deal with points of fact or with evidence of the refugee claim. The Federal Court will only ask if the process was correct, fair and followed the proper course.

The Federal Court will not entertain points of fact, points of evidence or new evidence that the refugee or his or her lawyer would want to introduce in order to demonstrate an error. In effect, we have a very weak appeal system that will attempt to correct possible errors. This would not matter so much if the decisions involved did not have life or death consequences, but these kinds of decisions do.

Therefore, an attempt was made to convince the Government that the whole system, because it is predicated on human error, is only as strong as the appeal system. If the appeal system is terribly weak, which it is, and does not provide an opportunity to hear points of fact and new evidence and can only be used on leave, then it really casts a shadow over the integrity of the entire process.

That argument was made to the Government. It was not made in an attempt to delay the process. Who wants to delay the process? This Party does not want to delay the process. I am sure Members of the New Democratic Party do not, and no government Member wants the process to be delayed. Members from all sides would agree, I think, on the principle that when dealing with life or death decisions, we should ensure that we err on the side of caution rather than later on

having to be sorry, having to say that if we had a stronger appeal system, such a thing might not have happened to such a person. Those things have already happened, and this has been documented, because of the failure of the Federal Court procedure's attempts to deal honestly and fairly with refugee claims.

The pre-screening provisions in Bill C-55 started a debate in Canada, and those provisions are still there. The safe third country concept which triggered a national debate is still there. The problems involved in a weak appeal system, which again triggered a national debate, are still there. Therefore, I must ask myself what this Minister has done to prove that this piece of legislation is now a compromise between the Senate and the House of Commons and that refugee groups will now be pleased with it. That is not true.

There have been some changes, I am not denying that, but I challenge the Minister to show that she has changed the clauses that were the major points of dispute. I challenge the Minister to find out if these minor changes meet with the major objections voiced by refugee groups. I challenge the Minister to return to the legal experts who came before the committee and to determine from them if they still feel that this piece of legislation violates our Constitution and our Charter of Rights and Freedoms. I challenge the Minister to produce the opinion of the Justice Department which shows that the Government believes it is on sure constitutional ground.

I do not believe that we will get any responses from those challenges. This piece of legislation does not live up to the press release that the Minister will no doubt release in about an hour's time. That is why I said at the very outset of my remarks today that the Minister is trying to encourage this Parliament to accept magic legislation, legislation that does not exist.

The major principles in this piece of legislation have been carried over from the legislation presented by the Minister's predecessor. That is sad, because I, along with other individuals and organizations, had greater expectations from this new Minister, a Minister who had shown in her previous portfolios that she was capable of handling the national interest in an adept way. This Minister comes from a riding in the City of Toronto which is very much concerned with matters of immigration and refugee policy. I had hoped that a new leaf would be turned by this new Minister.

This Minister has shied away from addressing the major objections of the refugee constituency and of the legal constituency. She has not asked herself how to overcome the inflexibility shown by her predecessors. She has not sought co-operation among all groups involved.

I see that you are telling me that my time is up, Mr. Speaker, and I look forward to continuing my remarks following Question Period.

S. O. 21

Mr. Nystrom: Mr. Speaker, I rise on a brief point of order. This morning, we have heard from the Minister and we have heard from the Liberal critic. I simply want to point out that the critic for the New Democratic Party, the Hon. Member for Spadina (Mr. Heap), will be the speaker for our Party, but he is not here this morning because he is attending the annual consultation meeting of the Canadian Council of Refugees in Montreal and is attending a workshop on refugee determination this morning.

Mr. Deputy Speaker: We will proceed to Statements Pursuant to Standing Order 21.

STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

THE ELDERLY

TRIBUTE TO BUILDERS OF CANADA

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, let me ask my colleagues in this House to join me in recognizing the outstanding contribution seniors have made to developing our country. Our parents and friends have built the Canada of today with the sweat of their brow, with their tears, their suffering and their hopes, despite hardship, discomfort and difficulties.

Let us pay them tribute and assure them of our unfailing support in their struggle for a decent, pleasant, rewarding retirement. Let us never give up fighting to preserve the dignity and respect due to older people.

Throughout the coming week, we are to highlight the contribution of senior citizens to Canada. So let us ask our fellow citizens to stop for a moment and reach out a hand to our elders. Thanks to all our senior citizens!

* * *

• (1100)

[*English*]

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—*TORONTO SUN* REPORT

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, more and more we find Canadians displeased with the Government's trade deal. There is a report in today's *Toronto Sun* about the unpopularity of the trade deal and the Minister trying to promote it. Here is what the article says:

> Federal Trade Minister John Crosbie was confronted by hostile students at Jarvis Collegiate yesterday as he tried to promote the Canada-U.S. free trade agreement.
>
> And later he told a businessmen's group the $10 million his Government is spending to promote free trade "is a mere nothing."

S. O. 21

The students openly challenged the deal and booed as Crosbie encouraged them to read a book promoting free trade.

When he asked for questions, two students stood and chanted "Free Canada, Trade Mulroney."

"Now, that's the kind of reasoned argument you're going to hear from the opponents of free trade," Crosbie shot back.

Students told Crosbie they don't believe statistics showing the deal will create jobs. They also called for an election on the pact.

Those are obviously very enlightened young people.

* * *

NATIONAL RESEARCH COUNCIL

AWARDS WON BY TWO SCIENTISTS

Mr. Bill Tupper (Nepean—Carleton): Mr. Speaker, I am pleased to report that two National Research Council scientists will be honoured for their achievements in chemistry research at the Third Chemical Congress of North America, the largest scientific meeting ever held in Canada, June 5 to June 10, 1988, in Toronto. Dr. Peter Hackett will receive the Noranda Award, in recognition of his achievements in laser applications in chemistry. Dr. Jim McLaren will receive the WAE McBryde medal in recognition of his contributions to analytical chemistry.

The NRC develops new knowledge through its own research programs and also provides a wide range of services, facilities and technology transfer programs and collaborative research opportunities. I would like to congratulate Dr. Hackett and Dr. McLaren on their achievements and contributions to research and development, and I would like to commend the NRC on its fine work.

* * *

HEALTH

AIDS DISEASE—GOVERNMENT FUNDING

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, one month ago the Prime Minister (Mr. Mulroney), in answer to my question about the delay in AIDS funding, said "We view this as a most important societal problem and one deserving of urgent action and the urgent devotion of national resources." Empty words from an uncaring Prime Minister because four weeks later, despite a desperate appeal from AIDS victims, the Cabinet has still not approved the requested funding.

What kind of a Government is it that cannot make a decision on urgently needed funding for a major epidemic? Not only are there limited operating funds for the federal centre for AIDS, but a promised conference has been refused, projects delayed, public information is inadequate, and funding for community groups is curtailed.

Why does the Cabinet refuse to make a decision on this important matter? Why did the Prime Minister once again break his commitment to Canadians?

* * *

PUBLIC SERVICE

INTRODUCTION OF SELF-FUNDED LEAVE

Mr. David Daubney (Ottawa West): Mr. Speaker, today marks an important day which I think many of Canada's public servants will welcome. The President of the Treasury Board (Miss Carney) announced the introduction of self-funded leave for employees of the Public Service. What that means is a new option for the hard-working government employees who serve us across the country. It introduces a new freedom and flexibility in the workplace.

Employees will be able to defer a portion of their regular salary to provide income during a period of what would ordinarily be leave of absence without pay. This initiative will assist the Government, as a responsible employer, in its efforts to encourage more productive, effective, and innovative management of the Public Service. Best of all, it will not cost the taxpayers one extra dime.

* * *

APARTHEID

SOUTH AFRICA—SALE OF CBC TELEVISION PROGRAMS

Hon. André Ouellet (Papineau): Mr. Speaker, I rise today to express deep dissatisfaction at the Conservative Government's failure to fulfil its commitment to impose stiff economic sanctions against the Government of South Africa.

We recently learned that CBC Enterprises is selling television programs to the South African homeland of Bophuthatswana, this in spite of the CBC's 1986 ban on program sales to South Africa, and despite repeated so-called strong statements by the Prime Minister (Mr. Mulroney) and the Secretary of State for External Affairs (Mr. Clark). This is a clear case of the right hand not knowing what the left hand is doing.

Ms. Joan Gordon, Director of the Parliamentary Service of the CBC, clearly stated the Government's confusion on the sanctions issue and I would like to quote her directly:

> We are, and in fact have sold nature programs to BOP-TV. We know that "homeland" is a synonym for government control by South Africa. What was said in the newspaper reports—that's true. We are not aware that we have been doing anything wrong."

Here we have a clear indication that an incompetent Government has no idea what its official agencies are doing. I call on the Government to clean up its act by ensuring that economic sanctions are applied throughout all areas of

Government, and to stop exporting products of CBC Enterprises to South Africa.

* * *

IMMIGRATION

BOGUS REFUGEE CLAIMS—IMMEDIATE REJECTION ADVOCATED

Mrs. Pauline Browes (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, any attempt to use an amnesty to clear the backlog of refugee claims must be completely rejected. The solution to the thousands of backlog claims is not a free ride but a better refugee system. We want a system where bogus claims are immediately rejected and where legitimate refugees are given the help they need.

Over 70 per cent of refugee claims made in Canada are groundless. Yet under our current refugee determination system each claim can take years to process. We cannot allow illegitimate refugee claimants to stay in Canada simply because our system is too inefficient to process their claims.

Each claim must be examined on a case-by-case basis. Those that are not genuine refugees must be deported, and those that are must be helped. Fairness to the thousands of people who apply to come to Canada legally every year and to the thousands of refugees who need our help demands nothing less.

* * *

NATIONAL ACCESS AWARENESS WEEK

PROVISION OF SERVICES FOR HANDICAPPED TRAVELLERS

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, National Access Awareness Week for the Disabled, which is being celebrated in Canada, points out the need for many services for the disabled to ensure that they can participate in society at the same level as the rest of us. Recently federal and provincial Ministers of Tourism formally recognized the need to provide these special services for handicapped travellers. However, words are not enough.

There is one organization which has been trying to provide travel assistance to the handicapped for some time. Freedom In Travelling, a very small organization based in Toronto, has been trying to provide these services on a national basis. With no funding from federal Ministers responsible for tourism or transportation, FIT has provided consulting services, education, and assistance to handicapped travellers. I urge the Government to put its money where its mouth is. FIT and other organizations like it deserve support to get the job done for disabled travellers. We do not need just fine words; we need fine action by the Government.

S. O. 21

NATIONAL ENVIRONMENT WEEK

BAN ON NON-ESSENTIAL USE OF CHLOROFLUOROCARBONS

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, National Environment Week is now drawing to a close. Poll after poll has shown that Canadians are very aware of environmental degradation. During Environment Week they had a chance to do something about it. Tens of thousands of Canadians participated in thousands of activities from nature walks to clean car clinics, from bird counts to classroom discussions to streamside clean-ups. The focus has been on participation to ensure our common future.

The Minister of the Environment (Mr. McMillan) is to be commended for his announcement yesterday to ban all non-essential uses of chlorofluorocarbons and halons that destroy the earth's ozone layer. This goes far beyond the 50 per cent ban negotiated by 43 countries at last year's Montreal Conference on the Ozone Layer.

As Chief Seattle of the Dwamish Nation warned, "Whatever befalls the earth befalls the sons of the earth." Every action to protect our environment better is a protection of our own lives.

* * *

• (1110)

ABORIGINAL PEOPLES

RECOGNITION OF RIGHTS

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, we recently saw the sad spectacle of 200 RCMP officers descending on a Mohawk community near Montreal and, in a rather ham-handed way, trying to handle the situation in that community. Just about the same time the Government turned down a chance to negotiate land claims with the Inuit of Labrador.

If the Government refuses to consider seriously the rights of native people in this country it cannot be surprised when other means are taken. We have been warned by George Erasmus. What George Erasmus is saying differs very little from what Bishop Tutu is saying in South Africa.

Native people have legitimate rights and legitimate concerns. They have a right to negotiate their demands with the Government of Canada. If the Government of Canada does not respond to the reasonable demands of groups like the Labrador Inuit, let it be warned of the dire consequences to come.

S. O. 21

[*Translation*]

SOCIALISM

PROJECTED FUTURE FACTS

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, some good news as we approach the year 2000: John Nesbitt, author of the bestseller *Megatrends* and a credible, recognized futurologist, predicts that by the end of the year 2000, socialism will be dead, throughout the world. He says that this has already begun in Russia and also in China. We know, Mr. Speaker, that the Conservatives in England buried the socialists long ago. We know that Manitobans told the socialists what they thought of their policies that defy the laws of nature.

Socialism, Mr. Speaker, is passé in Europe and in America; it has failed in Russia and China. There is no question of Canadians voting for an obsolete, moribund system in the next election, Mr. Speaker!

* * *

MOSCOW SUMMIT

TRIBUTE TO PARTICIPANTS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, all Canadians, men and women, will want to congratulate President Reagan and General Secretary Gorbachev for this week's Summit in Moscow, not so much for specific successes as for the feeling that the two countries are learning to live together and beginning to reduce the arms race that threatens the whole world with nuclear destruction.

[*English*]

The fact that the Soviets are beginning to withdraw their miserable intervention in Afghanistan, and that the U.S. Congress has stopped Mr. Reagan from equally unjustifiable intervention in Nicaragua, are also positive signs for world peace.

Last night I had the pleasure to welcome the joint Soviet-Canadian team which pioneered a polar bridge between our two countries by skiing from the U.S.S.R. to Canada via the North Pole. I congratulate these athletes on their success, and I hope that the countries of East and West can develop more and more normal relationships of this kind based on co-operation and mutual benefit as an alternative to the destructive and costly confrontation which has proved such a threat to world peace over the past 40 years.

THE CONSTITUTION

MEECH LAKE ACCORD—SUPREME COURT REJECTION OF TERRITORIES' APPEAL

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, it was with disappointment and dismay that the people of the Northwest and Yukon Territories learned yesterday that the Supreme Court had rejected their appeal against the infamous and discriminatory Meech Lake Constitutional Accord. Apparently the Supreme Court, in this instance, is not able to protect the minority against the tyranny of the majority.

This rejection, however, will not dissuade us from pursuing our objective of securing the same political rights as southern Canadians have. The fight will continue with renewed vigour. We refuse to be relegated to the status of second-class Canadians.

* * *

IMMIGRATION

PLIGHT OF PENNER FAMILY, RANDOLPH, MAN.

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I would like to bring to the attention of the House the very tragic and serious plight of the Jake and Maria Penner family of Randolph, Manitoba. Mr. Penner is a Canadian citizen but his wife and child are recent immigrants from Mexico who came to Canada and then discovered, tragically, that their young daughter is suffering from a very unique form of leukemia.

This personal tragedy is now compounded by decisions being taken by the Department of Immigration that would deport this family back to Mexico unless they are able to come up with a $25,000 cash bond by July 11. I know from my own experience as a former Minister of Immigration that it is possible to work out dispensations to override the rules in this case and provide a humanitarian response in such specific cases.

It would seem to me that in this particular instance the House of Commons, and in particular the Minister of Employment and Immigration, should apply the best of the compassionate and humane judgment of this country to allow the Penner family to stay in Canada and their daughter to have the treatment she needs so that personal tragedy is not compounded by the bureaucratic tragedy of sending the family back to Mexico.

BANKS AND BANKING

TRANSFER OF CHEQUING ACCOUNT FUNDS WITHOUT NOTICE

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, constituent letters continue to arrive outlining incredibly insensitive actions by banks. In one case a bank savings account had only a few dollars in it. The bank commenced charging $1 a month because the balance was below $200. When the account ran out of money the bank unilaterally transferred $10 from the individual's chequing account to her savings account solely to pay the $1 monthly fee. Only after seven months did the customer find out about the $10 grab by the bank because the bank had not notified her of the fee or of the transfer. Abuses like this should be prohibited in the future.

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—ONTARIO HEALTH SERVICES LEGISLATION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, in the absence of the Minister of National Health and Welfare I would like to direct my question to the Minister for International Trade.

Will he and his Government endorse the Ontario legislation tabled yesterday which gives preference to the licensing of private Canadian non-profit health clinics in opposition to Articles 1402 and 1403 of the trade deal?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, it is highly unusual for a federal Government to be asked either to give its blessing or not to give its blessing to any piece of provincial legislation. It is a most peculiar question.

In any event, as far as I can see the Bill in question, which deals with the licensing and funding of private health care facilities, is not affected by the U.S.-Canada Free Trade Agreement. The services chapter of that agreement does not apply to health care facilities. In any event, it does not apply to government health care facilities. The only application that there is to the health care field at all would be in regulating management services for private health care facilities.

In addition to that, of course, the FTA is not yet in effect. The Bill in question does not appear to be inconsistent with the FTA. This legislation is geared toward non-profit organizations which are not covered by the agreement.

I believe that the opposition Parties in Ontario, which have pointed out that this is not in any way in conflict with the FTA or any threat to it, are quite correct in their approach. I am not going to be asked to give approval to a piece of provincial legislation. That is the responsibility of the province.

ABORTION CLINICS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the Minister should be aware that the Free Trade Agreement specifically includes a section on free trade and health management, to which he has referred this morning. Thus, the trade agreement is actually paving the way for the establishment in Canada of profit-making American clinics in everything from abortion to eye care.

Does the Minister really want the establishment of private profit-making abortion clinics to be allowed in this country under the trade agreement?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, this Hon. Member has a habit of standing up in the House and making the silliest and most outrageous statements about what the U.S.-Canada Free Trade Agreement contains. The U.S.-Canada Free Trade Agreement does not apply to the health services of this country and it certainly does not apply to non-profit health care services. It applies only to and deals only with commercial activities. That is all the agreement deals with.

With respect to this proposed provincial legislation, it is not a piece of legislation which is in any way alarming. The Government of Ontario has the right to deal with health care activities within the Province of Ontario.

There is no point in the Hon. Member beating this dead carcass. There is no crisis because of this Bill and there is not going to be any crisis because of this Bill. The Bill, as far as I can see, is not inconsistent with the FTA and the FTA does not apply to non-profit government health services and does not direct that there be any other services. It does not direct anything about how we operate our health care system in this country. The whole health care system will continue under this agreement just as it is today.

• (1120)

PRIVATE HEALTH CLINICS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, we are not talking about government health services, we are talking about the establishment of private health clinics in this country which will no longer be able to be specifically run by Canadians. The free trade agreement opens the door to American commercial enterprise coming in in the area of health management, and it has been pointed out very clearly in this particular Act.

I ask the Minister again specifically whether he really thinks that free trade in areas like eye care clinics, abortion clinics and ophthalmology clinics, is really in the best interests of this country? Or does he not recognize that we have the potential in this deal to undo 30 years of work in making a universally

accessible non-profit health care system in this country? That is what is at stake.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the Hon. Member is a veritable female Goebbels—

Some Hon. Members: Oh, oh!

Ms. Mitchell: Sexist!

Ms. Dewar: Sexist!

Mr. Crosbie: —who is continually going around this country making false statements, misrepresentations about the free trade agreement and the health care system.

Mr. Broadbent: You just called her a Nazi, fellow!

Mr. Crosbie: The free trade agreement has nothing at all to do with the health care system or any change in the health care system.

REQUEST THAT MINISTER WITHDRAW STATEMENT

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I know there are times when the Minister for International Trade gets carried away with his own rhetoric, but before I put my substantive question I want to ask the Minister if he will withdraw that ugly and abusive statement he just made about the Member for Hamilton East.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I don't want to upset the Hon. Member. I will say that the Hon. Member for Hamilton East is not a female Goebbels, she is an Hon. Member who continually makes false and misleading statements about the free trade agreement and the national health care system.

Mr. Deputy Speaker: I am sure the Minister does not mean that the Member for Hamilton East does that deliberately, otherwise the Minister knows full well he would have to withdraw. We would like to proceed with the Member for Winnipeg—Fort Garry.

Ms. Copps: Apologize!

HEALTH CARE INSTITUTIONS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, we have at least seen the Minister recognize the error of his first statement. I think he should recognize the error of his second statement as well.

Mr. Crosbie: Have you got a question?

Mr. Axworthy: Yes, Mr. Speaker, I do have a question. I want to ask the Minister a very specific question because it concerns a great number of Canadians. In the trade agreement, in Sections 1403 to 1408, it clearly outlines that the agreement covers the management of health services in such things as rehabilitation hospitals, homes for the physically handicapped, ambulance services, blood banks, laboratories and a whole series of others. There is a whole list of these under the Occupational Services Act. Yet the Minister keeps denying there is any involvement.

With respect to this part of the agreement that specifically mentions these various important institutions, which are private institutions and which are now covered by the agreement, is the Minister now forswearing or denying or retracting or retreating from the position of the Canadian Government when it signed this agreement? In other words, are we to understand that this part of the agreement no longer is valid? And does he intend to communicate that to the American Government?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, let me repeat the situation. The U.S.-Canada Free Trade Agreement does not govern or relate to government health care services, nor does it relate to non-profit health care facilities. Its only connection to the health system at all would be in regulating management services for private health care service. If a Government or someone wants to offer the possibility of carrying on management services for private health care systems and they want to regulate that, then it should be done in a fair manner. But that is only with non-profit management of a private health care facility.

The particular piece of legislation introduced by the Province of Ontario yesterday, as far as I can see, is not objectionable in any way with respect to the free trade agreement. Any attempt to allege that it is, is only an attempt to pretend that some province is defying the free trade agreement. The free trade agreement is not in effect yet but this particular legislation does not appear to be inconsistent with it in the least.

* * *

THE ECONOMY

GOVERNMENT INTEREST RATE POLICY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of State for Finance. Yesterday the Minister described the Government's interest rate policy as being a policy of moderation. Following that statement the chartered banks of Canada made a full half percentage increase in their prime rates. Newspapers from all over Canada that have arrived in Ottawa this morning, whether from Montreal, Toronto or Ottawa, all have, as part of their headline stories, "Highest Interest Rates in Two Years".

Does the Minister stand by the statement he made yesterday that the Government of Canada has a moderate interest rate policy?

Hon. Tom Hockin (Minister of State (Finance)): Yes, Mr. Speaker, I certainly do stand by that statement. The Hon.

Member's suggestions yesterday and, by implication, this morning, are to ask this Government to have a very relaxed monetary policy at a time when our economy is growing faster than it has ever grown before in recent memory. We have business investment up and consumer demand up. We have a very strong demand pull inflation.

The Hon. Member wants us to relax our monetary policy. It is a little like being in the woods in a log cabin and you have enough wood to get you through the year. The Hon. Member would pile all the wood on the fire in the first week and burn the cabin down. What we want to do is have a moderate monetary policy that takes us through the whole year and into further economic growth in the years ahead.

EFFECT ON PRAIRIE AND ATLANTIC REGIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, it just happens that every Premier in the country disagrees with the Minister. The Consumers Association disagrees. The Manufacturers Association disagrees. You name it, they are all on one side and the Minister is on the other.

Yesterday the Minister used another quaint metaphor of the pipe. He said, in justifying the high interest rate policy, that there is too much heat running through the pipe of the economy. I think Canadians in western Canada and in Atlantic Canada would like to be able to see where this pipe is in their part of the land. Could he tell the people on the Prairies, who have the worst drought in 40 years and who are going to have this policy inflicted on them, where they can find this overheated pipe on the Prairies, or in Atlantic Canada? Where is the economy overheating? And what is the Minister going to do for those regions that still have unacceptably high unemployment levels that he is whacking once again with his high interest rate policy?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I remind my hon. friend again that he quotes the provincial Premiers on this question but he does not quote them very often when it comes to Meech Lake and free trade.

Mr. Broadbent: What do you mean "Meech Lake"?

Mr. Hockin: Yes, but on free trade in particular you do not quote them. So your quotation of them is very selective.

The Hon. Member knows that we have all sorts of regional economic programs in place that are going to address specific regional needs. We have the Western Diversification Fund, the Atlantic Opportunities Agency, the Western Energy Accord, the Atlantic Energy Accord. We have one regional program after another, together with something further about which the Hon. Member needs to be reminded. We have very strong prices for commodities in the regions, be it raw fish, aluminum, copper, or pulp and paper. That, too, has to be moderated and that is in the interests of the regions about which the Hon. Member speaks.

[*Translation*]

POSITION OF MINISTER AND OTHERS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister knows perfectly well the Government did not increase its budget for regional development. For instance, it has not earmarked enough funds for development in the West and the Atlantic provinces. My question is quite straightforward, and I agree with the points raised by the premiers about interest rates. That is why I am quoting the premiers. My question is, why are the premiers wrong, why are consumers wrong, why are agricultural producers wrong, and why would this Minister in this Tory Government be right, while the rest of the world, while the rest of Canada takes an entirely different view?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, why would we need the kind of monetary policy the Leader of the New Democratic Party proposes? This policy completely ignores the threat of inflation. It is a policy for the short term, it is a dangerous policy and it is a policy the Government cannot support.

* * *

• (1130)

[*English*]

ABORIGINAL PEOPLES

LAND CLAIMS OF LABRADOR INUIT

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development, or his Parliamentary Secretary. If they are not here to answer then perhaps the Minister for International Trade would like to answer.

My question concerns the fact that the Government of Canada has recently turned down a Memorandum of Understanding with the Government of Newfoundland that has been in place for a year that would see the start of land claims settlement for the Inuit of Labrador. This comes on the heels of an ugly incident we saw in Montreal in which 200 RCMP officers descended on a Mohawk reserve.

Is it the intention of the Government of Canada to allow the ticking time-bomb of native rights in Canada to deteriorate to ugly situations? Or is the Government prepared to sit down to negotiate with reasonable groups which have legitimate demands and legitimate rights? If that is the case, why will it not sit down to negotiate now the land claims with the Inuit of Labrador?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the hon. gentleman was a member of a Government that was in office for quite a long period of time while these same Labrador Inuit were there in Labrador formulating and putting forward their land claims. He might well like to

explain to the House why there was no progress whatsoever while he was there.

The Department of Indian Affairs and the Government are prepared to deal with the claims in Labrador, and to sit down, of course, with the people involved whenever it is reasonable and there are good prospects that some progress can be made in settling these particular claims. However, it has to be co-ordinated with the Province, as the hon. gentleman knows.

In addition, the Government of Canada is spending very considerable sums of money under agreements in all the territory that is lived in by these particular natives of Labrador. We are going to continue that.

There is a program under way this year to improve and expand the airport facilities along the coast, including, I think it is, Williams Harbour. I am sure the Hon. Member is pleased by that.

Mr. Rompkey: Yes, except that there are no Inuit in Williams Harbour.

I want to say on behalf of my Party that we funded land claims research. There was a document entitled: "Our Footsteps are Everywhere" which was funded by the Government of Canada when this Party formed the Government. Our record on land claims is very clear.

Some Hon. Members: Hear, hear!

REQUEST THAT GOVERNMENT NEGOTIATE SETTLEMENT

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, what I want to ask is this. Is the Government prepared to go beyond rhetoric? Rhetoric for native people is not enough any more. They want action. They are not prepared to wait forever.

Will the Minister of Indian Affairs go to Labrador, sit down with the Labrador Inuit, listen to what I consider to be reasonable demands, and try to negotiate a land claims settlement now? We do not want airports. We want land claims settled.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, it is an interesting statement that the hon. gentleman does not want airports for his district—

Mr. Rompkey: We have the airports.

Mr. Crosbie: —or improvements to the airports in his district.

The hon. Gentleman says that rhetoric is of no use, of no concern, and of no value. If that is the case then why is the hon. gentleman getting up in the House with his kind of dramatic rhetoric?

Mr. Axworthy: It's called Question Period.

Mr. Crosbie: Does he think that this will achieve anything? I agree with him, specious rhetoric will get no one anywhere.

Mr. Broadbent: You are living proof.

* * *

THE ECONOMY

INTEREST RATES—WESTERN DROUGHT

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I have a question for the Minister of State for Finance. I am sure the Minister is aware that in western Canada what we have now shaping up is the worst drought in 40 or 50 years, the worst natural disaster we have seen for a long, long time.

On one hand we have a drought which is an act of God. On the other hand we have increasing rates which are an act of Conservative callousness. I want to know how the Minister can justify higher interest rates for the farmers of western Canada when they are suffering from a drought like they are suffering from right now?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I am not entirely sure that there is a question in the middle of all that.

Let me say to the Hon. Member that NDP policy toward monetary affairs and inflation would lead to such a burst of inflation in the short term that that would be a disaster far worse than the one of which the Hon. Member speaks. What we are trying to do is to control the process and to moderate inflation.

GOVERNMENT POLICY

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, the Minister said earlier today that the economy is growing at a faster rate than ever before. Yesterday in the House of Commons he said that we are protected by very high commodity prices.

I want to know how he can justify that when western farmers are suffering from low international commodity prices, where the economy is not going very well, where provincial deficits are escalating, and when the inflation rate is actually very low. How can he justify that to western farmers? Are we to expect a continuing policy of callous Conservative high interest rates?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, week after week the Government is proposing programs to help the farmers of western Canada, such as programs with respect to stabilization, crop insurance, western grains, as well as the program announced last week. We are very proud of that.

TAX REFORM

REQUEST THAT DRAFT LEGISLATION BE WITHDRAWN

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Acting Minister of Finance. Now that the Canadian Bar Association and the Canadian Institute of Chartered Accountants have confirmed my criticism of April 20 that the draft legislation on tax reform—300 pages of arcane language, with new measures—is the most complex tax legislation ever devised, will the Minister withdraw it and produce a simplified version that Canadians, including tax professionals, can understand and comply with?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I am glad to have the opportunity to respond to that particular point. I have to tell you, Mr. Speaker, that this House understands that the simplest tax system in the world is a flat tax system which is also the least fair system. In fact, fairness does not always mean total simplicity. Fairness means that distinctions have to be made.

Let me just relate something further to the Hon. Member with regard to this matter. For example, we have fewer rates now in the income tax system. As a result of that people will be able intuitively and in an understandable way when they earn their wages to know what their tax level is. If there are 17 different wage rates and tax rates and so on, one never quite knows where one stands. Fewer tax rates are one of the most important elements of simplicity in tax reform. It is there and it is not acknowledged properly, I believe, in the report of the CICA and the Bar Association.

Also, I have to make this point. We have a number of complicated rules, which is true, for pension adjustments. However, if we take a crude approach to retirement savings and a crude approach to savings for pensions and make it simpler, we become unfair in the process. What we have to do in order to be fair is to reflect the different conditions of different people. That is what we have done through tax reform.

PENALTY FOR LATE PAYMENT OF TAX INSTALMENTS

Miss Aideen Nicholson (Trinity): Mr. Speaker, the Minister talks about fairness as being somehow opposed to simplicity. I should have thought that it was possible to do both.

Among the new proposals which were not disclosed in earlier tax reform hearings is one to impose an extra 50 per cent penalty on late instalments. As you know, Mr. Speaker, the people who pay their tax by instalments are mostly retired people or people who are out of the labour force.

Can the Minister explain, in view of his concern about fairness, why his Government decided on such harsh treatment for retired taxpayers or unemployed taxpayers?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I am not entirely sure I can let the Hon. Member's comment about fairness and simplicity being the same thing rest the way in which she put it. I ask her this. When savings are made for retirement, for example, and people are in different situations, would the Hon. Member give them all the same tax treatment, which would be simpler, but which would not be more fair?

The point I am trying to make to the Hon. Member is that if she wants to be fair we have to make some distinctions. That is what we have done through tax reform.

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TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—ONTARIO INDEPENDENT HEALTH FACILITIES BILL

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I would like to go back to the Minister for International Trade on Ontario's Independent Health Facilities Bill. This Bill states in Clause 6(3) that in spite of any international treaty, licensing which takes place under this Bill for these private—not government—health facilities will give preference to non-profit Canadian controlled facilities. It is a direct contradiction, not to the section of the accord that the Minister noted, but to chapter 16 on investment which clearly indicates that national treatment is to be applied to any new establishment of an enterprise in this country by Americans or Canadians.

• (1140)

In view of these facts, why does the Minister think that he is not on a direct collision course with the Province of Ontario over this Bill?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I believe that we are not on a direct collision course with the Province of Ontario with respect to this Bill, for the exact same reasons that Mr. Robert Rae, Leader of the New Democratic Opposition Party in the Ontario Legislature, believes that we are not on any collision course. The Ontario legislation does not conflict with the Canada-U.S. Free Trade Agreement. The Canada-U.S. Free Trade Agreement does not apply to the health services field. It does not apply to non-profit organizations. It applies only to profit-making or commercial operations between the two countries.

As far as I can see, as far as we can see, and from what we know about it, this legislation does not trouble us. It is not in conflict with the Canada-U.S. Free Trade Agreement. It deals with the licensing and funding of private health care facilities, and gives a preference to proposals from Canadian non-profit organizations. If they wish to do that, they can do it. That is the position.

I agree with Robert Rae that there is no conflict. There is not any great conflict between this piece of Ontario legislation that has been introduced and the Canada-U.S. Free Trade

Agreement which to date is not in effect, but we hope with the co-operation of Members opposite that it will be in effect by January 1, 1989.

NEW BUSINESS ENTERPRISES

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, this Bill makes quite clear that it applies specifically to those parts of the health care services which are provided outside the public system of health care provision in the Province of Ontario. Therefore, what is in the section on investment obviously has to apply to it.

I ask the Minister the following question. Is he therefore saying to his friends in the United States that the section on national treatment in chapter 16 on investment, which states that each party must provide the same treatment to the establishment of new business enterprises located in each other's territory, is false, and that that statement is no longer something that Canada will live with?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, this is the same question asked again. The hon. gentleman refers to my friends in the United States. I trust that the United States and Americans are friends of all Members of this House.

Some Hon. Members: Hear, hear!

Mr. Crosbie: I do not know of any Member of this House who considers himself to be an enemy of the United States of America. We live with Americans in peace and harmony, and we depend upon them for 77 per cent of our exports. That is why they are very important to us in commercial senses as well.

When the hon. gentleman attempts to intimate that somehow there is something wrong with me and my friends in the United States, I trust he will confirm that he has friends in the United States who have invested $8 billion in the town of Oshawa and created tremendous prosperity for the people of Oshawa, represented by the Leader of his Party.

* * *

[*Translation*]

TRADE

OPPOSITION TO FREE TRADE AGREEMENT—MINISTER'S POSITION

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, my question is directed to the Minister for International Trade.

On Wednesday, June 1, 1988, Thorne Ernst and Whinney Inc., a firm of chartered accountants, published a report that revealed that 41 per cent of Canada's big companies not only intend but have decided to hire additional workers because of free trade.

My question is this: What does the Minister for International Trade intend to do to stop the false ravings of the socialist leader who is opposed to free trade?

[*English*]

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the hon. gentleman asks a question with reference to a study done by the firm of Ernst and Whinney, a survey that confirms that Canadian business strongly supports the free trade arrangement, and is confident that it will increase production and employment in Canada. That backs up studies done by the Conference Board, the C.D. Howe Institute, the Economic Council of Canada, and the Canada West Foundation.

The study did note that only 27 per cent of those surveyed had done studies of the impact of free trade on their firms. That is what makes it so important that we go forward with our campaign which includes the studies we are now doing on Canadian industries and the opportunities that await them in the United States, that we have the seminars and conferences across the country that we are planning, and that we have the advertising campaign that we are planning, in order that Canadian businessmen will know where the opportunities lie for them in this agreement.

I end, Mr. Speaker, by pointing out that the Association of Consulting Engineers of Canada fully supports our enabling legislation and calls on the Members of the House to give it swift passage both in the House of Commons and in the Senate.

Let's get with it!

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF UNITED STATES SECRETARY OF COMMERCE

Mr. Deputy Speaker: I wish to draw to the attention of Members the presence in the gallery of Mr. C. William Verity, the United States Secretary of Commerce.

Some Hon. Members: Hear, hear!

Mr. Crosbie: Let the record note that Mr. Broadbent clapped.

Some Hon. Members: Oh, oh!

AIR SAFETY

SECURITY CLEARANCES FOR AIRPORT EMPLOYEES

Mr. Sergio Marchi (York West): Mr. Speaker, in the absence of the Minister of Transport I direct my question to the Deputy Prime Minister. It concerns the security problems at our airports which continue to plague the Conservative administration.

Today *The Globe and Mail* revealed that more than 7,000 aircraft employees such as baggage handlers, those loading aircraft, checking attendants, and security guards, including 10 per cent of all employees at the Pearson International Airport in Toronto, are performing these very sensitive tasks without the mandatory security clearance from CSIS.

How can Transport Canada justify and permit such a significant portion of its airport personnel working in these sensitive areas without the necessary security clearance, which clearly jeopardizes the safety and confidence of the travelling public? Will the Government immediately move to rectify this very unacceptable and dangerous practice?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I can tell the Hon. Member that there is a serious backlog in the security screening procedures. The Department of Transport and CSIS individuals are working very vigorously to overcome this problem.

I am advised that, while this backlog exists, there are no serious security problems as a result of it. I take the Hon. Member's representation, and I assure him that this matter is being addressed on a very urgent basis.

CSIS SECURITY POLICIES—GOVERNMENT POSITION

Mr. Sergio Marchi (York West): Mr. Speaker, I thank the Deputy Prime Minister for the answer, but I beg to differ with the suggestion that there is no security threat to the travelling public. This latest compromise in security at airports is not an isolated incident. Temporary passes without the security clearances are as valuable as phoney dollars; there is no substitute for the real thing.

The Director-General of Security Screening at CSIS, Mr. Ian MacEwan, stated: "In the general security context if a person needs a security clearance for his job, he shouldn't be doing it without one".

In light of these serious comments by an official of CSIS, why is the Government permitting Transport Canada to violate the security policies established by CSIS and contravene its own transport policies by granting temporary passes to airport employees who have not been security cleared? In this review, will all resources be allocated to provide the required security at airports by its employees, and rid the backlog at CSIS by providing either the personnel or financial resources in order to be on the safe side rather than sorry?

• (1150)

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I believe the Hon. Member is aware that this Government has provided a beefed up security system at all airports in Canada and has provided considerable new resources in terms of person-years and funding. It is something in the order of $63 million.

I believe the CSIS individual was referring to the long delays in the security clearance process. I do not think it was his intention to alarm people unduly and that point was clearly made.

There is a serious problem and I can assure the Hon. Member that CSIS officials and the Department of Transport are working vigorously to clear up that backlog. Let me assure him and all Hon. Members that security has been, is, and will be one of our top priorities in terms of travel for Canadians and others who visit this country. That is our clear objective.

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HEALTH

FOOD IRRADIATION REGULATIONS

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, my question is directed to whomever in the Government is speaking about food irradiation today. The Director General of the Food Directorate of the Health Protection Branch has told the Canadian Institute of Food Sciences that regulations changing food irradiation from an additive under the Food and Drug Act to a process will be published soon.

The Minister of National Health and Welfare asked the Standing Committee on Consumer and Corporate Affairs to investigate that very question. Given that it unanimously agreed that the Minister should leave irradiation as an additive until further studies involving the public and the scientific community could be carried out, will the Government tell us why the Department is acting against the advice of that committee?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, when that committee reported, it asked for a response from the Government. The Government made that response. It is in the record and the Hon. Member can look it up.

MONITORING SYSTEM

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, the official also indicated that record keeping would be used as a method for preventing the re-irradiation of foods. Since no test exists to identify irradiation, how will the Minister prevent a repeat of the British experience earlier this year where the monitoring became so farcical that the United Kingdom finally banned the irradiation of food altogether?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I cannot comment on what errors might have been made in other jurisdictions. Whatever lessons are available to Canadian officials will undoubtedly be taken into account.

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DISARMAMENT

MOSCOW SUMMIT MEETING BETWEEN U.S. AND U.S.S.R. LEADERS

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, my question addresses itself to the Secretary of State for External Affairs. Although the Moscow Summit apparently failed to come up with a strategic arms reduction treaty, from the Canadian perspective was anything accomplished there that would contribute to achieving world peace?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, a great deal was accomplished at the Summit between President Reagan and Mr. Gorbachev. There has not been the conclusion of a START treaty yet. As the Hon. Member knows, that is the number one priority in the view of the Government of Canada.

However, significant progress was made on that question and on the signing of verification protocols that will allow the ratification of other important arms control agreements. We are continuing to make steady progress toward effective regimes of arms control. That has been highlighted and given real impetus by the meeting in Moscow between the President and Mr. Gorbachev.

[*Translation*]

DISARMAMENT—CANADA'S ROLE

Hon. André Ouellet (Papineau): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. The Minister is aware that the United Nations' third special session on disarmament has started in New York. Considering the progress, as the Minister just mentioned, that has been made in reducing intermediate range nuclear forces, could the Minister inform the House whether he expects any progress in other areas, in the short term, and could he also inform the House about the role Canada will play during this very important session?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I think we have now started making some real headway on arms control and the establishing of effective systems. The UN meeting is an important stage in this process. Ten days from now, I will have the privilege of speaking for Canada in New York. Canadian experts are now involved in developing procedures to implement certain agreements which have now become possible as a result of the Summit in Moscow, and Canada wants to continue to play a role in areas where we can make a constructive contribution.

SMOTHERING OF ARMS—GOVERNMENT POSITION

Hon. André Ouellet (Papineau): The Minister knows perfectly well that eliminating intermediate range nuclear forces will be absolutely useless if new techniques are developed as a substitute for the missiles that are about to be dismantled. When the Minister makes a speech on June 13, will he, speaking on behalf of Canada at the UN special session, propose an arms suffocation strategy like the one suggested ten years ago by former Prime Minister Pierre Trudeau?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, what we would like to do, and considering the constructive differences in the present situation—there have been many changes in attitude among the superpowers and changes in the international situation with respect to arms control. That is something we must consider. We must maintain a constructive role in the present context. I am prepared to consider any suggestions the Hon. Member and any other Members of this House may wish to make, and I believe that our main concern is to continue to play a constructive role in the present situation.

* * *

[*English*]

CITIZENSHIP

DELAY IN APPROVING APPLICATIONS

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, my question is directed to whomever in the Government is speaking on citizenship.

Given that the Government is surely aware of the delays, now running eight months and upwards, in getting citizenship approvals through the system, why is it allowing this situation to persist, whereby new Canadians are denied their voting rights and the emotional gratification of Canadian citizenship by virtue of the Government delays?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, the Government is not delaying this. As the Hon. Member knows, we have extended the celebrations about citizenship since we have been in office. We are as concerned about the delays as the Hon. Member.

I know how important it is for the people who have come through our immigration process to become citizens. At this moment we are considering some changes in our regulations regarding citizenship, but in the meantime we will deal with the delays as best we can. It is certainly not willful.

REMEDIAL ACTION

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, my supplementary question is directed to whomever speaks for the

Solicitor General. What action is being taken in that Department to remedy this unacceptable situation caused by the delays in security clearances?

Mr. Murray Cardiff (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, we have doubled the number of people responsible for clearing the backlog. Hopefully we will soon see an improvement in this area.

Mr. Deputy Speaker: There will be two questions by the Member for Glengarry—Prescott—Russell and one question by the Member for St. John's East.

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THE ECONOMY

INTEREST RATE LEVELS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Minister of State for Finance. It concerns the increase in interest rates yesterday.

How can the Minister justify the increase in interest rates from 9.17 per cent to 9.49 per cent, which resulted this morning in banks increasing their five-year mortgage rate to 11.75 per cent? That creates a real interest rate of some 8 per cent. How can the Minister justify having real interest rates that are, in fact, higher now than they were in the depth of the economic recession?

• (1200)

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I am astonished that the Hon. Member would take us back to that period. That was the period when interest rates were over 20 per cent. The Liberal Government had terrible problems conducting any monetary policy at all during that period.

This Government wants to control the very, very strong rate of growth in Canada so that it does not get out of hand in an inflationary sense, and that is what we are doing.

Mr. Boudria: Mr. Speaker, I am very glad the heat is running through the pipe of the Canadian economy, as the Minister said yesterday, in his part of the country. In the part of the country from where I come and from where many of my colleagues come, that is not the case yet.

[*Translation*]

DISADVANTAGED REGIONS—GOVERNMENT POSITION

Mr. Don Boudria (Glengarry—Prescott—Russell): I would like to put the following question to the Minister of State (Finance). Since the Conservative Government came to power, various regional development programs such as IRDP, the Industrial Regional Development Program, have been abolished, while today, real interest rates are extremely high. How will this country's disadvantaged regions be able to work their way out of the problems they are facing today with this kind of policy?

[*English*]

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, let us think for a moment about Glengarry—Prescott—Russell and what kind of a monetary policy that region of Canada needs. It does not need a short-term, flash-in-the-pan monetary policy that keeps interest rates down and leads to an overheated economy which could lead to a situation of hyper inflation. That is not what that region needs.

Mr. Boudria: Twelve per cent unemployment is hardly overheated.

Mr. Hockin: What it needs with 12 per cent unemployment are good prospects for short-term, medium-term and long-term growth, and that is what this monetary policy is trying to do.

Mr. Deputy Speaker: The last question is for the Hon. Member for St. John's East.

* * *

INDIAN AFFAIRS

CONNE RIVER MICMACS—ELECTION OF CHIEF

Mr. Jack Harris (St. John's East): Mr. Speaker, my question is for the Minister of Indian Affairs or whomever is speaking for him today in the House.

At a tribal meeting of the Conne River Micmacs held May 3 and 4 the then Chief accepted a motion of non-confidence and offered his support to a new Chief who was then elected. A week later the Department of Indian Affairs, contrary to notions of democracy and Indian self-government, reinstated the former Chief after he occupied the offices of the band. This interference has caused serious disruption of the democratic process which can only be resolved by the Department.

Can the Micmacs of Conne River be given a clear assurance from the Department of Indian Affairs that it will respect the decision of a tribal meeting to be held in Conne River tomorrow?

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I would like to thank the Hon. Member for St. John's East for his valuable question on this difficult issue.

I have in hand a letter dated today to Chief Michael Joe stating that we understand a meeting is organized for tomorrow which is being held pursuant to the band's by-law 1-87. Proper notice has been given and a petition has been signed by at least 51 per cent of the electors. If that is correct, the Minister and the Department are prepared to accept the result of that meeting. It is requested that the letter be posted in public view for all interested parties at the meeting.

Point of Order—Mr. Crosbie

POINT OF ORDER

WITHDRAWAL OF COMMENT DURING QUESTION PERIOD

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, just so there will be no misunderstanding, I want to make it clear that I withdraw the expression that the Hon. Member for Hamilton East (Ms. Copps) is a female Goebbels. That might well be unparliamentary. In any event, I will withdraw the comment whether it is unparliamentary or not.

Mr. Deputy Speaker: I thank the Hon. Minister.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to 25 petitions, Nos. 332-4487 to 332-4509 inclusive, 332-4515 and 332-4520.

[*Editor's Note: See today's Votes and Proceedings.*]

CALL FOR RESEARCH INTO PREVENTION AND CURE OF SCHIZOPHRENIA

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have two sets of petitions, both of interest to a lot of Canadians.

The first is a petition signed by people concerned about schizophrenia, an illness which affects about 1 per cent of the population and costs Canadian society more than $3 billion annually. The petitioners desperately hope that a cure and method of prevention can be found as soon as possible through larger research efforts dedicated to schizophrenia.

They say that the research effort in Canada dedicated to schizophrenia is very small and not commensurate with the seriousness and cost of the illness in Canada and they petition Parliament to make sure that the research efforts on schizophrenia in the future will be commensurate with the seriousness of this illness in Canada.

This petition has been developed and signed by several hundred people who are related to the group of friends of schizophrenia. They are very concerned about that issue and hope that the petition will be taken very seriously.

IMMIGRATION—REQUEST FOR CLOSER CO-OPERATION WITH VIETNAM

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have another petition which is acceptable to the House. This is a petition by residents of Canada of Vietnamese origin, including many leaders of the Vietnamese community in Canada.

They petition that whereas the Hanoi Government has continued to violate human rights in Vietnam by imprisoning religious leaders, artists, intellectuals, businessmen and former officials and members of the Armed Forces of the Republic of Vietnam without trials; and whereas the Hanoi Government in their words has brutally suppressed legitimate, political opposition in Vietnam by mercilessly executing those who fought for the return of fundamental freedoms in the country; whereas the Hanoi Government has blindly wasted Vietnam's resources in the military conquests of Laos and Kampuchea; and whereas these inhuman policies have continued to force thousands of people to flee Vietnam every year. They call on Parliament to use diplomatic means to demand that the Government in Hanoi abandon its inhuman policies and restore human rights in Vietnam. They call on Parliament to maintain Canada's generous policies on refugee resettlement and family reunification. They call on Parliament to intervene with the Government of Thailand to open its arms in welcoming unfortunate Vietnamese boat people on a humanitarian basis once they have landed on its shores.

This petition was given to me at a rally of several hundred representatives of the Vietnamese community from Toronto, Montreal and Ottawa on Parliament Hill a few days ago. It is humbly submitted on their behalf.

NORTHERN TAX ALLOWANCES

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I have the pleasure of tabling a petition which was organized by Local 85 of the National Association of Broadcast Employees and Technicians of Yellowknife, Northwest Territories.

The petitioners point out that Bill C-23 was passed on December 19, 1986, substantially changing the rules related to tax treatment on housing and travel assistance benefits paid to employees in isolated posts, and whereas Yellowknife was designated as having a developed rental market and housing benefits to be valued at fair market value and that in order to establish a fair market value there must be a willing seller and a willing buyer operating in a position of equality, that apparently not being the case in Yellowknife where the vacancy rate for rental accommodation has been about zero for over a decade and that no viable developed rental market exists in Yellowknife and no fair market value can be achieved, the petitioners ask Parliament that Yellowknife be treated the same as the remainder of the Northwest Territories for the purposes of the tax treatment of housing benefits in prescribed areas.

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Girve Fretz (Erie): Mr. Speaker, I have a petition from a number of constituents in my riding. They state that nothing in the Supreme Court decision has established abortion as a right and whereas human life is a continuum from the moment of conception to the moment of death and there is no point in time between conception and the birth of the infant at which point we could say that this is not a human life. Therefore, the

petitioners call upon Parliament to pass into law legislation that will protect the life of the unborn child from conception and at all stages of development. The exception would be the extremely rare situation in which an abortion is performed in order to save the life of the mother. I present this petition on behalf of my constituents with my support.

• (1210)

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, it is my privilege and responsibility to present a duly certified petition from a number of Canadian residents pointing out that the Conservative Government had no mandate to conclude a free trade agreement with the United States and that the Prime Minister (Mr. Mulroney) promised in the course of trade negotiations that Canadian sovereignty would not be compromised, but that the trade agreement negotiated by the Government threatens the very fabric of Canada's political and economic sovereignty by removing the power of the Canadian Government to control foreign ownership, to develop Canadian energy resources in the best interests of Canadians or to equalize opportunities between the regions.

The petition points out that the trade agreement denies Canada the policy freedom to determine its own economic future and it undermines our ability to build a society distinct from that of the United States. It denies Canadians the secure access to the United States that was the key objective of the negotiations and threatens the loss of hundreds of thousands of Canadian jobs. Therefore, the petitioners humbly pray and call upon Parliament to dissolve and to allow the people of Canada the opportunity to accept or reject the proposed trade agreement during a national general election.

PROHIBITION WITH RESPECT TO KNIVES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have the honour to present a petition from a number of constituents living in Richmond, Burnaby, Port Moody and Vancouver, British Columbia. They are joining many others who have signed petitions asking that the Criminal Code be changed to prohibit the carrying of knives by citizens in public places because there has been a very high incidence of crimes including murder, robbery and sexual assault committed with knives, and this is on the increase in all major cities across Canada.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, if questions Nos. 278 and 324 could be made Orders for Returns, these returns would be tabled immediately.

Air Canada

Mr. Deputy Speaker: Is it the pleasure of the House that questions Nos. 278 and 324 be deemed to have been made Orders for Returns?

Some Hon. Members: Agreed.

[*Text*]

TASK FORCE ON PROGRAM REVIEW

Question No. 278—**Mr. Nystrom:**

1. For each of the reports of the Task Force on Program Review (Nielsen Report), which recommendations (*a*) have been rejected (*b*) have been accepted (*c*) remain under review and, in each case, for what reason?

2. With respect to the recommendations which remain under review, on what date is a decision anticipated?

Return tabled.

DIOXIN LEVELS

Question No. 324—**Ms. McDonald (Broadview—Greenwood):**

In 1987 and 1988 to date, to the knowledge of the Government, were any measurements taken of levels of dioxin in waters or in flora and fauna in the vicinity of pulp and paper mills and, if so, in each case, what were the results?

Return tabled.

[*English*]

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

Mr. Deputy Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

AIR CANADA PUBLIC PARTICIPATION ACT

MEASURE TO ENACT

The House resumed from Wednesday, June 1, consideration of the motion of Mr. Mazankowski that Bill C-129, an Act to provide for the continuance of Air Canada under the Canada Business Corporations Act and for the issuance and sale of shares thereof to the public, be read the second time and referred to a legislative committee; and the motion of Mr. McDermid:

That this question be now put.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I welcome the opportunity to make a few remarks on Bill C-129, the semi-privatization of Air Canada Bill.

The Bill provides that up to 45 per cent of Air Canada's shares are to be sold on the market with the Government retaining 55 per cent, with the understanding that the Government's 55 per cent will be voted in accordance with the decisions made by the 45 per cent that are held privately. There are supposed to be guarantees in the Bill that will

protect jobs and pension benefits of employees. There are supposed to be guarantees that the major Air Canada centres of Montreal, Mississauga and Winnipeg will be maintained and that no individual can own more than 10 per cent of the shares and that no more than 5 per cent of the shares can be foreign owned.

Looking at this legislation, I find that there are three issues I want to discuss. The first is the question of the betrayal of trust. Second is the ideology of privatization that this sale represents. The third is the specifics of the Air Canada sell-off itself.

First, let me deal with the betrayal of trust. On January 15, 1985, *The Globe and Mail* reported that the Prime Minister (Mr. Mulroney) said that the CBC is not for sale and Air Canada is not for sale. The Prime Minister went on to say that there may be some persuasive arguments in the case of Air Canada, that he would take a look at it, but that Canada needs a national airline.

There was a very clear commitment made by the Prime Minister, followed by a minor qualification. Now we see that the qualification is taking precedence over the commitment. The people of Canada were led to believe one thing. They were led by the Prime Minister to believe that Air Canada is not for sale. Now Air Canada is being sold. This reinforces the perception the people of Canada have had for the last three years at least that the Prime Minister is a man who cannot be trusted and that he leads a Government that cannot be trusted. Why the back-benchers on the other side are content to put up with this betrayal of the Canadian trust is something that I cannot understand.

The betrayal of trust in the sell-off of Air Canada is not an isolated incident. If it were, perhaps the people of Canada could forgive it, but it is part of a pattern. The one consistent thing we have seen from the Prime Minister is this pattern of betrayal of trust.

During the election campaign of 1984, we heard about fairness in taxation. We have seen that fairness in taxation means that people who earn over $100,000 per year have some savings in taxes whereas ordinary Canadians are paying more taxes. During the 1984 election campaign and since, we heard promises about a child care package. We have yet to see the details of this package, but what we do know indicates that there will be no more spaces for child care in Canada than there would be through normal growth as indicated over the past 10 years. There is another betrayal of the promise to Canadian parents that there would be an adequate, comprehensive child care program.

There has been a betrayal of promises to the Indian people. I think specifically of the promises that were made by the former Minister of Indian Affairs, the former Hon. Member for Rosedale who has since resigned. I suppose he had a bellyful of this Government and its broken promises. He made a commitment, not only a personal commitment but as a Minister of the Government, that Indian bands would not suffer as a result of Bill C-31. He promised that there would be adequate housing and that there would be adequate financing.

The Indian Affairs Committee is holding hearings on Bill C-31 to see how the reintegration of people who lost their status through unfair legislation is proceeding. The committee has found that in fact, Indian bands are suffering and that individuals who are being reinstated are suffering. The Government has not lived up to that commitment that was made on its behalf by the former Minister of Indian Affairs.

The latest example is that the Minister of Communications (Miss MacDonald) promised that there would be legislation dealing with film distribution in Canada. It was supposed to be released on June 1. However, the Prime Minister, probably with Jack Valenti breathing over his shoulder, interfered so that the press conference was cancelled. The Minister even thought of resigning on a question of principle. It would have really been something for this Government if a member of the Cabinet had actually resigned on a question of principle. However, the Minister thought better of it and she is now doing the Prime Minister's bidding. The changes the Prime Minister's Office wanted in that legislation are being implemented. I do not know what those changes were, but I am pretty sure that they will not result in better legislation that will provide a better deal for the Canadian film industry. That is one thing I am pretty confident of.

These failures of the Government to fulfil commitments are bad enough, but they pale in comparison to the direct breaches of promises made by the Government. For example, during the 1984 election campaign, the Prime Minister made a great event out of Liberal patronage. Certainly the people of Canada were sick and fed up to the teeth with the long record of Liberal patronage. The Prime Minister promised that there would be a different approach to Government. We have not seen a different approach. We have seen that instead of Liberal pork-barrel patronage, there is Conservative pork-barrel patronage. It is just as bad and it is very difficult to tell the difference.

• (1220)

We heard many times from the Prime Minister that our social security programs were a sacred trust. That phrase has almost become a euphemism for breach of trust. The people of Canada have become so used to hearing him talk about a sacred trust that they know it means just one more area where he is going to break his word. Even the Prime Minister has got the message and he is not using that phrase anymore. It is kind of like the way people used to talk about a financial crisis. Then they had such serious crises that they did not talk about crisis anymore, they began to talk about depression. The idea of a depression did not sound quite so bad as a crisis. Then we had the Great Depression of the 1930s and we tried not to talk about depressions anymore.

The Prime Minister talked about social security programs that were not going to be touched, then we saw him attempt to deindex Old Age Security. We had senior citizens at the front door of Parliament calling the Prime Minister to account and accusing him of things I would not dare accuse him of in this House because it would require unparliamentary language. We saw the Government force through deindexation of family allowances at a time when we have unprecedented poverty among our children.

Air Canada is just one more example of this breach of trust. In 1983, when the Prime Minister was running for the leadership of the Conservative Party, he very clearly indicated that Canadians rejected free trade in 1911 and they would reject it again in 1983. He said free trade was not what he wanted. He did not mention it in the 1984 election, so presumably he was opposed to free trade. Then, suddenly in 1985, he begins negotiations with the U.S. and we have a whole process—

Mrs. Mailly: Point of order, Mr. Speaker. I am just wondering what Bill the Hon. Member is debating. I thought it was Air Canada. He seems to be talking about everything but the Bill.

The Acting Speaker (Mr. Ellis): We always look for relevance but in a case like this the Hon. Member has only about seven or eight minutes left and I think we can put up with whatever comes for that period of time.

Mr. Manly: This is directly relevant to the issue because we were talking about the record of breach of trust of the Government. Air Canada is only one more example, and the people of Canada do not see it as an isolated example. He broke his word on free trade. He broke his word on film distribution. He broke his word on fairness in taxes. He broke his word on child care. On one thing after another the Prime Minister and the Government have broken their word. This is a Prime Minister that cannot be trusted by the Canadian people. He leads a Government that cannot be trusted. That is the point I have been trying to make and I am glad the Hon. Member finally understands it.

The Acting Speaker (Mr. Ellis): The Hon. Member could try the patience of the Speaker by continuing in that vein for the rest of his time.

Mr. Manly: Mr. Speaker, I do not wish to try your patience. I think I have made the point.

I want to go on and ask why the Government is pushing through this privatization program, not only of Air Canada but of other Crown corporations as well. The fact is we are not dealing here with any pragmatic approach. We are not dealing with the fact that some Crown corporations may have outlived their usefulness or perhaps the time has come for the federal Government to get rid of its responsibility. For example, the Northern Canada Power Commission was one Crown corporation where it made sense for the federal Government to divest itself of its responsibility. Yet here we are dealing not with any pragmatic decision but rather something based strictly on ideology, a wholesale selling off of resources built up by the Canadian people over a number of years. It is the mentality of the bargain basement and used car lot. Everything must go.

I come from British Columbia where we have a soul mate of the Prime Minister for a Premier, Bill Vander Zalm. He wants to privatize everything. He wants to privatize maintenance of highways. He wants to privatize our hospitals. Our Prime Minister is also the soul mate of Margaret Thatcher of Great Britain. This is the approach of even Augusto Pinochet of Chile. He wants to privatize and sell off the national airline of Chile. That is what we are doing here in Canada.

Last July the Fraser Institute, the right wing think tank from British Columbia, if you can use the word "think" for people who simply rearrange their right wing prejudices, held a conference on privatization and outlined a strategy for privatization. They said when selling Crown corporations, sell significant amounts of stock to non-traditional investors. Among other advantages, this makes privatization politically popular. It also makes renationalization by future Governments more difficult. Of course, that is what happened in British Columbia with the sale of BCRIC. Those resources are gone forever, as the Hon. Member for Surrey—White Rock—North Delta (Mr. Friesen) knows. I do not know how many BCRIC shares he has—

Mr. Friesen: Five.

Mr. Manly: —but he knows how much they have sunk in value. He has five, I gave my five away.

Mr. Friesen: You gave away 75 cents.

Mr. Manly: That is right. The second strategy advocated by the Fraser Institute was to undervalue shares so that share prices immediately rise and investors make a quick profit. By allowing large numbers of people a small share in the profits they will overlook any negative social effects. Third, sell profitable enterprises first. This builds the image of success. Fourth, identify who is likely to be opposed to the privatization and buy them off. Bypass the union leadership by making an attractive share offering directly to the workers. That is very much what is happening here with Air Canada.

They also recommend identifying all possible political objections and disarming them. Build in a regulatory framework if necessary. Legislate restrictions. Allow for successor status to unions. Specify levels of service, and so on. Whether these will actually work or not is secondary to the political advantage their existence gives to the privatizing Government. Certainly we have that tactic being used in this sale.

They recommend using retail merchandising techniques to sell ideas and stocks. The Government is great at hiring people to go out and advertise whatever it is doing to make it palpable to the Canadian people. They say no lay-offs and do not talk about lay-offs. Privatize first, then after that the usual

performance procedures may take place. Finally, orchestrate the media.

Those are some of the strategies that the Fraser Institute identified for Governments that want to be involved in privatizing. Certainly we have seen that with Air Canada. It was founded 51 years ago, in 1937. Over the last 10 years its pre-tax profits exceeded losses by $379.3 million. Air Canada has been a money maker, but of course if there is one thing that the Tory back-benchers and many of the Tory Cabinet hate worse than a Crown corporation that loses money, it is a Crown corporation that makes money. When Air Canada is making money they want to sell it, they want to put it into the private sector so that private individuals can make that money rather than having it coming into the public Treasury.

• (1230)

A recent poll indicated that 53 per cent of the Canadian people oppose the sale of Air Canada. It had a very good image. This poll done by Angus-Reid showed that federal Progressive Conservative supporters are almost evenly divided on the Air Canada issue. Forty-seven per cent oppose selling it and 44 per cent are in favour. Even those people who traditionally vote Conservative, but are not necessarily as hide-bound as are some of the Conservative Members, on balance recognize that selling Air Canada does not make a lot of sense.

This is only a partial sale. Forty-five per cent is being sold with 55 per cent being left with the Government. The Government's shares will vote with the majority. In other words, the 55 per cent share which the Government is retaining in our name will not be voted in accordance with our interests. What we have here is neither fish, fowl, nor good red herring. It is a lame duck corporation and will be flying with one wing. It will be 45 per cent private and 55 per cent public, but the 55 per cent public will be non-voting shares.

We have to ask how that can possibly serve the public interest. If the 45 per cent wish to shut down unprofitable routes, the 55 per cent of government shares will simply go along with it. The public is, in effect, left holding a 55 per cent bag and has no say in it.

A year ago the Minister for International Trade (Mr. Crosbie), who is sometimes able to speak the truth when other members of the Government are not, said that it would be better to sell all of it or none of it. Of course, we are selling a little bit of it. We are selling 45 per cent of it.

The Government pretends to have it both ways. It says it wants to protect the public interest. It says that it is protecting the interests of places like Winnipeg, that servicing will continue to take place there. It says that it will protect employee benefits and pensions. On the other hand, it says that it is getting out of the business and the business will be open to private direction. This is privatization on a wing and a prayer.

What possible reasons are there for privatizing? One of them, of course, is the need for equity. Everyone recognizes that Air Canada needs new equipment and needs equity. Certainly privatizing is not the only way in which that could be done. Another possible reason is to reduce the deficit. This will not result in a significant reduction in the deficit. We are getting rid of a corporation which has in fact brought money into the Treasury.

In conclusion, it is important that all Members of this House recognize the importance of Air Canada as a Crown corporation over the last 50 years. It served the public purpose. It has been one of the building blocks of Canadian Confederation. Canada is a huge country, it stretches thousands of miles from the Atlantic to the Pacific and needs something like Air Canada to tie it together. It has served that purpose in the past and we need to have that purpose served in the future. This is not an easy country to hold together. We are talking about a new constitution for Canada. I submit that infrastructure such as Air Canada is as important in holding Canada together as is the Constitution. Yet the Government is getting rid of it.

Air Canada has set service, safety, and employment standards for the airline industry. It is responsible, not only for a financial bottom line but to serve social purpose. On that basis I do not think the Conservative arguments for selling Air Canada are reasonable, I do not think they are convincing. On the contrary, I think there are very convincing reasons for keeping Air Canada as a Crown corporation. We will continue to oppose this sell-off and sell-out.

Mr. Friesen: Mr. Speaker, I was not at all surprised at the remarks of the Member. We have heard these kinds of remarks before. They follow a general theme. They usually degenerate into attacking characters and personalities and impugning motives. That should not surprise us because, as I said, it has been a general theme. What does surprise me is that the Member is also the minister of a church. This calls to mind, in the same context, the words of John Milton who said: "The hungry sheep look up and are not fed". Mr. Speaker, pity the flock.

Mr. Manly: Mr. Speaker, I see that the Hon. Member made his comment and then did not have the jam to stay and hear a reply. If he is going to make that kind of a slurring comment, I wish he would stay to hear the reply.

Why did he not refute some of the things I said? I pointed out that the Prime Minister and the Government have breached their trust with the Canadian people. I cited specific examples. If the Member believes that it is undignified for a clergyman to say that what the Government has done is a breach of trust, I wonder what kind of truth he speaks from his pulpit.

Mr. Nystrom: Mr. Speaker, that was a very interesting exchange. It provokes me to wonder what is going in the minds of the Conservative Party with regard to this Bill. As a senior Member, Mr. Speaker, I am sure you recall that the Conservative Party has had a history of, from time to time, being fairly interventionist in the economy. I remember Sir John A.

Macdonald's national plan, his national dream. The Conservative Party, of course, started the CNR, the CBC, and the Canadian Wheat Board. It was fairly interventionist.

As the Member for Cowichan—Malahat—The Islands (Mr. Manly) pointed out, the most recent Angus-Reid poll indicated that even among Conservatives, 47 per cent oppose the privatization of Air Canada and 44 per cent are in favour of it. I really wonder why the Conservative Party had made this fundamental change in ideology with regard to public ownership. Why this move to embrace Thatcherism, this move to embrace Reaganism?

I see the Chairman of the Transport Committee sitting across the way. He is a great red Tory from Nova Scotia. I imagine that great red Tory from Nova Scotia must be seething with anger as he sits in his seat. He was sitting there with head bowed a few minutes ago. I thought he was sleeping, but he was upset. He must be extremely upset to see the direction which the boy from Baie Comeau is taking the Conservative Party in fundamentally changing this country and trying to make it reflect Thatcher's Britain or Reagan's United States. I am sure that such a dignified senior Tory such as the Chairman of the Transport Committee must be extremely angry to see what is happening to his country because of the "boy from Baie Comeau".

Could the Member for Cowichan—Malahat—The Islands comment upon why, in his opinion, the Conservative Party is straying from its roots and heritage in terms of free trade, privatization, and regulation? Why this breach from the leadership of that Party over the years from Sir John A. Macdonald, Stanfield, Diefenbaker, and Joe Clark who believed in a certain amount of public participation? Why are they changing this country in terms of privatization, with the prime example, of course, being this Air Canada Bill? It is a fundamental change. Why this Reaganism? Why this Thatcherism?

• (1240)

I wonder if the Member for Cowichan—Malahat—The Islands (Mr. Manly) has been able to psychoanalyse the mind of the Prime Minister (Mr. Mulroney) and can tell us what is happening. If that does not work, maybe the Chairman of the Transport Committee could. He has great experience. He is an old fashioned red Tory who was a great admirer of John Diefenbaker and all those other red Tories. Perhaps he could get up in the House and tell us how disgusted he is about this particular move. Or has the Member who now chairs the Transport Committee been muzzled by the Prime Minister's office? Is he one of those puppets that has been muzzled and is afraid to get up and speak his mind? I suspect that might be the case.

The Acting Speaker (Mr. Ellis): Unfortunately, the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly) has no time left because the Member for Yorkton—Melville (Mr. Nystrom) used it all up. Debate.

Air Canada

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I have a particular interest in this Bill, partly because of the importance of Air Canada to my community of Winnipeg, but also because my own experience when I was Minister of Transport brought me into a close examination of some of these issues and questions. In fact, there was a suggestion, when the announcement was first made by the Deputy Prime Minister (Mr. Mazankowski), that the Conservative Government was basing its policies on my initial objectives and goals. As I pointed out at the time, I only wish it had. I think we would have had a much better Bill and a much better presentation of the role of Air Canada if it had continued to follow the pattern and development of airline policy that we started back in 1983-84.

I would like to spend the time I have this afternoon by outlining the steps that were taken and why I think this is not the right Bill. It does not suit the purpose of proper airline development in Canada. In the summer of 1983 when I took over the Transport portfolio, virtually all major Canadian airlines were in deep financial trouble. Two of the private firms were close to bankruptcy. Air Canada had very large losses and was losing a substantial number of customers on its existing airlines. It required an immediate response.

We immediately established a series of working groups to examine what changes could be made in airline policy that would restore to the airline industry the predominant role it has always played. We kept in mind that the airline industry has a special role in Canada because of our geography, our climate and because of our dependence on trade and commerce. The exchange of people and goods by air has always been one of the important factors in allowing us to build and grow and developmemt.

That was recognized by previous Governments back in the 1930s and 1940s when they had to establish a public airline because private airlines were not prepared to undertake that task. By the time we reached the 1980s, conditions had changed radically and altered the role of the public airline. After a very exhaustive and internal examination by a number of Departments, and an examination of the American experience with deregulation, it was my judgment that one way we could stimulate further development in airline activity would be to loosen the rules. So we announced in the spring of 1984 a new airline policy that substantially changed the rules applied by the Canadian Transport Commission. We gave the airlines far greater freedom to set prices, to choose routes and to engage in a number of other initiatives that would allow them to attract customers. The frequent flyer program was a direct result of those changes in rules and regulations in the spring of 1984.

At the same time it was clear to me that if we were going to move to loosen or liberalize the airline regulatory system, we also had to look at the role of the public airline in that context. If we were to follow the American pattern of full and total deregulation, it would obviously put Air Canada into a very awkward position, together with the private airlines. It is very

difficult in a totally deregulated environment to have a public airline and private airlines competing. However, it was not my feeling that we should necessarily move toward the full deregulation because in examining the American experience, it was clear there was a number of serious problems related to that American experience. One problem was the whole question of labour relations. One of the by-products of deregulation was a severe and abusive treatment of workers. People were laid off. They lost their jobs and their livelihood without any due compensation or retraining or any opportunity to ensure that their workers' rights would be honoured or protected.

Second, there were some real concerns about safety. There is no question that by having full and open entry we were going to give an invitation to a number of airlines to come into the business without due regard for the proper accountability or safety that was required. Third, and this is a little known fact, under deregulation, the Americans had a very expensive program by which they promoted the development of smaller airlines connecting regional points. They would be prepared to subsidize in a substantial manner airlines that would provide connections to smaller regional areas in Alaska or parts of their continental expanse. That was seen by the Americans as a corollary of any deregulation atmosphere. It was a pure deregulation, in other words. There were also, I think, very severe question marks about the concentration of the airline industry.

At the same time as announcing the airline policy in April of 1984, we put forward a clear term of reference to the Transport Committee of the House of Commons to examine those kinds of questions. First, should we proceed with further liberalizing of the airline regulations? And what should be the role of Air Canada in that particular environment? Specifically that term of reference included an examination of safety, labour relations, merger and anti-competition policy, supply of services to out of place regions. We said that before any further changes would be instituted, the House of Commons Transport Committee, in keeping with the spirit of having a Commons committee engaged in policy making, should undertake a series of extensive hearings across Canada and undertake the proper research and examination and come forward with its recommendations.

Unfortunately, the election in 1984 brought that term of reference to an end. The then Minister of Transport, the present Deputy Prime Minister, cancelled that term of reference. Therefore, there has never been an opportunity in this country for Canadians to express themselves in an open and public way on these very large and serious questions related to airline deregulation and to the role of Air Canada. For the life of me, I do not understand why the new Government, when it came into power in 1984, refused to continue with what should have been an open and serious examination and inquiry into those very important questions. Instead, it retreated back into the bureaucracy, I suppose, and came up with plans for deregulation and the role of Air Canada without any form of public reference or public examination.

Therefore, those questions went unexamined and to this day are still unexamined. They have not been looked at, nor have Canadians had an opportunity to make themselves heard.

In addition, it was also my feeling that the Government of Canada, as the sole shareholder of Air Canada, had the responsibility to begin examining airline policy and Air Canada not simply in purely transportation terms, but also in large economic development terms. As a renewed and intense competition internationally, we were looking at the development of new technologies, particularly in the aerospace industry. We were certainly looking at increasing the concentration of technology in the central part of Canada, not broadly shared by other parts of Canada. One of the reference I began to examine as Minister of Transport was the question of whether the public role of Air Canada should also include its responsibility to carry with it economic development benefits. That substantially broadened the kind of framework of analysis and accounting that should be applied to that very important Crown agency.

I do not know what happened to that examination. The people of Canada spoke their wisdom in September of 1984 and I was no longer a Transport Minister, so I do not know what happened to that particular internal study we had begun to determine how Air Canada itself could become a major instrument of public policy in terms of economic development. I would suggest that the concerns we had in 1983-84 about that role were certainly exacerbated and enhanced as we saw what began to happen. The CF-18 decision was a clear example of how the aerospace industry, which could provide a major sharing of technological benefits across Canada, was in fact denied. Instead, the legitimate case for Winnipeg, proven beyond a doubt in terms of economic and financial criteria, was rejected. It was decided for political reasons to place it in the City of Montreal.

• (1250)

Similarly, the situation with Airbus is another question mark. As Air Canada now decides to replace its 727 fleet with a brand new generation of aircraft, the key questions are: "Where will the subcontracting for that Airbus be made and where will the maintenance be carried out?" Those public decisions have a great deal to do with regional development in Canada. If we simply allow the market forces to play, then what we will see happening, once more, is a concentration of that technology, of that new sort of advanced frontier level work concentrated in a very small region of Canada.

The history of Canada has been that we have not relied upon market forces to build it, but that our forefathers, and Sir John A. Macdonald at the time of Confederation, said that if it were simply up to the market, there would not be a Canada. He said that there would be a north-south economic integration with the United States. In order to have an east-west economic

union there had to be a form of public intervention. In Sir John A's day it was the railroad that did it. In our generation it may be the computer, or information systems, or the aerospace industry that does it. Nevertheless there has to be a public decision to ensure that those economic benefits are broadly and widely shared so that all of Canada becomes part of that system of new economic activity.

We come to the point as to whether those kinds of considerations were in fact brought to bear in both the deregulation initiative and the Air Canada Bill. The answer is clearly no. Nowhere in any of the speeches by the Ministers introducing these measures was there any consideration of those factors or criteria—none whatsoever. It is simply an attempt, as they say, to find ways of refinancing Air Canada, and then letting the competitive market-place take its course.

The reason I oppose the Bill is for that reason primarily. I still believe that there is a public purpose for Air Canada. There is still a very important set of public policies that can be carried out by a national airline.

This legislation, as hybrid as it may be, and as much as it attempts to say that we are going to protect the maintenance base in Winnipeg, does not say that that maintenance base will continue to provide work on the frontier of the aerospace industry. It is just as easy for that maintenance base to do maintenance work on junk aircraft, DC-3s or older jet aircraft, which will put it in the back lot of technological development.

The only way that a fair share of technology can be assured is through public policy. But if the primary carrier in the airline industry of that public policy is being taken away, then no longer can any type of judgment or guidance as to how it should be carried out be given. Similarly, it is very clear from the way that this has been handled that the Government has given no account to those concerns that were raised and should have been examined by the Transport Committee in 1984. There are still very serious safety questions related to the deregulation of our airlines.

One of the important roles that Air Canada has always played has been in providing leadership in establishing proper safety standards, ensuring that it would give the standard by which others would follow. Similarly, with respect to the question of employee-labour relations, we have been able, through public policy, to establish guidelines and standards for labour relations in the federal sector, which I think have had an important influence on all other sectors. We will lose that capacity.

Even matters such as our language policy, for which we used Air Canada as a carrier of national identity and expression, will no longer have the same ability to influence those decisions. The moment that there is one private share sold under the laws of Canada, Air Canada can no longer be used as an instrument of public policy. It can no longer be our instrument. Rules can be set that Air Canada must abide, like all other private businesses in the federal jurisdiction, but it cannot be used to demonstrate, to show example, to give a standard. That capacity is lost.

Let me deal with a further question which I think is important. We debate day after day, as you well know, Mr. Speaker, the question of trade in this House. The position of my Party has been that we should be aiming to establish Canada as an international trader and not to confine ourselves to a continental market-place. One of the crucial elements in that strategy is our capacity to establish lines of commerce, exchange and communication with countries around the world.

If we look at the airline industry, we see that it is one of the most important avenues for establishing those commercial connections. One of the reasons why we have such faltering sales in Latin America, for example, is that we have two flights a week to Rio from Canada and that is it. If one wants to travel to the Argentine or to Central America, it is a 15 hour flight from Canada, as opposed to direct flights to those areas which would open up new sales opportunities, as well as new commercial and tourist opportunities. To make that happen, a flag carrier is needed. What is needed is a public airline to establish that type of initiative. That should be a judgment of public policy. We will be dealing with an airline totally dictated by its market-place criteria, its bottom line. It will say: "Look, we can make an awful lot more money by putting our 747s on the London-Toronto run. We do not have time to open up a new line into Rio or Buenos Aires or into Malaysia". Some lines are being opened into Malaysia through negotiation. I think that that could be dictated because it is a Crown corporation and therefore has certain leverage.

What I am saying is that these Bills have been introduced in a total vacuum, in the absence of an airline policy for Canada that would demonstrate what we see as the future role and opportunity for airline travel, both domestically and internationally. There is no sense of what kind of needs we will have, or what our priorities should be, or whether we need a public airline to service those.

If we had done that examination, if we had said that there is the future of our airline industry for Canada in the next 50 years, and then done a proper examination as to what would best service that, what mixture of public or private initiatives, then we could legitimately say whether this Bill serves the purpose or not. It was done without any of that kind of judgment or analysis. So literally, to use an airline analogy, we are flying blind.

We do not know whether we need a public airline or not at this stage because the Government has never bothered to find out from Canadians. It is asking Parliament to pass an important piece of legislation that will take Air Canada out of the public sphere and turn it to the private sphere without knowing whether that is the best judgment in terms of future development for Canada or, in terms of increasing its commitment in high technology, or of ensuring that there is a fair sharing in the regions of Canada, and that we have the ability to protect ourselves abroad.

It is legislation that has no roots. It has no context. It has no framework. It is born out of a very basic and very short-term judgment that we do not have $300 million to give Air Canada to buy new airplanes so we will sell it now and get the money so that we can balance our books for the next Budget. That is not the way decisions of this importance should be taken. That is the reason why my Party and I are opposing this particular Bill.

Mr. Nystrom: Mr. Speaker, I want to ask the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) a few questions. I have a great deal of respect for the Hon. Member. He is a fellow westerner. He has a great deal of experience in politics. He was a former Minister. We have worked together on projects in the past. I want to ask him whether or not he has really changed his mind in terms of privatizing Air Canada.

• (1300)

I happened by fluke to come across a *Canadian Press* article from May 17, 1984. I am sure the Conservatives will be happy to know that the headline in the article stated: "Air Canada may be flying into the private sector". The article contained a lengthy interview with a number of people, including the Minister of Transport at the time who is now the Hon. Member for Winnipeg—Fort Garry. The lead sentence was: "Has Lloyd Axworthy hung a 'for sale' sign on Air Canada?" The article goes on to state: "Mr. Axworthy's plan to relax regulation of the airline industry has rekindled enthusiasm for putting Air Canada into private hands. Mr. Axworthy will not say whether or not he favours changing ownership of the airline, which has assets of some $2.2 billion". In the article, Mr. Jeanniot, who at that time was the Executive Vice-President of Air Canada, stated: "Mr. Axworthy would not oppose the principle of privatization".

I do not wish to read the whole article since it is fairly lengthy, but certainly in May, 1984, the *Canadian Press* was convinced that the then Minister of Transport was in favour of the principle of the privatization of Air Canada. It states in the article somewhere that the Minister is willing to have a study done and keep an open mind and see whether or not Air Canada should be sold to the private sector.

I am very happy, of course, that the Hon. Member for Winnipeg—Fort Garry is not in favour of privatization of Air Canada. Can he elaborate to the House if indeed he has changed his mind, and why he has done so?

Mr. Axworthy: It is unfortunate that the Hon. Member did not listen to my speech. I went through step by step what we did. I pointed out to him that, when we relaxed the rules setting a new airline policy in 1984, it clearly put Air Canada into a new position. I put a reference to the Transport Committee of the House of Commons asking it to examine the role of Air Canada in light of those questions on safety, competition and concentration, labour relations, and regional development. As I pointed out at the time, unfortunately the new Government when it came in in 1984, cancelled that reference.

What I was saying, and I think that I was being open and honest, was that the previous system, which, through unnecessary rules had restricted and limited the routing and pricing for airline policy, had to be relaxed. In light of the U.S. experience with deregulation it was incumbent upon us to determine exactly how we should proceed in Canada. All I did was to make an honest effort to allow Canadians to be heard on a very crucial issue.

Furthermore, I established very clear criteria as to what should be the determination. I was not responding blindly, as some of his colleagues do, against it or for it; I was saying that there are new circumstances that should be examined, Canadians should be heard, we should conduct inquiries, and if it meets some type of criteria then we would act. As I pointed out in my speech, and it is unfortunate that the Member did not listen more carefully, the Government refused to do that. None of the criteria that I have established in terms of a sharing of technology, a sharing of benefits, and a consideration about safety, have been answered. The Government has made no attempt to deal with those issues. There is no airline policy for Canada. Therefore, to privatize Air Canada without having a proper airline policy is a fool's game.

Mrs. Finestone: As my hon. colleague travels back and forth to Winnipeg has he noticed any significant change in the service offered, the length of line-ups, the time it takes to check through the baggage, or the time it takes to check through and board the aircraft? Does the Hon. Member think that privatization will add the security that is needed? Is there a withdrawal of the number of staff and people available to service the clientele?

When one listens to some of the airline employees, and I wonder if the Hon. Member has had the same feedback, there have been unconscionable cuts and not necessarily lay-offs, but the gaps have not been filled. As the Hon. Member laid out the parameters of the criteria that should have been examined by a committee of the House, which included not only the regulations but the sharing of benefits, labour relations, competition, and safety, what has the Hon. Member noticed when he has been travelling?

Mr. Axworthy: I must confess that this morning I did a quick calculation and discovered that in the last two months I have travelled back and forth to Winnipeg 16 times. With that type of frequency, my only way of coping was to shift my mind into neutral and not even recognize what was going on. That was the only way to deal with that particular vagary. It allows me to lighten up totally and once again become the refreshing and provocative Member of Parliament when I hit the ground in Winnipeg running.

Those types of questions were exactly what I had hoped we would have had a chance to examine. I find it unsettling and disturbing that those are questions that we could have found answers to. We did have the experience of other forms of deregulation or privatizing in other parts of the world that we

could have carefully examined. There was no attempt to do that.

This particular legislation is dictated far more by the Minister of Finance (Mr. Wilson) and his imperatives than by the attempt of the Minister of Transport (Mr. Bouchard) to come up with the best mixture of airline policy and the best mixture of airline services for this country. We are doing it for the wrong reasons.

The Acting Speaker (Mr. Towers): Unless I see someone else, the Hon. Member for Yorkton—Melville (Mr. Nystrom) can have the floor for the second time.

Mr. Nystrom: When the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly) rose, I stated that I thought the Conservative Party had made a very abrupt change from a historical position on public ownership in our country. It was the Party across the way that brought in things like the Wheat Board, the Canadian Broadcasting Corporation, the CNR, and other agencies of that type. Now it seems to be following the policy of Ronald Reagan and Margaret Thatcher when it comes to planning our economy and our society. I suggest that some long-time members of the Conservative Party, for example, the Chairman of the Transport Committee, are probably extremely upset with this abrupt change in direction in a vision for our country.

Can the Hon. Member for Winnipeg—Fort Garry shed some light on why the Conservative Party has made this very abrupt change? There must be some reason for it, other than blind devotion to the ideology of Margaret Thatcher and Ronald Reagan, which is importing an ideology from another country. Can the Hon. Member shed some light as to why the Conservative Party is doing this and changing the country that we have all fought so hard to build?

Mr. Axworthy: For the life of me, I have never been able to figure out why anyone is a Conservative anyway, so to try to figure out why someone thinks like one is certainly beyond my capacity. I think that would require a whole assembly of Freudian psychologists to work that particular problem out.

I should point out to the Hon. Member that it is important to remember that in the United States the deregulation policy was initiated by President Jimmy Carter. In fact, it was Senator Ted Kennedy, who was known as one of the strong left-wing Liberals in the United States' political spectrum, who initiated that through his studies in the United States Senate.

To return to my point, I do not think that we should be debating on ideological terms. The real success in Canada has been to determine how we use public Crown corporations in a pragmatic, utilitarian way. Our judgment has been: "If you need a Crown corporation, then do it." If there is a public role, a public service, and a public reason for doing it, then have a Crown corporation. If those reasons come to an end, then get rid of it. The problem is that this Bill is not using that judgment. There is no basis for making that judgment in anything the Minister of Transport or his colleagues have stated. I think it was dictated frankly and purely out of the fact that the Government does not want to spend $300 million to refinance an Air Canada fleet. That is the reason the Prime Minister (Mr. Mulroney) changed his mind. I think that the Minister of Finance simply said: "We can't afford $300 million, so sell the airline". It is as simple as that.

That is not a reason to sell one of the most valuable and important public assets in this country. Perhaps in a few years we will need a public Air Canada.

The Acting Speaker (Mr. Towers): On debate, the Hon. Minister of State for Treasury Board (Mr. Lewis).

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I wanted to point out to my colleague, who just suggested that we do not have the $300 million to buy new airplanes, that the reason for that is that the Liberals left us with such a vast deficit to deal with. Had we had a better Treasury, and had we not had a $38 billion deficit, we certainly would not be in the position of needing the money.

• (1310)

Under those circumstances, I move:

That the House continue to sit beyond the ordinary hour of daily adjournment—

Mr. Nystrom: Point of order—

Mr. Lewis:

—for the purpose of consideration of Bill C-129, an Act to provide for the continuance of Air Canada under the Canada Business Corporations Act and for the issuance and sale of shares thereof to the public.

The Acting Speaker (Mr. Ellis): Of course, the Minister had to complete the motion once he had started. I can now hear the Member for Yorkton—Melville (Mr. Nystrom) on a point of order.

Mr. Nystrom: Mr. Speaker, I was going to rise on a point of order and call for a quorum because I do not think the Conservative Party is taking this debate seriously.

The Acting Speaker (Mr. Ellis): The House has heard the terms of the motion moved by the Deputy Government House Leader. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Ellis): According to the provisions of Standing Order 9(4)(b), if 15 Members rise in their places to object, the motion is defeated. Shall the motion carry?

And more than 15 Members having risen:

The Acting Speaker (Mr. Ellis): There being more than 15 Members rising in objection to the motion, according to the

provisions of Standing Order 9(4)(b), the motion is deemed to be withdrawn.

Mr. Lewis: Mr. Speaker, I rise on a point of order. I just want to point out that government Members were prepared to stay a little later today to finish this important business, and to advise the House that the business on Monday will be Bill C-129.

The Acting Speaker (Mr. Ellis): The Minister will know that that is hardly a point of order.

Mrs. Finestone: Mr. Speaker, I rise on a point of order. I want to point out that if the Minister and the Conservative Government would get their act together he would not have to make a point of order that is not a point of order.

The Acting Speaker (Mr. Ellis): That is also not a point of order. Debate.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, before the Conservatives flee from the House, I want to remind them of the promise that was made by the Leader of the Conservative Party on January 15, 1985. He gave assurances that the federal Government had no plans to sell either the CBC or Air Canada.

Now that the Government has flip-flopped on this one, I presume the next thing we will see is its decision to put CBC on the block as well. It is shameful that a government that was elected on a platform that Canadians needed a government that people could trust and that it was a Party bent on kicking out the Liberal Government to bring in something more positive has turned around and given the country exactly the opposite.

When the Prime Minister (Mr. Mulroney) says that something is a sacred trust, we know that means the opposite. When the Prime Minister says that Air Canada is not for sale, we know now that it is not true. Whatever he says today is liable to be turned around tomorrow.

One of the basic issues in the forthcoming election campaign will be exactly that question: Can you trust the man who has been Prime Minister for the last four years? Is he to be trusted if he says in the next election that he will do something for battered wives or child benefits? You cannot trust him on Air Canada.

One of the first things his Government did after it took power in 1984 was to deindex the income tax system. Then it tried to deindex the old age pensions after the Prime Minister said that pensions and help for pensioners was a sacred trust. This gang cannot shoot straight and this gang cannot be trusted.

I am raising this because I think the Government itself has to realize just how profound is the deception, disaffection and disillusionment among Canadians since the Conservatives came to power in 1984.

There has been some improvement in terms of economic performance of our country. That has happened because of international factors and because of a spillover of economic growth from the United States. That probably would have happened under any Party in power. However, it has not affected how people perceive the Conservatives. There is some justice to their perception because people understand that whether or not there are more jobs or some improvement in certain areas of the economy, a lot more than that is needed. We need integrity in this country, we need honesty, and we have not been getting that. Instead, there has been a succession of scandals, an unprecedented succession of Ministers having to leave office under a cloud or facing various charges in the court and so on.

The public has had to shell out for expensive inquiries around members of the Cabinet. It is no wonder this has come right back into the hands of the man who leads the country, the Prime Minister.

When the Government announced in April that it intended to privatize Air Canada, it is no wonder that people responded by saying it was a betrayal. That is exactly what it is.

[*Translation*]

Mr. Speaker, personally, I have considerable doubts about the integrity and honesty of this Government, and I remember a meeting the Prime Minister (Mr. Mulroney) had with Mr. Laberge of the QFL, the first in a series of consultations with leaders of the labour movement in Canada, on January 15, 1985. When the Prime Minister met reporters upon leaving the meeting, he said: "Some people want to buy the CBC. The CBC is not for sale! Air Canada is not for sale!" Mr. Speaker, how can we trust a Prime Minister who makes statements that are completely turned around in a matter of days or months?

[*English*]

Recently there was another example of that exact question about the credibility of the Government and the kind of tawdry, sleazy government it is intent on giving to Canada. That example was the announcement made a few days ago that the Government intends to spend some $30 million of taxpayer's money on an advertising PR campaign for the free trade agreement. Some of that money has already been spent.

The Minister responsible for the trade agreement has hired the campaign manager who ran his leadership campaign in 1984 to direct this particular effort. The Minister is now jetting across Canada, going to barbecues and attending meetings, to say that free trade is good.

Until now, the campaigns have not affected the public's perception much, and people continue to say that they have grave misgivings about the trade agreement. They have even greater misgivings about that kind of misuse of public funds. They ask how the Conservatives can cough up a billion dollars to bail out some western banks, including some $300 million to foreign banks who had short-term deposits in western banks. These are not ranchers or farmers, these are not senior citizens

eking out their living in retirement on the basis of money they deposited with the Canadian Commercial Bank or Northland Bank. These are big money machines in the United States and abroad that happened to put money in short-term deposits in these two banks in Canada, knowing the risk. They were compensated.

If Air Canada needs $300 million for equipment, why could that money not have been put aside? Instead, the Government could have put $700 million into Northland and CCB and kept the remaining money to ensure that Air Canada would not be sold by a Government that claims it is starved for money.

The same Government that says it must sell Air Canada is capable of turning around and saying the defence of the Arctic in this country requires Canada to have a dozen nuclear-powered submarines at a cost it says is $8 billion but which every expert says will approach $16 billion.

• (1320)

I think you should ask the average Canadian, Mr. Speaker, whether on balance people would prefer that we have an extra submarine or that we put half or one-third of the money the sub would cost into keeping Air Canada as a national instrument and as a company that continues to be owned by all Canadians.

One thing that puzzles me about this—

Mr. Scowen: It doesn't take much to puzzle you.

Mr. Cassidy: —is how the devil can you sell to Canadians something that Canadians already own? I really wonder about that. We are not talking about broadening the ownership of Air Canada, we are talking about narrowing it.

After privatization takes place, if it does take place, then we will see a few thousand Canadians, some Americans or other foreigners who will control Air Canada whether or not their shareholding is 45 per cent or 100 per cent. There, too, we have an example of deception of the Government and dishonesty of the Prime Minister (Mr. Mulroney) and the Minister responsible, the Deputy Prime Minister (Mr. Mazankowski) and others for this particular move. That dishonesty lies in the fact that the Government is trying to maintain that the majority stake in Air Canada is kept in the hands of the Minister of Transport (Mr. Bouchard). But the Minister of Transport and the Minister responsible for this deal, the Deputy Prime Minister, have specifically announced that 55 per cent ownership will be a passive ownership and will not be voted. In other words, it will follow decisions made by the directors who were selected by the private sector shareholders. That it seems to me does not leave us in a very good position at all. It means that Air Canada's control will have effectively been sold, whether or not the majority of the shares remain in the hands of the Minister of Transport.

May I say, as the spokesperson for finance for my Party—and I want to be quite specific—that if we arrive in government in a few months' time, and there is very much a prospect of that happening, and we find that 55 per cent of the shares in Air Canada continue to be in the hands of the Minister of Transport, we will not feel bound by promises made by the Government now that that will be a passive holding which will go exactly the way the private shareholders want it to go. That is an unconscionable commitment, a commitment which no government should make. If the people of Canada own the majority of Air Canada, then they should have the right to direct Air Canada just as it is done in the private sector.

Suggestions from the private sector that because Air Canada is publicly owned it somehow acts unfairly are just plain bunkum. The Chairman of Air Canada, who favours privatization, regrettably, has strongly reacted to any suggestion that Air Canada is operating under unfair business practices. Mr. Taylor responded to a critique by CP Air saying, "It is not our size that bothers the President of CP Air, it is our skill". He added, "Our shareholding community is 25 million Canadian citizens, and a great many of them feel a direct interest in our company". I think that is important. I will come to this question in just a second about what I believe is genuinely public enterprise culture which has served this country extremely well. It would be tragic to back away from it in the case of Air Canada. When Canadians see the Maple Leaf in the circle which is the Air Canada logo, they know it is theirs.

I can remember the day 10 or 15 years ago when perhaps Air Canada had too great a market share, too much control over the markets and it was criticized. The service was not as good as it might have been. Let me point out how the service in Air Canada has improved. This airline has won efficiency, tourists, courtesy, service and safety awards consistently over the years. Its operating statistics have put it in the upper rank of airlines in North America. Air Canada is a good airline.

I want to say to Mr. Taylor and Mr. Jeanniot and all the men and women who are employees of Air Canada that as one Canadian I am proud of Air Canada. I do not think we should try to punish them by selling it off and saying we are ashamed of the contribution it has made to this country over the course of the last few years.

I would say as well that if the Government had evidence that Air Canada was overstaffed and had evidence that it was being run inefficiently, the Government has had three and a half years to use its control of Air Canada to change it. The Government could and have replaced the Chairman or President of Air Canada and brought in new management and told them to do a decent job.

At British Air about one-third of the workforce was cut before Margaret Thatcher sold the company into the private sector. There were some real staff problems, but those problems do not exist with Air Canada or, if they do, I certainly have not heard them discussed by the Government as part of its justification for the sale.

What does the Government try to maintain? It maintains that Air Canada will become an unprofitable airline unless it is

privatized. Over the last 10 years Air Canada has made profits of over $300 million. It has had profits in 10 of the last 12 years. There is absolutely no evidence that that will change. In fact, last year Air Canada's profits would have been upwards of $100 million if it had not been for a labour dispute toward the end of the year.

The Government says that unless Air Canada is privatized it will not able to replace its fleet of aircraft over the next few years because it will not be able to raise the capital to finance the move. I am not exactly sure what analogy to give to this, but let us consider the example of parents providing room and board for their son or daughter so that he or she can go to university and then turning around and saying to that son or daughter, "You have to pay for the room and board", to which the son or daughter replies, "Then I can't go to university". Parents will then blame their child for dropping out of university because he or she refuses to pay the room and board because it was not being provided by the parent in a parental role.

If I can come back to the corporate matter we, the people of Canada, own Air Canada. We own the equity of Air Canada. Air Canada has not had any equity from its owners over the last 10 years despite enormous changes in aviation internationally and nationally over the course of that period of time. Air Canada has done an outstanding job of maintaining competitiveness, of changing the way it operates, of providing competitive fares so people can fly across this country from time to time and return for $300 or $400, bringing air travel within the reach of many people who could not afford fares the way they were eight or ten years ago.

The reason that Air Canada cannot reasonably get those new aircraft is the Government refuses. The Government says it will not give it any equity, but then says Air Canada cannot compete to get new aircraft because it has no equity. Of course it has no equity because the Government will not give Air Canada any equity.

We know there was a shoot-out on this issue between the then Minister of Transport, who is now the Minister for International Trade (Mr. Crosbie), and the Minister of Finance (Mr. Wilson). Air Canada came along and said it needed $300 million in equity. The Government said no, and the Minister responsible, the Deputy Prime Minister, then went ahead with privatization. The Government created a crisis where no crisis needed to exist.

The Government, which cannot find $300 million equity, has not explored other means such as lease-backs, nor has there been any published statement about the kinds of concessional terms available from aircraft manufacturers to assist with the financing of the new fleet that Air Canada needs over the course of the next 15 years. The airline needs to spend a couple of billion dollars. It is a lot of money and some of the money has to be in the form of equity. As a New Democrat I understand and accept that. If my Party were in power, the Minister of Finance of my Party would ensure that the equity which Air Canada needs, if that is the solution, can and would be found within the budget of the people of Canada in order to allow Air Canada to remain as a national and publicly owned airline.

Let us come back to the question that if the Government can spend $16 billion or $18 billion on a number of submarines, what is wrong with keeping Air Canada in public hands? If the Government can spend close to $1 billion on a low-level air defence system which, believe it or not, will protect two military airports in West Germany as part of our NATO commitment, then why can it not come up with $300 million for Air Canada?

• (1330)

I do not believe that the entire $300 million is needed today. I have had a look at Air Canada's balance sheet. It needs some infusion of equity, but if it were assured that it could have $100 million as of July 1 and a further injection of capital in, let's say, April of next year, and the rest in March or April of 1990, that would do the job. That would ensure that Air Canada could go forward confidently and order the new aircraft it needs. That would avoid the loss of control of this airline as a consequence of the Government's short-sighted policies.

Then they say that the federal Government has overextended itself in support of Air Canada. I am not sure what they are talking about. There have not been public funds going into Air Canada. This has not been like de Havilland or Canadair. Then they say that Air Canada will become leaner, meaner and more efficient if it goes into private hands. That case has not been proved. The Chairman of Air Canada himself says that it is an efficient airline.

The Chairman and the President of Air Canada say that Canadian consumers would immediately see the benefits of a privatized Air Canada in lower fares and aggressive fights for passengers. If I were the Minister of Transport, I would call those folk in and say: "What the devil are you doing? You say you can cut fares if we follow your campaign to become privatized". That is blackmail on the part of Mr. Jeanniot and Mr. Taylor. It is nothing less.

As the Chairman and the President of Air Canada responsible for a Crown corporation, they have been acting quite improperly and inappropriately in the launching of the privatization campaign that they have launched consistently over the last several years. I believe that if the Government had any gumption at all, it would tell the Chairman and the President: "You are our airline right now. We speak for the people of Canada. You quit that campaign for privatization. That is a decision that we as a Government will take. Don't try to force our hands".

I would like to conclude with some notes that go back to that great Canadian, Sir John A. Macdonald. As my friend, Herschel Hardin, in his excellent book *A Nation Unaware: The Canadian Economic Culture*, pointed out several years

ago, this country has had and has now a public enterprise culture. We have good and efficient railways because we have Canadian National and Canadian Pacific. Canadian National was the result of lousy investments in the private sector initially, but it has given Canada very efficient rail service. There is the CBC and private television broadcasting in healthy competition. The public sector helps to set the standards and to ensure service to all Canadians across this broad and diverse country. I know that in the event that the broadcasting sector really falls down on the job, the CBC will be there to do it.

We have Petro-Canada and private oil companies. We have private and public companies in other sectors as well. While it may seem that there is reasonable competition between Canadian Airlines International, Wardair and Air Canada right now, we do not have the assurance that that will continue. It could simply collapse the way the U.S. airline industry almost collapsed after deregulation under Reagan just a few years ago. We could have chaos and we would have no national instrument.

Just because the Government feels that the instrument of national policy in air transportation may not be needed today—and I do not agree with the Government—that is no reason to abandon it and do away with a national instrument for public policy in the passenger and freight aviation sectors should it be needed in the year 1995 or the year 2005. For all of those reasons, I believe that this country can afford to keep Air Canada in public hands. It should be able to afford to keep Air Canada as an instrument of public policy and it should be proud of the job Air Canada has done over the last half century.

Mr. Manly: Mr. Speaker, as the finance critic for the New Democratic Party, I am sure my hon. colleague is aware of the very heavy tax burdens that have been placed on the Canadian people over the last four years by the Conservative Government. There is a lot of concern on the part of the Government about the deficit.

Does my colleague see the sale of Air Canada as being one possible way of reducing the deficit? If so, how significant an impact would it have on reducing the deficit? Would that in any way result in lower taxes for the hard-pressed Canadian taxpayers?

Mr. Cassidy: Mr. Speaker, the effect on the deficit of this particular measure would be minuscule. It would be infinitesimal. It would be absolutely microscopic. It would be insignificant. It would be invisible. It could not be seen in any meaningful way. I do hope I make myself clear.

Let us look at the figures. The national debt of Canada currently runs somewhere over $250 billion, and that is uncomfortably high. Our annual deficit is running at something like $28 billion or $29 billion a year. I am not sure how the Government would deal with the money received from the sale of shares in Air Canada. Does it really want to sell the jewels and use that money to pay for the groceries? That is essentially what would happen if all of that $300 million were to be put against the deficit. If it were put against the deficit, it would represent 1 per cent of one year's deficit. That would be the total reduction.

If the Government really wants to reduce the deficit, let it cut back on spending programs for nuclear submarines. I think Canadians would be an awful lot happier about owning an airline which encourages international co-operation than they would about having a dozen nuclear subs which would be increasing confrontation between the western powers and the powers in the Soviet bloc.

If the Government were to invest that money, it would return about $30 million a year. That would be meaningful in the sense that it would reduce the annual deficit of Canada, at its current rate, by about one-tenth of 1 per cent on a continuing basis. That is a very small sum indeed.

Finally, I have been reading in some commentaries in the financial press the suggestion that the benefit of the sale of the shares will provide the $300 million in equity that Air Canada needs. If I understand that correctly, that means that the Treasury will not get a dime in order to reduce the deficit. Air Canada is not costing us any money right now. There is no annual pay-out to Air Canada the way there is to VIA Rail. This move would simply provide Air Canada with $300 million in equity, and there has been no rationale or serious attempt to look for various other ways to find that money. The only argument then is that if we were to proceed and to provide that equity, there would be some charge which would either have to be met by lower expenses elsewhere, such as on nuclear subs, or else by an increase in the deficit. However, it is not worth half a bag of chicken feed relative to the over-all size of the deficit of the Government of Canada.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, a question or comment. I wish to advise that since an agreement could not be reached under the provisions of Standing Order 115 and Standing Order 116 with respect to an allocation of time for the second reading of Bill C-129, an Act to provide for the continuance of Air Canada under the Canada Business Corporations Act and for the issuance and sale of shares thereof to the public—

Mr. Cassidy: Mr. Speaker, a point of order.

Mr. Lewis: —I therefore, under the provisions of Standing Order 117—

Mr. Cassidy: Mr. Speaker, a point of order!

Mr. Lewis: —give notice of my intention to move a time allocation motion at the next sitting of the House for the purpose of allocating a specified number of days or hours for the consideration and disposal of the second reading stage of the said Bill.

Air Canada

Mr. Cassidy: Mr. Speaker, on a point of order, the Hon. Member for Hamilton Mountain (Ms. Dewar) was on her feet to ask a question. It is my distinct understanding that the Chair is certainly free to recognize a Member from any Party on a question or comment until the period for questions or comments has expired. At that time, the Chair is certainly free to recognize the government House Leader or any other Hon. Member to speak. I am not sure where we were in the normal rotation, but where we were not was in a situation in which, purporting to rise under questions and comments, the government House Leader could proceed to move a motion for time allocation.

• (1340)

My point is this. That motion would have been all right at the end of the time for questions and comments or when questions and comments had come to a close. I believe the procedure followed by the Minister just a few minutes ago, where he got up purporting to do one thing and then did another, is misleading, deceitful, wrong, and should not be permitted.

Mr. Deputy Speaker: There is no need to hear the Minister. The correct procedure was followed.

Mr. Cassidy: On a further point of order, Mr. Speaker. My colleague from Yorkton—Melville was able to hear the Minister while I was trying to attract your attention on a point of order. As he pointed out to me, the Minister sought to introduce a motion for time allocation. He was not calling for a further extension of hours on this Bill. Since he had just gotten up and called for an extension of hours the last time he got on his feet, I had no choice but to try to attract your attention on the point of order. However, I believe the point of order is still valid, and that is, when we are on questions and comments it is surely inappropriate and out of order for a government spokesperson to rise in order to move a procedural motion.

Mr. Lewis: Lorne, take over, that guy is hopeless.

Mr. Cassidy: That should take place in the gap between one speaker and another.

Mr. Lewis: Save him, Lorne.

Mr. Cassidy: That would be at the end of the period for questions and comments. That is the point I draw to your attention, Mr. Speaker.

Mr. Deputy Speaker: I realize full well what the Hon. Member is saying. On certain types of motions the Hon. Member would of course be correct. However, the notice that was given can be given at any time.

We are now back to questions and comments on the speech by the Hon. Member for Ottawa Centre (Mr. Cassidy).

Ms. Dewar: Mr. Speaker, I appreciate the extensive rationale that my colleague gave for opposing the sale of Air Canada. However, he did not address the kind of policy introduced by the previous Government concerning deregulation, and I think it is important that we look at that.

My question is whether the fact that we are getting deregulation is part and parcel of what the Government is concerned about when it talks about selling off Air Canada, the felling that maybe consumers will not benefit from lower air fares. Or has the experience in the U.S. been that consumers really have not benefited that much from deregulation? Is my colleague aware of the situation in the industry in the U.S. as far as consumers are concerned, and would this inhibit our ability to stabilize the industry here when we lose such an important tool as a national airline?

Mr. Cassidy: Mr. Speaker, I think the best way to describe the situation in the U.S. is that it is a bit like the curate's egg, it is good in parts. However, it is certainly bad in parts as well. At times it is downright chaotic.

Every sector has cause to complain about air travel in the U.S. There are certain people and groups who benefit. For example, if you live in New York and have a girlfriend in Los Angeles, it is cheaper than ever before to go and visit her once a month or vice versa.

Ms. Jewett: What about a boyfriend?

Mr. Cassidy: Or a boyfriend. If you live close to a major airport and wish to go someplace else, then it has perhaps been a benefit. On the other hand, should you have family living in some smaller community, then just watch out.

I talked with someone in my constituency office about this the other day. She had a telephone call telling her about the death of her mother in California. In order to go there for her mother's funeral, which she was in the end unable to attend, she would have had to go through four changes of planes. Because the fares were not melded in many cases, they went up and up and up if you were trying to get to the smaller communities. The names of the airlines seem to change every six months. For example, I do not know who Piedmont is but it seems to be very big in the eastern United States right now. I wonder what happened to Eastern Airlines. They seem to have disappeared.

Mr. Friesen: They are still there.

Mr. Cassidy: Are they? Maybe.

My final point is that for people in business or politics, those who need a premium quality service to get to places quickly and are very busy on behalf of their corporation or the people they represent, the situation is one of chronic delays, sitting stacked up in the airways over O'Hare Airport, Kennedy Airport or La Guardia. It means constant and chronic delays, fatigue, frustration and that kind of thing.

The point I want to make about Canada is this. For people along the main trunk from Vancouver through possibly Halifax, there are some benefits in deregulation. It is possible to go to the U.K. for less than $500. It is possible to get the occasional fare from Ottawa to Vancouver for $300 return. However, this is not a country consisting of a 3,000 mile long line of people. We have people living in Yellowknife and Whitehorse who are still subject to monopoly conditions. Before they can benefit from the fares coming in under deregulation they have to pay $500 to get to southern Canada. As a result, they are severely inhibited. They cannot get joint fares any more because of the way the system works.

One of the benefits of having a national airline is that it is more appropriate and possible to have a national policy so that all Canadians, not just those living in our eight or 10 biggest cities, have the benefit of cheaper fares and greater availability of flights.

Mr. Deputy Speaker: Resuming debate.

Miss Aideen Nicholson (Trinity): Mr. Speaker, this Bill was introduced in haste and unexpectedly by the Deputy Prime Minister (Mr. Mazankowski) after his predecessor Minister responsible for privatization took a long time to consider it without the Bill being presented to the House. Let us look at some statements by the Government. Some time ago the Prime Minister (Mr. Mulroney) said Air Canada is not for sale. He said Canada needs a national airline. He said there is a possibility that shares in Air Canada will be sold to the public but the Government would certainly retain a majority interest. So spoke the Prime Minister. However, the Deputy Prime Minister said that the legislation will permit the transfer of all Air Canada shares to the public. This is essentially the first phase. What are we to believe?

The industry is distinctly cool to the sale, presumably because they, like Members of this House, are not quite sure what to believe either. Critics think that because of its heavy demands for capital it is unlikely that Air Canada will pay shareholders any dividends for a long time. Critics are unclear and uneasy about the precise division of powers as between the Government and the private shareholders. Again, the legislation is unclear.

On April 12, 1988, the Deputy Prime Minister stated that after completion of the initial offering the Government would hold no less than 55 per cent of the shares but would vote in accordance with the majority of the 45 per cent of private shareholders. That means that in theory several shareholders holding a majority of the 45 per cent, acting in concert, could exert considerable control over the company, and if the Government stays with that position it would be powerless.

• (1350)

The record following deregulation of airlines in the United States and Britain has not been encouraging. We have heard of extraordinary inconvenience to travellers in the name of economy. Flights are cancelled, flights are late, flights are crowded, and the less profitable, more remote areas are getting very poor service.

The three unions concerned with Air Canada have opposed privatization largely on the grounds of their concerns with safety. In one of their briefs they stated:

> A publicly owned Air Canada provides accountability and a "policy window" to ensure safety and service in an increasingly concentrated, deregulated industry.

Canada is a very large nation. One of our important planks of nation-building has been communications and transportation. The railways opened up this country and established the east-west links in a way which had not been done before and set the development of the country. Air Canada has contributed to that in particular by providing some levels of service to the more outlying areas.

There is within Air Canada now a form of cross-subsidization under which the major routes help to subsidize the less travelled routes. Obviously when the airline is privatized that will not happen if it is run purely on a profit motive. In the smaller Canadian market where expenses as a result of weather conditions make competition with U.S. airlines more difficult I think we can expect that service to small, remote northern areas will disappear or be greatly reduced. Once Air Canada is privatized there is no guarantee at all that jobs and services will be maintained.

Air Canada is now involved in numerous feeder lines. It owns 100 per cent of Air B.C., 75 per cent of Air Ontario, 75 per cent of Austin Airways, and 49 per cent of Air Nova. If the experience with the privatization of Air Canada is the same as in the United States and Great Britain, if the profit motive takes precedence over public policy goals of providing service to all Canadians, we will see less and less service to the less populated areas while the airlines provide more service in the more profitable, densely populated areas.

Privatization also raises questions about what is going to happen to the estimated $200 million surplus in Air Canada's employee pension fund. I have not heard the Government address this question. Air Canada has proved to be profitable. One must also ask why the Government wants to sell a winner which the people of Canada own and have paid for.

The reason the airline itself is asking for privatization is essentially that it needs capitalization. Do we have to privatize in order to ensure that the airline has funds to replace its aging aircraft? The proposal put forward by my colleague, our critic for transport, the Hon. Member for Papineau (Mr. Ouellet), was that Air Canada be assisted to secure loans at preferential rates to renew its fleet as was done in the past. In 1977, when Air Canada had need for recapitalization, the Liberal Government moved to assist in that way. Indeed, Air Canada has gone on to be a very profitable and very successful airline.

We must ask again whether the Government is moving to privatize because this will really enhance the efficiency of Air Canada and its ability to recapitalize, or is this yet again a

matter of blind ideology to privatize for the sake of privatization without looking at the alternatives or at whether it is even feasible? As I said at the outset, the markets are being decidedly cool at the thought of this offering.

To return to the solutions of the previous Liberal Government, in 1977 this House passed the Air Canada Act under which the corporation now operates. That Act was in response to the Estey Commission of Inquiry which had made certain recommendations. That commission proposed that Air Canada be given the legal and corporate structure, the flexibility, and the financing to operate on a commercial basis on the same footing as its competitors in Canada and abroad. Air Canada was refinanced in 1977 with a debt equity ratio equivalent to that of other major North American airlines.

There is no question that Air Canada requires financing to modernize its fleet, but is privatization the best way to ensure that financing? From the cool reaction of the markets it does not appear likely. Neither is there any evidence that the Government has carefully studied the solutions of the past to see whether they might again be used.

Air Canada does need billions of dollars to finance new aircraft. In the short term it probably has a need for some $300 million to start purchasing. However, the situation is urgent now only because the Government, which has been in power for four years, has done nothing. It has considered, but has failed to act to assist Air Canada. This is yet another example of the Government ruminating for almost four years and then acting in haste to produce the ill-considered motion before us which will not assist Air Canada.

We have clearly seen that the response in the markets is that this Bill is the worst of both worlds. It is not an attractive investment opportunity. In any case, it is very difficult to get people to invest in airlines at the moment, largely because of the chaos in the United States as a result of deregulation there.

Therefore, this Bill is ill-considered and is not going to achieve the Government's goal of recapitalizing Air Canada. There are better ways of assisting Air Canada to buy the necessary new equipment and continue to be profitable as it has been in the past.

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

• (1400)

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

ORGANIZED CRIME

ADVISABILITY OF ESTABLISHING PARLIAMENTARY TASK FORCE

Miss Aideen Nicholson (Trinity) moved:

That a Special joint Committee be appointed to act as a Parliamentary Task Force to investigate and report upon the extent to which organized crime is connected to the legislative, judicial and administrative institutions of Canadian society;

That the committee be composed of not more than 15 Members to be named at a later date;

That the committee shall have all of the powers given to Standing Committees by Standing Order 96(1);

That the committee have the power to retain the services of professional, technical and clerical staff as may be deemed necessary;

That the committee have the power to adjourn or travel from place to place inside Canada and that, when deemed necessary, the required staff accompany the committee; and

That a message be sent to the Senate praying their Honours to unite with this House for this purpose.

She said: Mr. Speaker, last year I proposed a motion which suggested that a royal commission be appointed to examine various aspects of organized crime. The motion was voted on but defeated. Some of those who spoke on the motion suggested that a royal commission would be too expensive. Some of the government Members had speeches that were extraordinarily similar. One might even suspect they had all been written by the same hand. The speeches indicated that the Department of Justice had absolutely everything in hand and there was essentially very little problem.

So I have come back today with a new motion to take care of the criticism of costs. I have scaled this down so that instead of a royal commission, I am proposing a joint committee of the Senate and the House of Commons.

May I also point out that some of the Members who spoke on my previous motion estimated the cost of organized crime in our society in Canada as being up to $10 billion a year. One would think that to counter that, the costs of a commission might be a very good investment.

The second round of criticism was that the new legislation being brought in by the Government would deal much more effectively with organized crime. Not all the legislation talked about is here yet. Nevertheless, since I have faith, I am concentrating this motion on the extent to which organized crime is connected to the legislative, judicial and administrative institutions of Canadian society.

The definition in Canada of organized crime, I believe, is two or more persons consorting together on a continuing basis to participate in illegal activities either directly or indirectly for gain. Organized crime, as we know, has no ethnicity. Organized crime can involve people of many ethnic origins. What I want to talk about today is the invasion by organized crime of legitimate business, the attempts to infiltrate members of organized crime into situations where they can have control, be it unions, the judiciary, the police and, of course, political office.

I would suggest that an examination of these matters can only be helpful if properly done, with careful rules of evidence, of course. No one would want to see a McCarthy-type

inquisition. What is necessary is to turn the bright light of publicity on those who would exploit our fellow Canadians.

Something about which we must all surely be aware is that many of the activities of organized crime in Canada hurt the poor and defenceless in particular. Organized crime is being addressed by a Bill still before the House, that is, Bill C-61, an Act to amend the Criminal Code, the Food and Drugs Act and the Narcotic Control Act. This Bill, among other things, addresses the seizures of criminals' profits as well as money laundering. But we have yet to see this Bill available for third reading debate.

Canada still lags behind both the United States and Italy where organized crime has been examined and legislation enacted. The present Secretary of State for External Affairs (Mr. Clark), when he was in opposition, called for a royal commission into organized crime. So did the late Right Hon. Diefenbaker when he was in opposition. But there has never been a national commission into organized crime in Canadian history. We have had two provincial inquiries, one in Montreal and one in Ontario, the Waisberg Commission, which reported, I believe, in 1973. Both of these commissions were very effective in bringing to public attention abuses in the construction trade and other legitimate trades and unions which had been infiltrated by members of organized crime. It is this white light of publicity that will be one of the greatest deterrents to organized crime. When citizens are informed, they can protect themselves and, indeed, more public support and public pressure is needed.

Criminals fear the exposure of their crimes and the resulting efforts by society to limit profitability. The history of what has happened when organized crime has gotten into legitimate business is full of dangerous and unpleasant situations. When organized crime is involved in contract bidding in the construction industry, inferior materials can be used and lives can be lost. The corruption of public officials is necessary for this to happen and the corruption of public officials and business is very difficult to uncover. Last October, in the course of debate, the Hon. Member for St. Catharines (Mr. Reid), described how business people, well known in the community, may be drawn innocently into the circle of organized crime by the prospects of large profits, not always knowing that the links to criminal organizations exist. Poor people find themselves drawn into organized crime. They borrow, they gamble, they then find they are being pressured to do unacceptable things. In Canada and in other countries, organized criminals are protected by using legal businesses to mask their activities.

To look outside of Canada at things that have happened elsewhere in the world, I will point out that in the fall of 1986, most Members here, I think, were reading about the situation of the European Economic Community where millions of dollars a year were being drained from the Community by the very ingenious use by organized crime of the common agricultural policy in Europe. Criminals are ingenious, and if they have officials in place who can give them information about how certain systems work, they are able to exploit the system.

Something else was happening at the same time as the European Economic Community was able to pinpoint the involvement by organized crime in this exploitation and abuse of a particular compensation measure under the common agriculture policy. In Britain people were becoming concerned about the organized structure of the United States illicit drug industry moving into Britain.

• (1410)

To go back a little further, in 1982, an Italian banker was found hanging from a bridge in Blackfriars, London. It was never determined whether this was suicide or murder. But you will remember, Mr. Speaker, this banker was the head of the Vatican Bank. In fact, the Italian Justice Ministry later issued arrest warrants for senior personnel of that bank. This was again proven to be a situation in which the tentacles of organized crime had extended even into the Vatican's own bank.

Members of this House who have read the book *Mob Rule* by James Dubro will be aware of incidents that have happened in Canada in which criminals have talked about laundering their money through apparently legitimate businesses. They have also talked about their practices in corrupt registration of deeds. Much of this depends on having an official in place who is controlled by these individuals. Without someone in a key position some of these schemes would fail.

Members of this House have been lobbied on behalf of organized crime, but innocently. One particular Member of the House whose integrity is absolutely beyond question was asked by local business people who were well respected and by a priest to write to the Solicitor General asking for special treatment for a prisoner on the grounds of the prisoner's youth and inexperience. That prisoner was a key figure in organized crime who is well known now to have ordered murders from his cell and who was himself subsequently killed by a rival gang. One could go on.

We are all aware that from time to time criminals will allege that they had a judge or a policeman in their pocket. In many cases this allegation is totally without foundation. It is merely a matter of boasting and trying to appear more powerful to the people they are trying to impress. However, it may not always be boasting. While the question exists it should be examined.

I repeat what I said at the outset. I certainly would not want to see, and I know that no Member of the House would want to see, a special committee of the Senate and of the House of Commons used in any way as a fishing expedition or used in any way to endanger people's reputations without full proof. But the mere fact that such a committee was known to be sitting, was known to be willing to receive witnesses, would itself cast a very bright light of publicity on the activities of organized crime and would act as a deterrent.

We have certainly seen that whenever politicians have shown the courage to tackle organized crime they have been able to win. We need only look to that extraordinarily brave

Italian mayor in Palermo who in spite of threats to him and his family went ahead in standing up to organized crime. The implications have been tremendous, both in the United and in Italy.

We also have to remember, as my colleague from Winnipeg pointed out in a previous debate on this subject, now that it is less profitable and less safe for organized criminals to ply their trade in the United States and in Italy they will be looking for other places to move to and other sources of influence. Canada must be prepared for this. I suggest that the establishment of a special joint committee of the House of Commons and the Senate to examine this whole subject could only be a useful and constructive one.

Mrs. Pauline Browes (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I appreciate this opportunity to address the House on the motion of the Hon. Member for Trinity (Miss Nicholson) for a parliamentary inquiry into organized crime. Much of the organized criminal activity in Canada involves the supplying of illegal goods and services, gambling, loan sharking, drugs, prostitution, pornography, and other forms of vice are included. Press reports indicate that organized crime is also involved in legitimate business with the purpose to monopolize services and manipulate prices. Within these structures activity is not dependent upon any one individual, and the criminal activity will continue to flourish even if one or more of the principals is removed.

We also know that persons involved in organized crime represent a wide variety of backgrounds and origins. They are groups of criminals, some working within structures as complex as those of some large corporations and subject to internal laws which are rigidly enforced. Their actions are well thought out conspiracy aimed at gaining control over fields of activity in order to amass profits.

All Canadians are concerned that organized criminals be thwarted, exposed, punished, and incapacitated to show that their business will not be tolerated in Canada. But I ask, Mr. Speaker, is the way the Hon. Member for Trinity suggests the best way to deal with organized crime in Canada?

Some Canadians, perhaps influenced by media, may have vastly inflated views of the extent of organized crime in Canada. While I do not want to minimize the threat posed by organized crime in Canada, particularly with respect to drug trafficking, the combined law enforcement efforts of the various orders of government in Canada are increasingly effective in controlling organized crime.

A major problem with inquiries of the nature proposed here is that they attract a great deal of public attention. There are public hearings, daily reports in the media, and discussions of the latest revelations on national news and interview programs which could sensationalize the issue and undermine the work of law enforcement authorities.

A parliamentary committee collects information. It is not a court of law where the rules of evidence are strictly applied. When there is a breach of criminal conduct only a trial, where a defence can be made public, satisfies the Canadian sense of justice.

Therefore, because the rules of evidence are less rigorous in parliamentary inquiries than those applicable to Canadian courts, inquiries have to be handled very carefully. Moreover, evidence educed before such an inquiry could not be used in court proceedings and thus is of little value from a law enforcement perspective.

• (1420)

Moreover, it is likely that a parliamentary inquiry would unnecessarily alarm Canadians by creating the impression that organized crime has not been adequately addressed by Canadian police and the courts. In addition, I am concerned that an inquiry would tend to deflect both attention and resources away from ongoing intelligence and enforcement efforts, and possibly retard the investigation and prosecution of major cases.

I believe that the arrangements we already have in this country are our strength in combating organized crime. We have a federal police force, the RCMP, dealing with the problem. We have all levels of government and their enforcement agencies co-operating to provide an effective shield against organized crime. We have national intelligence systems, national police training programs, joint force operations, and a host of other mechanisms. Major institutions, such as the Canadian banking community, are examining ways and means of minimizing the extent to which they can be used to launder money.

Those efforts are not widely appreciated and reported on in the media. In Canada, we tend to proceed more quietly and with less fanfare than in the United States.

In my view the approach of Canadian law enforcement authorities to organized crime is effective. It focuses efforts and resources and reflects excellent co-operation between all jurisdictions in the prevention, detection, investigation, and prosecution of organized crime figures. Enforcement policy and activities operate to preserve the confidence of Canadians in the integrity of our social, political and economic institutions as the major influences constraining the corruption that organized crime attempts to promote.

Key to this is the integrity of Canada's police, courts, and other law enforcement institutions as our front line defence against organized crime. Fortunately, these institutions have been and remain free of corruption, and we must sustain policy and programs to ensure that it will never become a country in which the underworld can take root.

The Government recognizes the Hon. Member's legitimate concerns respecting organized crime. A parliamentary inquiry would add little to the mechanisms already in place to deal with organized crime. Rather, this House should support and encourage the federal and provincial Governments in their law

enforcement activities, including the expeditious handling of the proceeds of crime and mutual legal assistance legislation which are designed to make the law more effective in dealing with organized crime.

While I am confident that the motion put forward by the Hon. Member for Trinity reflects serious concern over the extent of organized crime in Canadian society and in advancing measures to facilitate enforcement efforts, the Hon. Member can be assured that members of the Canadian police community and other dedicated criminal justice professionals are dealing competently in their response to the problem. They have the confidence of this Government and merit the support of all Members of the House, and Canadians generally.

I believe that it would not be in the best interest of Canadians and our efforts against organized crime to establish a parliamentary inquiry.

Mr. Jack Harris (St. John's East): Mr. Speaker, I am pleased to participate in the debate before the House on the motion of the Hon. Member for Trinity (Miss Nicholson). In looking carefully at the motion I see are not talking about an over-all investigation into organized crime in this country. Canada is a very different country from that south of the border in the United States of America. Many of our images of organized crime come from the United States and perhaps from things that we as children may have seen on television, for those of us who had television when we were children, or read about from south of the border.

Television programs, movies, and books all give us a picture of organized crime, violence and essentially corruption that may result, in addition to the terror, murder, and death that is caused by the activities of people engaged in organized crime. That is one image that we have of organized crime, as I say, mostly coming from south of the border, but more and more we also hear of the activities of organized crime in Canada.

When one looks closely at the motion proposed by the Hon. Member for Trinity, an over-all investigation into organized crime and the extent of organized crime is not what is being suggested, but rather an inquiry into the extent to which organized crime is connected to the legislative, judicial, and administrative institutions of Canadian society. That is a very directed question and I would submit a very timely one, given the nature of this Parliament and the type of changes that are taking place in the way legislative decisions are made in this country.

As a result of the recent reforms to the House of Commons, as a further result of the greater efforts at lobbying individual Members and Governments that have taken place only in the last several years, we are seeing effective means whereby individuals, corporations, or groups with large sums of money, however they may get it, can use that money to influence the decision-making of this Parliament, of the Cabinet, and of the Government.

If that can be done at this level of Canadian society, at what we regard as the highest level of democratic decision-making in the country, at the level of the federal Parliament, and if those lobbying efforts can be made which are financed by funds collected in various ways or coming from corporate coffers, then we must be careful to ensure that any activity of that nature, that any influencing attempted on the legislative, judicial, and administrative bodies, and on the institutions of Canadian society which guarantee us the democracy, is tightly controlled, regulated, and insulated from the activities of those who would seek to corrupt governmental, institutional, and administrative decision-making in this country.

As we know, so many of the decisions that are most important in this country are not made in this legislature or by the Cabinet, because it is impossible for these decisions to be made. There are numerous administrative tribunals and boards. The CRTC makes numerous decisions which affect the corporate viability and profitability of Canadian corporations whether they be privately or publicly owned, or owned by a consortium. The operation of those companies and institutions are affected by many administrative decisions made outside this House.

If we look only at the House of Commons, we increasingly see an incredible effort to influence the decisions of Members of the House. We saw it most recently with the tobacco Bills, C-51 and C-204. There was extensive lobbying of individual Members, and I believe that will increase, perhaps to the extent that it is carried on in the United States where thousands of lobbyists in Washington attempt to influence the decision-makers in the Senate and House of Representatives.

• (1430)

I believe a study of the effect of organized crime on institutions is not a narrow point but a focused point. This is a timely motion moved by the Hon. Member for Trinity. There will be an increased focus of attention on how Members of Parliament and members of the Cabinet are making decisions that affect what happens in Canada.

There has been a rise in the number of corporations that are involved in the decisions that are made behind closed doors on the Hill. Many of these corporations include many former powerful federal and provincial politicians.

We know that organized crime is active in this country but we cannot limit an inquiry of this nature into the kind of godfather, Mafia-type activity with which we associate organized crime.

The definition of organized crime urged upon us by the Member for Trinity involved two or more people working together to effect an illegal purpose. That is somewhat the definition of conspiracy. Any conspiracy where two or more people get together for an illegal purpose is an organized criminal activity.

We must also consider organized crime in relation to corporate activity, whether it is in the area of environmental pollution or the breaking of environmental laws in an organized way by corporate decision-making or by criminal neglect on the part of corporate boards or management. That too is an organized crime and we must be vigilant about that type of activity as well.

When organizations that violate environmental laws, health and safety laws, or laws protecting workers, band together to try to influence the Members of the House, committees of the House or influence the Government to relax enforcement procedures, that too is evidence of organized crime influencing the legislative and administrative institutions of Canadian society.

The Hon. Member who spoke before me was concerned about the danger that this motion may scare people. Other Members may debate organized crime in this country and the extent to which it should be addressed. I think we should focus on what the motion says, which is to consider to what extent organized criminal activity is connected to the legislative, judicial and administrative institutions of Canadian society.

This would be a timely inquiry and one that should consider the activities of lobbyists and lobbying groups. I think this question ought to be studied and a joint committee of this Parliament and the other place would be the appropriate body to study it. I support the motion.

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, no one can dispute that there is organized crime in Canada. However, the motion before us today would seem to suggest that Canada does not have enough legal mechanisms to counter organized crime and those who live by it.

The mechanisms we have may not be perfect, but they are continually being improved to ensure that Canadians can live in a safe country.

[*Translation*]

Mr. Speaker, perhaps I may describe, for the benefit of the Hon. Member for Trinity, a few of the mechanisms that already exist for investigating and fighting organized crime. The police, Crown counsel and the regulatory authorities have used these mechanisms successfully to render harmless those criminals who would otherwise profit from society's illicit lusts and cravings.

[*English*]

First, let us take the Criminal Code. It contains, in section 31(2), a provision which enables the court to declare "forfeit" the possession of property obtained by crime. Similarly, the Narcotic Control Act allows for the seizure of anything relating to an offence under the Act. Clever use of the provisions of these two Acts has led to the ill-gotten gains of the organized criminal drug trafficker being seized by the courts.

The Member for Trinity (Miss Nicholson) spoke also of the ingenuity of the criminal. I dare say that we have a tremendous amount of ingenuity in our police forces and our research institutions. As they develop more effective techniques of criminal analysis, that ingenuity is on the leading edge of keeping up with and in fact ahead of the criminal element that exists in our country.

Another section of the Criminal Code allows for the same punishment to be given for a conspiracy to commit an offence as for the offence itself. This is a particularly valuable weapon against organized crime because it allows police to be proactive in their investigations. By the means of legal wiretaps, they can follow the planning of a crime and then step in and arrest the offenders before the crime itself has been actually committed. This can stop illicit drugs hitting the street, release the loan shark victim from the threat of violence, and prevent the bookie from laying off his bets with another organized criminal in the United States. In addition, the whole organized criminal gang can be prosecuted at the same time as co-conspirators.

[*Translation*]

In the past ten years, this tactic has been used successfully against organized criminals. Thanks to the help of judges who are more inclined to impose severe penalties on drug traffickers and want to acquire a better understanding of the mechanisms of organized crime, there have been some real mopping-up operations recently.

[*English*]

I used the words *peines plus sévères*. I call upon the Justices of our country to vigorously enforce severe penalties which I believe are the deterrent element.

In one Canadian jurisdiction, 400 organized criminals of one sort or another were put behind bars, rendered inactive, or induced to flee this country to escape prosecution. All this within five years of the decision being taken to declare legal war on organized crime.

The criminal courts are not the only battle front on which the war is being waged. Neither are all the soldiers, police and prosecutors. As vendors of illegal goods and services, organized criminals frequently cross swords with the regulatory agencies in our country, both federal and provincial. Customs and income tax officers, stock exchange and liquor licensing officials are just as involved in suppressing organized criminal activity as are police officers and Crown attorneys.

• (1440)

There is a program you may know of, Sir, called Crime Stoppers which evolved from the U.S. It is now very successfully established in the National Capital Region in co-operation with the public, police forces, the judiciary and the legal community. I want to mention Richard Raymond, from Raymond Steel, Bruce Hillary, Sketchley Cleaners; Sgt. Harrison of the Ottawa Police Force, Gary Grant from Sheffield Graphics and Doris Johnson from Crime Stoppers,

all of whom have played a major, private role in making this program in Ottawa a most successful one in attacking the criminal element in the National Capital Region. In fact, it is the most successful one of its kind in North America. All of the individuals and officials I have mentioned are fundamental to the task of tracing the financial exploits, the business deals, the empire building, the cheating and the lying and the scams of the organized criminal. These almost invisible officials and individuals patiently weed out the liquor licence application of known criminals who are seeking it for a bar where the real business is to sell and push drugs. They develop evidence to collect the thousands of dollars of tax on undeclared illicit income. They bring about the dispension of trading in phoney stock and seize consignments of heroine or other contraband coming into the country's ports of entry.

All this activity incapacitates the organized criminal without fanfare, without drama and usually without the public ever knowing about it. These are the concerned officials and citizens of our country. Regulatory agencies and administrative tribunals do not always make front page news. You know as well as I, Mr. Speaker, that the RCMP always get their man or woman. What they need are more resources to allow them to do that. They do not want to see more public funds spent on expensive task forces to tell them what they should be doing. They know what they should be doing. They need more help and more money.

In the area of legislation, the Hon. Member for Trinity made reference to the fact that the Minister of Justice (Mr. Hnatyshyn) has introduced Bill C-61, which I understand is coming back to the House shortly from committee. It focuses on the proceeds of crime legislation. It will enable the courts in certain circumstances to strip criminals of assets obtained through criminal means. The proposed legislation will allow the courts to order that the proceeds of designated drug offences and 23 Criminal Code offences be forfeited to the federal or provincial Governments. I urge my colleagues on all sides of the House to make the public aware of these efforts and to pass this legislation before a recess for the summer.

It is essential and it is long overdue. It will give the courts an opportunity to enforce more vigorously what we have to do to seize those assets acquired through criminal activity.

The Minister of Justice has also introduced Bill C-58 which will enable the implementation of the mutual legal assistance treaties discussed previously. The battle is far from won. We all know that. A concerted and continuous effort has to be made, but we are on the right track and this Government is proud of what it has tried to accomplish in this area. I am a little apprehensive that the proposed parliamentary task force might retard ongoing federal, national and international initiatives aimed at organized crime control. The key to this is to get Bill C-61 passed to give the courts and the judges more power to seize assets acquired through criminal activities. Let us throw the book at them so that your children, Sir, my children and our children's children will not have their lives affected by disgusting criminal activity that infiltrates our schools, even the primary schools where kids acquire drug habits.

Let us not set up a task force. Let us give the authorities more power, money and resources to go after the criminal element in our country.

• (1450)

[*Translation*]

Mr. Gilbert Chartrand (Verdun—Saint-Paul): Mr. Speaker, today I would like to give my assessment of the problem of organized crime. First of all, I would like to say that the Hon. Member for Trinity (Miss Nicholson) is right to be concerned about organized crime in Canada. My only criticism is the solution she suggests. In fact, an inquiry of this type would be more appropriate in the United States, where fragmented attempts to enforce legislation, lack of co-ordination, states' rights and many other elements make it very difficult to discover the extent of the problem posed by organized crime.

In Canada, we are lucky to have a very co-operative system under which policing, prosecution and enforcement bodies exchange information and co-operate in their operations. Thanks to this network we have a very clear understanding of the problem we are dealing with.

The many information sources at our disposal include the annual report prepared by Criminal Intelligence Service Canada, published by the committee on organized crime of the Canadian Association of Chiefs of Police; the annual RCMP report on drugs, Customs Canada's drugs seizure report; and the excellent reports prepared by the various services in Quebec and British Columbia dealing with organized crime. According to these sources, organized crime is not beaten but at least there is little chance it will expand.

In recent years, motorcycle gangs have been a major problem. They have become involved in all forms of organized crime, including drug trafficking, prostitution and contract killings.

The major gangs are very business-like. They increase their numbers by taking over smaller ones. Many bikers have shed the image of the sloppily-dressed trouble-maker and become clever, extremely image-conscious businessmen. The big crime organizations are also present in Canada. The most important members work in central and western Canada, but they often have contacts in many other countries. These groups are involved in what are often referred to as consensual crimes, in other words, customers agree to purchase the illicit goods or services they are offered. These crimes include drug trafficking, prostitution, gambling and loan sharking.

Although the Atlantic provinces appear to be relatively untouched by the more insidious forms of organized crime, there is nevertheless a thriving business in cigarette and alcohol smuggling. The region is also used as a dropping-off point for large cargoes of soft drugs, most of which come from the Caribbean. Youth gangs are also involved in organized

crime activities and concentrate on gambling, drug trafficking and extortion. Occasionally, intense rivalry among gangs lead to multiple killings.

In a way, these gangs are similar to the motorcycle gangs. Since 1920, sociologists have held the view that youth gangs are often the first step towards much greater involvement in organized crime.

It is essential that measures be taken to prevent new generations of criminals, but I don't think an inquiry on organized crime is the answer. The emphasis must be on education and jobs.

By reducing the unemployment rate and by stressing the needs of Canada's youth, this Government has done a great deal to create a socio-economic climate that is not favourable for the development of organized crime.

Organized crime is a problem in most countries throughout the world. Even East Block countries will admit it exists there as well. There is an international network that focusses on dealing with these problems on a worldwide basis.

Thanks to this mechanism we are familiar with the problems of other countries, and it is reassuring to find that, compared to most countries, Canada has not been overrun by organized crime. Our parliamentary system, and our custom of appointing judges, Crown counsels, police officers and administrators according to merit, have given us a tradition of loyal public servants. It is one of our best defences against organized crime. We have a judicial system that we can trust and of which we can be proud. However, we must be prepared to provide the material assistance that goes along with that trust and that pride. We cannot ask our police officers, our Crown counsels and our judges to keep fighting organized crime without giving them the necessary tools, and today, these include the authority to participate with other countries in a form of judicial co-operation, and also the authority to declare forfeit the financial proceeds of organized crime. The House can give them those tools by adopting Bills C-68 and C-61. We should focus our efforts on supporting our judicial system, instead of ignoring its needs and creating a parliamentary task force.

[*English*]

Mr. Benno Friesen (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, we are indebted to the Hon. Member for Trinity (Miss Nicholson) for bringing forward a very interesting motion which has to do with the calling of a special joint committee of the House of Commons and the Senate to inquire into the nature and the extent of organized crime in Canada.

I recall the opening remarks of the Hon. Member for Trinity. She pointed out that when she put forward a similar motion last year, the speeches of government Members who responded had a certain ring of similarity. She responded with some measure of disdain for that, and I do not blame her. I feel the same way about that as she does. Nevertheless, if we wanted to go back into the annals of *Hansard*, I suspect that we would find that about five or six years ago, she may have been guilty of the same offence. However, we do not take offence for that. I might just say that that is one of the illnesses that exists in this Chamber that we wish we would be cured of.

While the motion is an interesting one, I doubt that it is a very workable one. I say that not because we do not share the same goals. What she is talking about has an awesome ring of urgency to it. We know that organized crime does infiltrate into many segments of our society, and it causes fear and dread in many households, and it feeds on fear and recrimination if the detailed terms of any contract are not fulfilled. We know that it is an awesome problem in Canada. However, it is the kind of problem that I do not know whether we can solve or even approach through a special joint committee of the House of Commons and the Senate.

I might use as an analogy an experience I had when I was living in the United States. I attended a university in the mid-western United States and was graduated there. Upon graduation, I decided that because I could not afford to move home, I would take employment in the United States as a teacher. That was in the late 1950s when that country was still suffering from the backlash of McCarthyism.

Because of the McCarthyism earlier in the fifties, many of the states had enacted legislation which required that people who worked in any way within the public sector, people like teachers, would have to take an oath upholding the Constitution of the United States. That was an admirable goal and I do not blame those states for wanting to ensure that those who worked for the Government in any way and particularly those who were entrusted with the education of their children would also be those who respected democracy and would not endorse the violent overthrow of their Government.

The problem with the proposal, however, was that those people who respected democracy, wanted to enhance freedom, and respected the family and the rights of the children were shut out from the teaching profession, for example, if they were not American citizens. They could not help the United States by enhancing democracy and a sense of freedom within the country. However, native-born Americans, who were full citizens but may have been communists or communist sympathizers and who may have endorsed the violent overthrow of the Government, would have no compunction about taking an oath like that since their sense of morality has nothing to do with absolutes, absolute honesty or absolute truth. They would not mind taking an oath of fidelity to the Constitution of the United States and then doing everything in their power to overthrow the Government of the United States. That would not bother people like that a bit.

There we had the anomaly of people who wanted to preserve and enhance democracy in the United States being shut out if they were not citizens, and those who would have gladly created problems in the United States being willing to take an

oath which they did not intend to uphold. The problem is that the proposal of the Hon. Member for Trinity, while it may not be exactly parallel to that, has a similar ring to it.

If we were to conduct public hearings across Canada of the nature the Hon. Member is proposing, those people who have been affected by organized crime would be the least likely to come forward to give testimony in a public hearing because of the nature of the problem. What person who has been caught in the grip of extortionate financiers, threatened for not keeping up extortionate payments, what person who has had his life or possessions threatened or has been told that his legs will be broken if he does not pay that 30 per cent on his loan, will come forward in a public hearing to give evidence of how organized crime is treating him in Canada? Will people like that come forward?

The nature of the problem militates against the success of the proposal. If we recall the Congressional hearings in the United States, the only people who came forward were those who were totally disguised and had been given immunity. They were people who had earlier been convicted of a crime or who were part of the family of crime in the United States and were given immunity from further prosecution or were promised protection. They were people who were plea-bargaining. They appeared because their sentences were minimized or done away with. Those Congressional hearings were at least moderately successful.

However, the proposal of the Hon. Member, while it is a goal that the Government shares and I certainly endorse, will probably not be workable. While I commend her for the goal and the ambition she is showing in trying to deal with organized crime, I think the proposal itself would not be a workable one.

Mr. Deputy Speaker: The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 42(1), the order is dropped from the Order Paper.

It being three o'clock, this House stands adjourned until Monday next at eleven o'clock pursuant to Standing Order 3(1).

The House adjourned at 3 p.m.

HOUSE OF COMMONS

Monday, June 6, 1988

The House met at 11 a.m.

Prayers

BUSINESS OF THE HOUSE

[*English*]

Mr. Speaker: The Hon. Member for Windsor West (Mr. Gray) rises on a point of order.

Mr. Gray (Windsor West): Mr. Speaker, on today's Order Paper there is a motion for allocation of time on second reading of Bill C-129 to be offered by the Minister of State for the Treasury Board and Deputy Government House Leader.

Subject to your guidance as to when this point should be argued, Mr. Speaker, I wish to raise a point of order that this motion is improperly before the house at this time, by reason of the fact that the consultation required by the relevant Standing Order, at least with the Official Opposition, did not take place.

I would be prepared to make further comment in that regard, but I would like your guidance as to whether you would like me to argue this point now, or whether I should argue the point when the motion is called, as I understand it will be at an appropriate point during Routine Proceedings.

If you say that I should argue this point when the motion is called, Mr. Speaker, then obviously I would say that it would be without prejudice to the point that I intend to make.

I also want to state that it is my intention to raise as a point of order and as a point of privilege the acceptability of the notice of motion the Government placed on the Order Paper to suspend our Standing Orders with respect to the days and hours of sitting in order to facilitate the Government's legislative program which, through its own mismanagement and incompetence, has so far proven unable to fit in within the rules of this House as adopted by this House pursuant to the parliamentary reform for which the Government takes such credit every time it can.

I raise this now, Mr. Speaker, because when I raised a point of order about the acceptability of another motion by the Government to suspend the rules of the House in order to facilitate its approach to bringing the abortion issue before the House, you allowed Members to make comments, but you stated that, as far as you were concerned, this matter had to be dealt with if and when the motion was called formally.

Therefore, I wish to say that I am certainly prepared to argue the acceptability of the Government's notice of motion on today's Order Paper to suspend the rules not only with respect to one matter, but to throw them out of the window entirely for a purpose which I think is unacceptable to the country. If it is your wish, Mr. Speaker, and I suspect that may be the case from what you said the last time the Government put down a motion of this sort with respect only to the question of abortion, I would not be surprised if you informed me and the other Members of the House that the point should be argued in detail if and when the motion was called. I wished to ensure that I was not in some way waiving my rights and those of other Members of the House to argue the acceptability of the motion, by not raising the matter at the first opportunity this morning.

Mr. Speaker: I thank the Hon. Member for Windsor West for his intervention. Dealing with the two points he has raised, first with respect to Bill C-129, I certainly understand his position. It would be better if that were left until after we have gone through Routine Proceedings, and I will hear the Hon. Member then, depending on what the Government does.

With respect to the point of privilege or the alleged point of privilege the Hon. Member has raised with respect to the notice regarding summer sittings, the Hon. Member has certainly read the Chair's mind correctly, and that should be postponed until we see whether or not that is going to be proceeded with.

With respect to the so-called abortion motion, it is true that I felt that, under the circumstances given the particular matter, it was probably in the interests of this place to allow some preliminary comment at that time, which I did. I would prefer, for the better order of things with respect to the second matter the Hon. Member for Windsor West has raised, to hold that off until such time as we see if, in fact, it is actually going to be brought forward. But I want to assure the Hon. Member that I have notice of his concerns and I will make sure he is not in any way prejudiced by not insisting on proceeding at this time.

Committee Reports

• (1110)

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

FINANCE AND ECONOMIC AFFAIRS—NINETEENTH REPORT OF STANDING COMMITTEE

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I have the privilege of presenting the nineteenth report of the Standing Committee on Finance and Economic Affairs, in both official languages. The report recommends substantial changes to the Bank Act and regulations. Later this morning, a Private Members' Bill will be introduced complying with the terms of the report, and introducing an appropriate Bill.

The Bill will deal with how bank charges are to be imposed. It will limit the ability to impose charges under certain circumstances and will provide stiff penalties for non-compliance with the Bank Act.

[*Editor's Note: See Votes and Proceedings.*]

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WESTERN GRAIN STABILIZATION ACT

MEASURE TO AMEND

The Hon. Doug Lewis (for the Minister of State (Grains and Oilseeds)) moved for leave to introduce Bill C-132, an Act to amend the Western Grain Stabilization Act.

Mr. Speaker: Is it the pleasure of the House that the Hon. Minister shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

* * *

CRIMINAL CODE

MEASURE TO AMEND

The Hon. Doug Lewis (for the Minister of Agriculture) moved for leave to introduce Bill C-133, an Act to amend the Criminal Code (Pari-mutuel betting).

Mr. Speaker: Is it the pleasure of the House that the Hon. Minister shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

BANK ACT

MEASURE TO AMEND

Mr. W. Paul McCrossan (York-Scarborough) moved for leave to introduce Bill C-292, an Act to amend the Bank Act (fair banking practices).

Mr. Speaker: Mr. McCrossan, seconded by Mrs. Collins, moves for leave to introduce a Bill entitled, an act to amend the Bank Act (fair banking practices).

Mr. McCrossan: I would like to point out that we had arranged that the Hon. Member for Trinity (Miss Nicholson) would second the Bill. I am sorry if that was not communicated to the Table.

Mr. Speaker: I am very pleased to ask the House to permit me to change that accordingly, and I thank the Hon. Member for Trinity. Mr. McCrossan, seconded by Miss Nicholson, moves for leave to introduce a Bill entitled, an act to amend the bank act (fair banking practices).

Is it the pleasure of the House that the Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. McCrossan: Mr. Speaker, this Bill will provide a means of implementing the nineteenth Report of the Standing Committee on Finance and Economic Affairs. It is the result of some months of hearings into bank service charge practices. I would like to indicate that the regulations in the Bill will allow the prohibition of the common practice of having consumers waive their consumer rights when they open bank accounts. It will also allow the Government to set disclosure standards for future banking practices as well as prohibit certain bank service charges which the committee unanimously feels are not in the public interest.

I would like to thank all the Members of the committee, both government Members and Opposition, for their support with respect to this Bill.

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

* * *

PETITIONS

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Dan Heap (Spadina): Mr. Speaker, it is my honour and duty to present a petition in accordance with Standing Order 106. The petition is signed by a number of residents in the constituency of Spadina and the City of Toronto who are concerned that the Conservative Government, having no mandate from the people of Canada to conclude a free trade agreement with the United States, has in fact undertaken to do

so, largely only through negotiations between the heads of state.

Whereas this agreement will hinder Canada's ability to develop our regional, cultural and economic needs and not only denies Canadians secure access to the U.S. market but threatens the loss of hundreds of thousands of jobs, the undersigned, your petitioners, humbly pray and call upon Parliament to dissolve to allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

IMMIGRATION—SPONSORING OF RELATIVES

Mr. Dan Heap (Spadina): Mr. Speaker, I have a second petition from residents of Spadina and the City of Toronto with respect to the immigration policy. On one point the petition has met a promise of the Minister to be granted next month concerning unmarried sons and daughters of all ages, but the second point of the petition is that it is now two years since the then Minister of Justice promised to delete or remove the unfair distinction between Canadian citizens and permanent residents of three years or more when they are sponsoring their parents. Canadian citizens have a right to sponsor them at less than 60 years, which the residents do not. This promise has not yet been fulfilled, the distinction not removed. Therefore, the petitioners ask Parliament to ensure that the Government will now fulfill its promise.

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, it is my honour and privilege to present a duly certified petition from a number of Canadian residents pointing out that the Conservative Government had no mandate from the Canadian people to conclude a free trade agreement with the United States. While the Prime Minister promised that Canadian sovereignty would not be compromised, the trade agreement negotiated does in fact threaten the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to control foreign ownership, to develop Canadian energy resources in the best interests of Canadians, and to equalize opportunities between the regions.

The petitioners point out that the agreement would deny Canada policy freedom and secure access and will result in a loss of hundreds of thousands of jobs. Therefore, the petitioners humbly pray and call upon Parliament—

• (1120)

Mr. Speaker: I want to remind Hon. Members that a short explanation of a petition is one thing but a long argument in favour of the petition is something else again. I know the Hon. Member will want to conclude his remarks.

Mr. Manly: Mr. Speaker, the petitioners humbly pray and call upon Parliament to dissolve to allow the people of Canada the opportunity to accept or reject the proposed trade agreement during a national general election.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have the honour to present a petition under the provision of Standing Order 106.

This petition is from residents of Winnipeg who say that the proposed trade agreement would deny Canada the policy freedom to determine its own economic future and undermine our ability to build a society different from that of the U.S. Therefore, they humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, I have a petition complying with Standing Order 106 from residents of Canada from Glenbain, Saskatchewan and Neidpath, Saskatchewan who point out that the Government had no mandate to conclude a free trade agreement with the United States, that the Prime Minister's (Mr. Mulroney) promise that sovereignty would not be affected has not been kept. The petition goes on to point out that the very fabric of Canadian political and economic sovereignty is being affected by this deal because future Governments will not be able—

Mr. Speaker: Again, I hesitate to interrupt but the rule is quite clear. The House wants to hear what the petition is asking for, not all of the arguments that might be mustered in favour of it. There is some complaint obviously in the House this morning with respect to the length of explanations and I think the Chair has to recognize that. The Hon. Member will conclude his remarks.

Mr. Althouse: The petitioners list eight or ten very cogent arguments as to why they are opposed to the free trade agreement, Mr. Speaker, but the main thrust of their argument is that Parliament should be dissolved to call an election so that Canadians may make the decision since they have not yet been granted such an opportunity.

[*Translation*]

REQUEST FOR INSTALLATION OF SUPPLEMENTARY DEVICES IN AUTOMOBILES

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, I have the honour to table petitions signed by residents of Trois-Pistoles, Saint-Fabien, Saint-Cyprien, Notre-Dame-du-Portage, Saint-Arsène, Biencourt, Lac-des-Aigles, Cabano, Rivière-Bleue, Dégelis, Saint-Éleuthère and Rivière-du-Loup.

The highway safety campaign continues in Quebec because the petitioners hope for changes and they are aware that since 1974, the highway safety regulations allow the installation of air bags for drivers of passenger cars and they believe that this device would reduce the number of serious injuries on the roads.

For these reasons, the petitioners humbly ask Parliament to require air bags in the front seat of cars and adjustable seat belts with shoulder straps for rear-seat passengers.

[*English*]

SUB-POST OFFICE AT LAKE BONAVISTA

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, I have the honour and privilege today to present to this House a petition signed by more than 1,900 residents of Lake Bonavista who object to the closing of Sub-post Office No. 102 located in the Lake Bonavista Promenade Shopping Mall and whereas Shoppers Drug Mart, Lake Bonavista Promenade Shopping Mall, is willing to have the said post office relocated in that store, and whereas Canada Post has refused to transfer the said sub-post office, the petitioners humbly pray and call upon Parliament to re-establish a sub-post office in the lake Bonavista shopping mall.

OPPOSITION TO BILL C-55—REFUGEE DETERMINATION

Mr. Sergio Marchi (York West): Mr. Speaker, I have two petitions to present to the House of Commons and through it to the Government of Canada.

The first one comes from Canadian citizens and residents from the Cities of Mississauga and Brampton in the Metro Toronto area. They complain and petition the Government to change the fundamental aspects of Bill C-55, the refugee determination Bill which is currently before the House. They argue that the Bill is largely unchanged, that there is still a prescreening stage, that there is still a third safe country concept to be established by the Government and that the weak appeal system to the Federal Court is completely unacceptable. These petitioners are asking the Government to reconsider these three major objections that have been the source of much aggravation in our country.

CLOSING OF EMBASSY OF ECUADOR

Mr. Sergio Marchi (York West): Mr. Speaker, my second petition deals with the question of the embassy that was in Ecuador. It comes from petitioners in Oshawa, Toronto and the City of Etobicoke.

These petitioners in three different petitions ask the Government of Canada to reconsider the closing. This is causing extreme hardship with waiting periods of as long as six months, and people have to go to Bogota, Colombia which is the closest Canadian Embassy office. They ask the Secretary of State for External Affairs (Mr. Clark) to reconsider his decision to close the embassy.

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Speaker: Agreed?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

AIR CANADA PUBLIC PARTICIPATION ACT

TIME ALLOCATION MOTION PURSUANT TO S.O. 117

Mr. Gray (Windsor West): Mr. Speaker, I rise on a point of order. On Friday, the Minister of State for the Treasury Board (Mr. Lewis) got to his feet, and, as recorded at page 16127 of *Hansard*, purported to give the notice required for an order to be made under Standing Order 117 of the Standing Orders with respect to time allocation for the completion of the debate on second reading of Bill C-129, a Bill to enable the privatization of Air Canada. According to *Hansard*, the Minister of State and Deputy Government House Leader said:

> Mr. Speaker, a question or comment. I wish to advise that since an agreement could not be reached under the provisions of Standing Order 115 and Standing Order 116 with respect to an allocation of time for the second reading of Bill C-129—

He then went on to say:

> I therefore, under the provisions of Standing Order 117, give notice of my intention to move a time allocation motion at the next sitting of the House for the purpose of allocating a specified number of days or hours for the consideration and disposal of the second reading stage of the said Bill.

I want to draw your attention, Sir, to Standing Order 117. It provides the basis for the notice purported to be given by the Deputy Government House Leader on Friday. It says in part:

> A Minister of the Crown who from his or her place in the House, a previous sitting, has stated that an agreement could not be reached under the provisions of Standing Orders 115 or 116 in respect of proceedings at the stage at which a public Bill was then under consideration either in the House or in any committee, and has given notice of his or her intention to do so—

And so on. This means that in order to determine whether Standing Order 117 can be invoked in the way intended by the Government we have to look at Standing Orders 115 and 116. Standing Order 115 says, in part:

> When a Minister of the Crown, from his or her place in the House, states that there is agreement among the representatives of all Parties to allot a specified number of days or hours . . . the Minister may propose a motion, without notice . . . and every such motion shall be decided forthwith, without debate or amendment.

Standing Order 116 provides that when a Minister of the Crown, from his or her place in the House, states that a majority of the representatives of the several Parties have come to an agreement in respect of a proposed allotment of days, then there is a provision in the Standing Order for putting that agreement into effect.

• (1130)

It is clear, on reading these three Standing Orders together, that in order to found a motion for time allocation under Standing Order 117 properly, the representative of the Government must have specifically consulted with representatives of the other Parties as to, first, whether or not there could be unanimous agreement on a motion to allocate time to complete the stage of debate of a Bill then under consideration, and, second, whether it has been possible for an agreement to be reached among a majority of the Parties for a motion to allocate time for the same purpose, and that there has been an agreement for that purpose.

The rules in effect say that there has to be consultation between representatives of the Government and representatives of the other Parties, specifically for the purpose of seeing whether the kinds of agreements made possible by Standing Orders 115 and 116 could be reached before the representative of the Government can rise in the House to give notice of an intention to move a motion for time allocation under Standing Order 117.

The rules do not say that it is enough for the Government House Leader or his or her representative to go to members of the Official Opposition and members of any other Parties in the House and say: "How many more speakers do you have," or, "Is the debate going to go on for a while," or, "Do you think we can finish this today". That is not what the rules say. The rules are very clear.

The representative of the Government has to come to representatives of the other Parties and say specifically, "Can we reach unanimous agreement to allocate time," and if that is not possible, he then has to say, "Can a majority of the Parties reach agreement on the allocation of time". I submit that if that has not been done, any attempt to move a motion under Standing Order 117 is not based on the foundation required by Standing Order 117, and therefore, in this particular case, this notice of motion that was given on Friday and the motion itself on the Order Paper are both defective. Under the rules, you cannot, Mr. Speaker, I say with all due respect, allow the Government to present its motion.

I further point out that the Standing Order speaks of an effort to reach agreement, when it comes to Standing Order 115, involving representatives of all Parties, and when it comes to seeking agreement with respect to the provisions of Standing Order 116, there must be a consultation between and an agreement among a majority of the representatives of the several Parties. I submit that this must mean, in the case of the Official Opposition and any other Parties in the House, people who have been formally designated by the Leaders of their respective Parties to engage in consultations for such purposes, the purposes of these three Standing Orders, or at the very least, people designated by such representatives to act on their behalf.

It is not enough for the Government House Leader or the Government Whip to come back to the opposition lobby or to go out into the hall or into the restaurant and, coming upon a member of the Official Opposition or a member of any other Party, engage in some conversation, and then return to the House and purport—and I am not saying that it would not be done with complete good faith—to offer to the Chair the view or the belief that the consultations required by these three Standing Orders have been duly carried out with representatives of the other Parties.

There will be others speaking to this point of order on behalf of the Official Opposition, but I want to say that the facts of the matter do not support the requirements of Standing Order 115 and 116 that before there can be a motion properly offered to this House under Standing Order 117, there must be an effort by way of meaningful, open and obvious consultation to seek either an agreement among all Parties to allocate time to complete debate on the stage of a Bill then before the House or at least agreement between the majority of the Parties for that purpose.

If you look in any recognized dictionary, I think you will find, Mr. Speaker, that it is very clear, and I am sure the courts have ruled upon this on many occasions, that agreement must mean a clear and obvious meeting of the minds on the point at issue. The people on both sides of any such supposed agreement must realize and understand what they are entering into on the basis of what is being sought from them. This is what is a meeting of the minds or an understanding in a formal sense, as the term "agreement" has been defined not only in recognized dictionaries but, very often, in our courts of law.

If, as I think the facts will confirm, there may have been some conversation between the Government House Leader or the Government Whip and members of the Opposition, or the Official Opposition at least, with respect to the number of speakers yet to be heard on the Official Opposition's side on Bill C-129, this is not what is required by our Standing Orders. There must be a clear statement, first by the Government House Leader or the Government Whip, that he is approaching the recognized and accepted representatives of the other Parties for the purpose of seeking an agreement specifically on whether there can be a unanimous order to allocate time, and if that is not possible, to see if there can be an order supported by the majority of Parties in the House.

I submit that that has not taken place with the motion now before the House, so the motion is defective. It has not been

founded on the basis required by the rules, and the House cannot proceed on it. Therefore, I respectfully submit that this motion is not in order and cannot be received by you and placed before this House at this time.

Mr. Nystrom: Mr. Speaker, I will be very brief. On Friday last, the Minister of State (Mr. Lewis) did consult me about speakers. He knows that we were standing right here at that particular time. If I recall correctly, he asked me how many more speakers I had on the Air Canada Bill, and I said several. He asked how many, and I said I was not quite sure, but that there would be several. He said: "Thank you, that's all I have to know".

The Minister did consult me about speakers, but my point is that you and the Table Officers should think about setting precedents. The Minister did not indicate that he was consulting me regarding the possibility of time allocation under Standing Orders 115 or 116. He consulted me about how many more speakers we had. I wonder if we want to set that kind of precedent.

My understanding is that when these rules were drafted, going back to the days of Stanley Knowles and Ged Baldwin, the practice at that time was that the House Leader from the government side would come across and say: "Look, we want to see if there is an agreement to allocate time, would you agree to some kind of an allocation of time for such and such a Bill, and if so, fine, we will do it together". That is under S. O. 115 where you require all Parties to agree. If one of the Parties did not agree, there is S. O. 116 where a majority of Parties can decide to allocate time.

• (1140)

That is the way it happened in the past. As far as I understand it, the House Leader would be up front about it and say he was consulting under S. O. 115 or S. O. 116. If we in the Opposition say no, then the Government House Leader has the right, under S. O. 117, to give notice of a motion, which he did on Friday afternoon.

I want to make the point that we were consulted about how many more participants there would be in the debate. In the absence of my House Leader I was in charge of communicating with the Government, so the proper procedure was followed. However, at that time I had no idea he was thinking of time allocation and using S. O. 115, S. O. 116 or S. O. 117. I make the point that we should be up front about those things. If you are thinking about time allocation, come across the way and ask if we would agree to one more speaker or two more speakers or two more hours or four more hours or one day or two days, and then the onus is upon us.

The last point I want to make is also very brief. At no time whatsoever would I agree on behalf of our Party to time allocation on the Air Canada Bill.

Mr. Lewis: Thank you.

Mr. Nystrom: We take that position because Air Canada is a Crown corporation which is a very important part of this country.

Mr. Lewis: Thank you.

Mr. Nystrom: We do not agree to time allocation on that Bill. That aside, we were not consulted specifically about time allocation.

Mr. Speaker: Out of an abundance of caution and patience I am going to hear further arguments, but as to whether or not there is any need for consultation, the Hon. Member for Yorkton—Melville (Mr. Nystrom) seems to have almost eliminated that from consideration. In any event, I shall hear other Members, but I will now hear the Hon. Minister for State (Mr. Lewis).

Mr. Lewis: Mr. Speaker, first I want to thank my hon. friend from Yorkton—Melville for his considerable assistance to my argument without even having heard it.

I want to say first that if the Canadian people ever wanted evidence of the delays being perpetrated by the Opposition, the filibuster of my hon. friend, the House Leader of the Official Opposition (Mr. Gray), is proof positive. I want to put this Bill in perspective and say why we did what we did on Friday afternoon.

This Bill was debated on May 24, May 25, May 27, June 1 and June 3, for a total of five days at second reading. Some 20 Members have spoken on the Bill. In an effort to freshen the list of speakers there have been two reasoned amendments put forward. The Opposition even forced a deferred division to a following day in order to stall for time. There were some eight point five hours, including the first one point five hours, spent in debate. I submit that that was the condition under which we were looking at the situation on Friday.

Having said that, I want to explain, within the bounds of what I am able to say about consultations, exactly what happened on Friday afternoon. My hon. friend from Windsor West made a very good point about meeting and discussing this with formally designated persons in the Opposition. That is very easy when the formally designated people are here. One cannot always find the formally designated people. Since it is inappropriate to point out that certain people are absent from the House, I will not point out that the formally designated people of the Official Opposition were not here. However, I will suggest that the Hon. Member for Papineau (Mr. Ouellet) was here. Knowing he has an interest in this Bill I went to him as one of the two members of the Official Opposition in the House, the only one around formally or informally designated, and consulted with him. That is all I can say because I think those consultations are private and I have no intention of laying them out on the floor of the House.

I then went to the NDP and my hon. friend from Yorkton—Melville, whom I took to be officially designated. He and I had discussions as laid out by him this morning and I confirmed by

his empathic remarks that no agreement was possible. That is what happened.

I suggest that my hon. friend from Windsor West wishes to structure the words "I say, you say, she says, he says", as we go through this consultation. I have been on both sides of these consultations. My friend, Mr. Yvon Pinard, had them on several occasions when I was Deputy House Leader and House Leader of the Official Opposition. They were not structured discussions. He followed through with a motion under S. O. 117 or whatever number it was at that time and we never raised this specious argument that we had not worn a red tie and bowed or been officially designated. That is a specious argument.

We have had discussions with respect to the debate on this Bill. We have brought forward the motion. I submit that nowhere in the Standing Orders does it lay out exactly how these discussions are to take place, as my hon. friend from Windsor West suggests they should be put forward.

Lastly, I want to say this. There is a time to protest and make your point and that time was Friday afternoon. If you look at *Hansard* and the comments I made, they were not made after two o'clock or at two o'clock. There was plenty of time for the Official Opposition or their formally designated representative, whoever he or she might have been, to protest. They had time to say, "Wait a minute, Mr. Speaker, the Hon. Minister has given notice under the rules but he has not consulted". When would this protest take place? Surely it would have had to take place at the time I gave the notice.

I say with respect that the other arguments I make are valid, but I also say that my hon. friend is too late. If that protest had any validity at all, it should have been made on Friday afternoon by the House Leaders of the Opposition or the people they formally designate to represent them when they are not here, and I understand Members sometimes have to be elsewhere. If they did not make that protest on Friday, then they are too late.

To sum up, I submit that the consultations took place. They were not as fruitful as I would have liked them to be. However, my hon. friend from Yorkton—Melville was as forthright on Friday as he was this morning. There is obviously not going to be any consultation, and I understand that. That is why we are moving under S. O. 117. I submit that the Government is fully entitled to move that motion.

Mr. Hawkes: Mr. Speaker, we have dealt, at least in part, with the specific situation, but I think it is important to put on the record the Government's view about S. O. 115, S. O. 116 and S. O. 117. Those Standing Orders all deal with the issue of time allocation. The basic difference between S. O. 115 and S. O. 116 as a package and S. O. 117, and the most important difference for the House to be concerned about, is the giving of notice. S. O. 115 and S. O. 116 define the conditions under which notice can be waived, and you can proceed immediately in the case of S. O. 115 to the putting of the question. In the case of S. O. 116, you proceed immediately to the two-hour debate followed by the putting of the question.

S. O. 117, on the other hand, requires notice of the time allocation procedure. I suggest to the House that this is the essential difference between the three Standing Orders. Indeed, the Government gave notice on Friday.

The House Leader for the Official Opposition has taken the words "agreement could not be reached" and somehow attempted to turn them into "consultation is required". Our House Leader has indicated that it is a pattern of the Government, which I think operates frequently in the best interests of the House, to ensure that consultation takes place. However, consultation taking place and the requirement for consultation to take place, are phrases somewhat different and ideas somewhat different from the notion that agreement could not be reached.

• (1150)

Agreement cannot be reached for many and varied reasons. All you need do is to put your imagination to work. You cannot reach agreement because a particular Party in the House has not named an official representative at the moment in time when you would like to do something. You cannot reach agreement when, as I think the Member from Saskatchewan has made clear, from the beginning of dealings on this particular Bill it has been clear that the third Party in the House would not agree to any kind of time allocation.

You can reach the conclusion that agreement to waive notice on time allocation, with which Standing Orders 115 and 116 deal, would not have been forthcoming in this particular case and in many cases in the future.

You can have intransigence within the government Party on the issue of agreement to waiving notice. Surely it is a dominant principle in the Chamber that the business of the Chamber, for the most part, proceeds on the basis of advance notice. That is where our privileges are very much affected. If we have advance notice, we can be present for the debates and the votes. In the best interests of the smooth functioning of the House we have seen the wisdom, over time, of providing procedures for the waiving of the notice. Those procedures, in all instances, tend to have the characteristics of some degree of agreement.

Standing Order 115 suggests agreement of all Parties and it is silent on independence in the Chamber. Standing Order 116 deals with a relationship between the Government and the Official Opposition as a way of proceeding more quickly despite the objections of a third or fourth party.

I suggest to you, Mr. Speaker, that this kind of motion may come back on the table occasionally in the next few weeks or in the more distant future. I think it important, in whatever statement you make about it, that you pay attention to the basic difference between the three Standing Orders. The first two deal with the waiver of notice under specific conditions,

the third one is the procedure to be followed when notice is given. It does not require consultation, it requires a conclusion of the Minister that agreement could not be reached on the allocation itself and, in particular, the waiver of notice.

Mr. MacLellan: Mr. Speaker, the Deputy House Leader said that these instances of delay are occurring far too often. The situation in which we presently find ourselves is certainly not one of delay but a bona fide disagreement on the procedure and the rules of this House. We on this side have a bona fide position which we want to state.

The Deputy House Leader has said that it is too late to make an intervention, and I will return to that later. First, he said that he held consultation with Members of the Official Opposition, that he consulted the Member for Papineau (Mr. Ouellet) and that the Member for Papineau said there were going to be other speakers.

The Member for Papineau is this Party's critic on External Affairs. I know what the Deputy House Leader asked the Member for Papineau because I was sitting right next to the Member for Papineau and I am this Party's designated representative on privatization, the heading under which this Bill is before the House of Commons. When this matter goes to committee I will also be this Party's representative on that particular committee. The Deputy House Leader obviously did not bother to check to see whether the proper representative of this Party was in the House at the particular time in question.

To go back to the suggestion that the objection had to be brought up at that particular time, the Deputy House Leader gave absolutely no indication that he was going to be moving time allocation. As far as I was concerned and, evidently, as far as the Member for Papineau was concerned, he wanted to know how many more speakers we were going to be presenting. There is no indication that there had been or had not been discussion among the House Leaders of the three Parties in the House of Commons. The House Leader spoke to the Member for Papineau quickly and then was gone. He asked one question and then was gone. That certainly was not a consultation, it certainly was not—

Mr. Lewis: Is that the only time I talked to him?

Mr. MacLellan: The only time that I know of. The Deputy House Leader certainly did not indicate more than one meeting with the Member for Papineau. I was here all Friday afternoon and he never asked me whether we could negotiate time allocation.

Standing Order 115 specifically says, "people who have been officially designated by the Party". There were not discussions among officially designated representatives of the three Parties in this particular case. As the Member for Windsor West (Mr. Gray) has said, the Party designates its official representatives. The Government does not pick the official representatives in the opposition Parties and there were not official representatives designated by this Party. The Deputy House Leader asked that question, presumably moved on to the New Democratic Party, and then proceeded to move his motion.

He says that this is being dragged out, he says that there have been 20 speakers on this particular Bill. Well, Mr. Speaker, that is not even 10 per cent of the Members of this House. We are dealing with a Bill which is very important to this country, the privatization of a Crown corporation which has existed in this country for 51 years. This is a very important Bill to which both opposition Parties have expressed their opposition and to which other Members wish to express their opposition. There has been no attempt, certainly by this Party, to try to delay debate on this Bill.

I submit that Your Honour has been fair to Parties in this House, but there comes a time when the rules have to be enforced. If the rules can be so liberally interpreted as is suggested by the Deputy House Leader, then the rules will become meaningless. There has to be a format upon which all Parties in this House can rely. If that format does not exist, the good will which we in this Party hope to engender among all Parties in this House will certainly break down. It cannot help but do so because we cannot find a reference point. We cannot go to the texts and get our interpretation and know what Your Honour will favour.

The motion put forward by the Deputy House Leader is completely out of order and should be so stated by Your Honour.

Mr. Gray (Windsor West): Mr. Speaker, I would like to deal very briefly with some points raised by the Deputy Government House Leader and his Parliamentary Secretary. First, the Deputy Government House Leader has argued that our point of order is not valid because it should have been raised at the time he gave notice on Friday. I am informed that Mr. Speaker Lamoureux ruled in 1971 that the time to raise the kind of point of order which we are currently arguing was not when the notice was given but when the motion was proposed. I am sure you have advice as to whether my recollection of Speaker Lamoureux's ruling is correct, and you will so inform us.

• (1200)

The rule in question refers to agreement, and the *Oxford Illustrated Dictionary* defines agreement as follows:

> mutual understanding; covenant, (law) contract legally binding on parties; accordance in opinion.

If one accepts this definition, it is impossible for there to have been any attempt to ascertain whether the agreement contemplated by the rules in question could have been reached, unless the Deputy Government House Leader went specifically to representatives of the Parties and said: "First, are you willing to agree unanimously on a motion to allocate time? If you are not willing to agree unanimously, can there be an arrangement among a majority?"

There is no way there can be such a thing as an agreement or an effort to determine whether there is agreement if what happens is entirely within the mind of one party, in this case the Deputy Government House Leader. There has to be some open verbal communication which the others involved can either hear or see.

It is not enough, as the Parliamentary Secretary to the Deputy Government House Leader says, for the Deputy Government House Leader to conclude personally that no agreement is possible. That is not what the rule says. Standing Order 117 does not say that when a Minister of the Crown informs the House that he or some other Minister is of the opinion or has reached a conclusion that the opportunity for agreement under Standing Order 115 or Standing Order 116 is not possible he can then move the motion contemplated by S. O. 117.

The Minister of the Crown has to tell the House that an agreement could not be reached under the provisions of Standing Order 115 or Standing Order 116. A Minister cannot honestly do that unless there had previously taken place the steps which human beings recognize are necessary in order to reach or attempt to reach agreement. That means open communication, not within the mind of one of the parties, but among and between the minds of all the parties who are supposed to be taking part in the agreement which the rules in this case contemplate.

I respectfully submit that the Parliamentary Secretary to the Deputy Government House Leader is in error if he says that the only purpose of Standing Order 117 is to provide a way of getting time allocation without having to give notice. It goes much beyond that. It says that in order to get an order for time allocation under Standing Order 117, other steps have to be carried out. The rule states that the steps have to be carried out pursuant to Standing Orders 115 and 116. This did not happen.

I say that even if it could be argued that at least the Member for Cape Breton—The Sydneys (Mr. MacLellan) could be looked upon as a representative of the Liberal Party, as the privatization critic, he was not approached for the purpose of seeing whether there could be the agreement contemplated and required by Standing Order 117, based on Standing Orders 115 and 116, in order to invoke Standing Order 117.

Finally, there seems to be the view on the part of the Government that there is something specious, as suggested by the Deputy Government House Leader, about asking you, Sir, to determine whether the rules of the House are properly followed. I ask you to make clear to the Government that the rules are an important foundation for the operation of this place and for our parliamentary democracy. If Members of the House raise points of order for the purpose of asking that the rules be followed, they should not be attacked for doing something which is the very foundation of our parliamentary system.

As I pointed out in the House on another occasion, parliamentary authority cited an old parliamentary maxim which reads:

> That nothing tended more to throw power into the hands of Administration, and those who acted with the majority of the House of Commons, than a neglect of, or departure from, these rules—that the forms of proceedings, as instituted by our ancestors, operated as a check and control on the actions of Ministers; and that they were, in many instances, a shelter and protection to the minority, against the attempts of power.

I have no quarrel with the Deputy Government House Leader or his Parliamentary Secretary saying that the arguments I made in support of my points of order are not well founded, contrary to the words of the rules or precedents of Speakers who interpret these rules. That is fair game.

However, it is wrong to try to intimidate—we will not be intimidated—Members who try to raise points of order because they believe the rules should be invoked, on the basis that there is something wrong or specious about asking you to ensure that the rules are upheld.

We already have indications that the rules do not matter to the Government, and that what it wants to do is all that counts. However, Parliament must be more than that. If that is not the case, our democratic system is gone. I do not think that that is what you want. I do not think that, on reflection, even members of the Government want that. I know for certain that it is not what the people of this country want.

Mr. Speaker: Unless some Hon. Member is impelled to further the argument, I think the Chair has enough information to make a ruling. The Hon. Member for Hamilton East (Ms. Copps) is on her feet. I will hear her briefly.

Ms. Copps: Mr. Speaker, when I was listening to the Deputy Government House Leader set the framework for the necessity of bringing forward the motion he incorrectly introduced it under Standing Order 117. I understood him to say that the reason he was moving this motion was the extensive debate we have had. He cited the debate that occurred over five or six days, and the number of people on all sides who spoke.

I have consulted with the Table Officers to look at the number of people who have actually had an opportunity to speak on this very important matter of Air Canada privatization, which goes to the heart and soul of the direction we want this country to take. In fact, only six government Members have spoken, seven Members from the Liberal Party and six or seven Members from the New Democratic Party. They have used seven hours, less than a total working day.

When one considers the salaries and expenses of Members of Parliament, it costs at least $200,000 per Member to keep us in business around here. That includes salary and expenses totalling approximately $75,000, plus the amount of money involved to run our offices, which is approximately $130,000. Surely, if we are spending $200,000 per Member to keep this place operating, we should at least have an opportunity to rise and have a say on the most important issue of the day. For the Deputy House Leader to claim that because six Members out

of 210 on the government side have spoken that is sufficient is absolute balderdash.

• (1210)

Mr. Speaker: It is not for the Chair to rule on whether it is or is not. The point that I have to determine is whether consultation is required under the rules. That is the exact point that I am faced with. I have heard both the Minister of State and Minister of State, Treasury Board (Mr. Lewis) and the Hon. Member for Windsor West (Mr. Gray) on whether the argument is properly in front of me, on the point that is being raised. I want to indicate that I am certainly accepting it at this time whatever arguments might ensue at another occasion. That is the specific point that I have to determine.

Perhaps the Hon. Member for Yorkton—Melville (Mr. Nystrom) could conclude.

Mr. Nystrom: I have had the opportunity to look up one of your rulings, Mr. Speaker, on April 14, 1987, when you were talking about time allocation in relation to Bill C-22 and you stated, in part:

> There are circumstances in which obstructive tactics can be an abuse of the rules of the House. Equally, notice of time allocation motions after only a few hours of debate at any stage of a Bill can also be an abuse.

You further stated, Mr. Speaker:

> . . . I submit that this is a legitimate use of Standing Order 117. Both time allocation motions and dilatory motions are open to abuse. When such tactics are entered upon by either Government or Opposition the balance of democratic parliamentary government can be easily upset. The maintenance of that balance is a fundamental responsibility of the Speaker.

That ruling was made on April 14, 1987, and you were concerned then about the premature use of time allocation. Usually time allocation is not moved before the eight hours is up when the 20-minute speeches have been made. This Bill has been debated for some seven hours. Therefore, I refer you back to your very sensible judgment, Mr. Speaker, in April, 1987. Once again, the same situation prevails here.

Mr. Hawkes: I have a brief intervention, Mr. Speaker. On May 25, 1988, the Hon. Member for Hamilton East (Ms. Copps) moved the motion normally referred to in this Chamber as a six-month hoist on this particular Bill.

If you do decide, Mr. Speaker, that consultation is an issue, I direct your attention to the operative phrase that "agreement could not be reached". The motion moved by the Official Opposition early on in the debate was a rather clear indication that it would not be prepared to waive the notice and allocate the time.

Mr. Speaker: I thank all Hon. Members who assisted the Chair. The point in front of me here is clear and it is specific. It is whether or not, under time allocation rules that were originally brought in to this House in 1968 and, as I understand it, are essentially unchanged, under what is now Standing Order 117 it is incumbent upon the Government, if it gives notice of time allocation, to indicate whether or not there was consultation between the Government and representatives of both the Official Opposition and the New Democratic Party, it being the other opposition Party.

The Hon. Member for Windsor West has argued with persuasive force that, if one looks at Standing Orders 115, 116, and 117 taken together, then the rule contemplates that there had to have been some type of consultation because in Standing Order 115 and 116 there could not have been agreement without some consultation.

It is an argument which is intriguing, and which I do not think is in any way specious or frivolous. Unfortunately, while it is an argument that might very well carry extensive weight if we were considering making some clarification or change in the rules, it does not help me very much at the moment. What the Chair has to consider is what Standing Order 117 does, in fact, state. The words are very clear and are as follows:

> A Minister of the Crown . . . has stated that an agreement could not be reached under the provisions of Standing Orders 115 or 116 . . . .

This, of course, is why the Hon. Member for Windsor West states that surely the rule must have contemplated some type of consultation. The difficulty is that the rule does not state that. As Hon. Members will have noticed, and I hope others watching and listening to this will have noticed, there was some dispute raised by Hon. Members speaking to the best of their recollection as to what conversations, if any, did take place. The difficulty that the Speaker is in is that the Speaker does not sit in judgment on that type of thing. Standing Order 117 seems to state, whatever wisdom or lack of it was there on those who drafted it, that it is for a Minister to come in front of the Chamber and say that there is no agreement.

I invite Hon. Members to consider whether or not some change in the rule might very well make it easier for a Speaker. It might also do much to facilitate things in this place. But I am afraid that I am bound by the rule as it is.

I wish to draw to the attention of Hon. Members some comments of Speaker Lamoureux on December 1, 1971, as recorded on page 948 of *Votes and Proceedings*. He stated the following:

> That is exactly the point which was made by the honourable Member for Winnipeg North Centre. He suggested that the Chair has to rule on the Standing Order as written, and as it is before me for interpretation. Standing Order 75(c)—

That is equivalent to Standing Order 117 in front of us:

> —says that if a Minister has given notice of his intention so to do, he could "propose a motion for the purpose of allotting a specified number of days or hours for the consideration and disposal of proceedings at that stage." This, I suggest, is what the Minister has done at this particular stage. I do not see how it is open to the Chair to go beyond this. Perhaps the Standing Order should be rephrased and presented in another way.

There again is the difficulty that is facing the Chair.

More recently, on September 9, 1987, the Hon. Member for Kamloops—Shuswap (Mr. Riis) raised a point of order, and this is what he said, as reported on page 8801 of Hansard:

Madam Speaker, this is a rather unfortunate turn of events at a crucial point in this very important debate. I think Your Honour will find that in fact the motion is defective in that in its introductory comment it states that agreement could not be reached. As previous speakers have already indicated, there was no attempt to reach an agreement.

To be fair to my colleague, the following questions were put to us: "Do you have speakers? Can we expect a vote on this Bill today?" My response was that as far as I knew we had enough speakers interested in participating in the debate that we would not likely be voting before six o'clock.

The Hon. Member for Kamloops—Shuswap further stated:

The motion before you, Madam Speaker, states that an agreement could not be reached. I know that my hon. friend knows that we had no discussions with respect to whether or not an agreement could be reached.

The Acting Speaker at that time stated:

The Standing Order does not state exactly what consultation or discussion it should imply.

The Acting Speaker adjourned the matter for some minutes and returned and ruled that the notice was in order.

Having stated that, the Hon. Member for Yorkton—Melville made some comment about comments that I had made in the past with respect to precipitous closing off of debate, and nothing I say in this ruling should in any way be taken as any diminution of a caveat that I gave in that ruling. In view of the fact that we are going to have a busy time around here, I want to make it very clear that I am conscious of that ruling and will keep it very much in mind.

• (1220)

I want to thank Hon. Members for their intervention at this time. I have to say quite frankly to the Hon. Member for Windsor West that he may very well have a point that ought to be dealt with because it seems very hard, I think, for members and for the public to understand how it is that these Standing Orders left out some mention of whether or not any consultation had taken place. I must say, as Speaker, that I think the rule could be adjusted in such a way that it did not put the Speaker in a position of having to determine on the weight of a lot of evidence whether or not a satisfactory discussion had taken place.

I have taken the point of the Hon. Member for Windsor West very seriously. I think I am coming down with a ruling that is proper procedurally and that closes off the matter.

Mr. Gray (Windsor West): I would like some clarification from you, Mr. Speaker. I take it you are not saying that no contact by way of consultation whatsoever with opposition Parties is necessary in order to found a motion under Standing Orders 117. I take it you are not ruling that the form of contact the Deputy Government House Leader in fact carried out on Friday, or prior to the point of order which the Chair cited in its ruling, does not have to be carried out.

Mr. Speaker: I want to be very clear. What I am saying is that at least in my view at the moment on the present wording of Standing Order 117, and having taken into account Standing Orders 115 and 116, I do not think the Speaker has the authority, in view of the Speaker's responsibility to rule on procedural matters, to inquire as to what consultation did or did not take place.

There might be some occasion when the question of whether or not consultation had taken place on some matter comes before this Chamber. I am not in any way suggesting what I have heard today either amounts to sufficient consultation or no consultation or any kind of consultation at all. I am just pointing out that, as I read the rule, it is not for me to get into that. I would not want any comments I made today in any way to take away from the ability of the Hon. Member for Windsor West to argue whether a certain set of conversations did or did not amount to consultation at some future time if the Hon. Member wanted to raise the matter again under this Standing Order or any other.

I am saying that I think I am bound by the rule as it is and that I cannot investigate whether consultation took place because, frankly, the Standing Order is silent as to my authority to do that.

Mr. MacLellan: Mr. Speaker, just on a further point of clarification, you have discussed what may or may not be consultation and the Speaker's dilemma in that respect. I wonder if Your Honour could perhaps give a clarification as to what your position would be with respect to who that consultation should be with with respect to particular parties?

Mr. Speaker: I think I may have indicated that if I had my way, and all Members wanted me to do so, I might make some adjustments in the rules. The question is an interesting one. I invite the Hon. Member perhaps to come to my Chambers and discuss it further. However, I do not think, in the interests of procedural law here, that any more speculation on my part will be helpful.

ALLOCATION OF TIME TO CONSIDER SECOND READING STAGE OF BILL C-129

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)) moved:

That, in relation to Bill C-129, an Act to provide for the continuance of Air Canada under the Canada Business Corporations Act and for the issuance and sale of shares thereof to the public, one further sitting day be allotted to second reading stage of the Bill; and

That, fifteen minutes before the expiry of the time provided for Government Business on the above-mentioned sitting day, any proceedings before the House shall be interrupted, if required, for the purpose of this order and,

in turn, every question necessary in order to dispose of the said stage of the Bill shall be put forthwith and successively, without further debate or amendment.

I appreciate the opportunity, Madam Speaker, to address this motion. I want to say that I think the debate which took place on the procedural aspect of this motion was helpful and instructive. I think we can all perhaps learn from the contributions made by all Members who spoke, as well as the ruling of the Chair, and can go forward from here.

With respect to this motion for time allocation, I regret very much that it has become necessary because of the delaying tactics of the Opposition to go this far. I have myself consistently argued that extension of the hours of the House was a better method of allowing for debate and getting through Bills, and we have done that. On Friday, Madam Speaker, we tried to extend hours, to work a little longer on a Friday afternoon. Certainly, government Members were predisposed to work here.

Mr. Tobin: Say that with a straight face, Doug.

Mr. Lewis: All government Members with straight faces enjoy working on Friday, and we were prepared to do the business of the nation.

Mr. Tobin: You did not want to go back to your constituency?

Mr. Lewis: When we called for extension of hours and suggested that we were prepared to work so that this Bill could go to committee, it was blocked by members of the Opposition Parties. It was blocked with some glee. So if the Canadian public wants to know where the minds of opposition Members are on a Friday afternoon, they are elsewhere than in the Chamber, because they were not prepared to work beyond two o'clock.

I suggest to you, Madam Speaker, that several Canadians, hundreds of thousands of Canadians, were working beyond two o'clock on Friday afternoon. We were prepared to join them—

Mr. MacLellan: You were the only one, if you were.

Mr. Lewis: —but the opposition Members were not.

Mr. MacLellan: Your nose is growing.

Mr. Lewis: As I indicated earlier, Madam Speaker, the Bill was debated on May 24, May 25, May 27, June 1 and June 3, five days at second reading. Some 20 members have spoken on the Bill. I was corrected by the Hon. Member for Hamilton East (Ms. Copps). I suggest to you, Madam Speaker, that it has been our tactic, when government Members have made the point of the Government on a Bill, to see no need to filibuster the Bill in the way the opposition Members do. For that reason, our interventions have been circumspect in nature.

We have had two reasoned amendments. The reason for the reasoned amendments is that there are simply not enough Members here in the Opposition parties interested in debating this Bill. In order to freshen the list, not to have reasoned debate but to freshen the list so that the same person can speak over and over again, we have accepted two reasoned amendments from the Opposition. We have had some 8.5 hours' debate on this Bill. We submit that that is ample time to make one's point.

We have tried on other occasions, and we were successful on one occasion, to have extension of hours. We tried again on Friday, as I indicated, to move this matter along, but we are continually being stalled by the Opposition in an effort to stall a very good Bill.

I want to spend the second part of my argument, if I may, just referring to this Bill and what it is about to do. We have embarked on a campaign to privatize Crown corporations for which there is no longer a public policy or for which we can operate the public policy in a different way at a saving to the taxpayer. We have done this with several companies so that the Canadian taxpayer is no longer in the gunpowder business, no longer in the communications business, and no longer builds planes. We are out of the hotel business. Guess what, Madam Speaker, the Canadian people are now, thanks to our moves, catching up with the rest of the world. Privatization is the way Governments around the world are moving.

Mr. Manly: Margaret Thatcher?

Mr. Lewis: No. France, for example, and Japan, not Margaret Thatcher. I knew my hon. friend would clutch that weapon of Margaret Thatcher to his breast. I knew that. But it is in France. Catch up with France. We have dinosaurs in the Opposition. We have the dinosaur Liberal Party and the *status quo* New Democratic Party whose members say, "No privatization. Privatization may be happening around the world, but we are not going to let it happen in Canada because we like being in the business of building airplanes and losing money. We like being in the business of running hotels and losing money. We like being in the business of gunpowder". All of these things they like. They like losing money. We have turned business over to the private sector, and guess what, Madam Speaker, in de Havilland alone there are an additional 1,000 Canadians working because it was privatized.

• (1230)

I know my friends in the New Democratic Party object to those 1,000 Canadians working. Many, I would point out, are paying union dues as well. When companies are privatized there is more employment, more growth and more vitality. And that is what this Bill is all about and what the Government is doing.

We intend to proceed to put this Bill through second reading and we intend to see our program of privatization proceed. Canada will then be catching up with the rest of the world. The dinosaurs may cling to the *status quo* of public ownership and an attitude of, "Don't worry about it". But they will find when they get into the election, which they want so badly, that they will be out of step, not only with Canadians but with the rest of the world. We have things to do, Madam Speaker.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Madam Speaker, I think it is deplorable on the part of the Government to want to use its overwhelming majority of 208 Members as well as the Standing Orders of the House which, as we know, are open to interpretation because they were drafted in good faith by Members of this House who, in their negotiations with

the Government in power, acknowledged that a modicum of order was necessary and that we had to adopt procedures that would be fair and equitable to all . . .

Ms. Copps: . . . and reasonable.

Mr. Gauthier: . . . and reasonable, as the Hon. Member said, and that the House must be able to dispose of debate quickly. That, Madam Speaker, we can accept.

Today however, they would have us believe that after seven hours of debate . . . I am not making this up. If we look at the Order Paper, it indicates . . . I may remind Hon. Members that we normally have eight hours of debate on second reading, and after those eight hours of debate broken down into 20-minute speeches, we have 10-minute speeches.

Today, in the *Projected Order of Business*, we read: Bill C-129:

—20-minute maximum during the next hour of debate: speeches are subject to 10-minute question and comment period.

There was one hour of debate left before starting on the usual eight hours for considering this Bill.

The Government has used this procedure to cut off debate, which amounts to strong arm tactics, to prevent Members of this House from speaking to the important subject matter of Bill C-129, which is the privatization of Air Canada.

Madam Speaker, I have not had a chance to speak to the Bill yet, and only seven Liberal Members have spoken so far. I would, however, like to take part in the debate, and I would like to give the House the benefit of the views of my constituents, who feel that today's privatization of Air Canada is a bad thing, and I want to let the Government know that we are against privatization, but being against the Bill does not mean that I will consistently oppose and obstruct. Certainly not!

We have a Government that is making proposals with which we cannot agree. We have only sixteen days of debate left, and we are being asked to pass forty-one bills between now and the end of June!

Madam Speaker, let's stop playing games! The Government is playing games because it doesn't know how to manage its time. It never learned how in the three and half years it has been in power, and it never will. But asking Members, after seven hours of debate, to forget it, to say: "It's over, no more debate!" . . . and to vote on the Bill . . . They can say it, and they can do it, but I can't agree with this way of doing things, Madam Speaker. This is using the majority like a sledgehammer. This is a Government that doesn't know how to manage its affairs, that is incompetent in the way it administers the House, or should I say in the way that it administers the business of the House, because fortunately, running the House is not the Government's responsibility, but the Chair's. The Government, however, is responsible for the business of the House, and as the Government proposes, we, considering our small numbers, must try to dispose, through sensible debate.

Madam Speaker, I have an important speech to make about Air Canada. There are clauses in this Bill that upset me. There are a number of things that upset me a great deal. Like many Members, we are exposed to a certain amount of lobbying.

Air Canada is now lobbying me very seriously about clause 10 of the Bill. I wanted to mention this in the House because I think it is important for Members from Quebec and those who support the French fact to know that Air Canada does not agree with Bill C-129 and Clause 10. It wants to get rid of clause 10.

Never! I will never agree to any changes in Bill C-129 that would release Air Canada from its obligation to comply with the Official Languages Act.

I wanted to say this, and I will, if I have a chance, Madam Speaker. All Members of this House should realize there is a lot of scheming going on within the establishment of Air Canada. That doesn't sit well with the Government which may have bitten off more than it could chew, as it does, from time to time.

In any case, I don't agree with this business of being told after seven hours of debate that the debate is over with. There are many Members on this side of the House who don't agree either and who would like to speak and who will, Madam Speaker. If we have to, we will use the Standing Orders to show the Government we don't agree with its sledgehammer policy, with its constant pushing and shoving of Opposition Members, trying to get them to be . . .

Mr. Rossi: Accommodating.

Mr. Gauthier: . . . accommodating, as the Hon. Member for Bourassa (Mr. Rossi) just said. They are acting like dictators, Madam Speaker.

I repeat that last Friday, the Minister of State and Minister of State (Treasury Board) (Mr. Lewis) tried to use a motion to extend the hours of debate on Friday in order to finish second reading. He said earlier that if the proposal was not acceptable on Friday, objections should have been raised right away.

Madam Speaker, I watched when the Minister came back a little later in the debate to move that the House limit the debate on Bill C-129 to one additional day. He did so at 1.35 p.m., only twenty-five minutes before the House adjourned. And he expects us to accept his argument that if we didn't agree, we should have asked the Chair for a ruling at the time, to find out whether the motion was in order.

Madam Speaker, I submit that this argument is as specious as his argument that there has already been enough debate at this stage. I suppose the Parliamentary Secretary, who has just entered the House, will try and rise again in this debate and will move, at one o'clock or even before then, that the House continue sitting during lunch time and that the additional time be used to debate the motion pursuant to Standing Order 117.

Madam Speaker, this Government will stop at nothing to push the minority around in this House. However, I leave it to the Chair to decide.

The Parliamentary Secretary let us know earlier that we have not heard the last of this Government's attempts to push and shove and use Standing Order 117, because as far as they are concerned, that is their policy. Well, this is no way to create a climate that is conducive to obtaining the co-operation of the Official Opposition. It makes things extremely difficult for the Official Opposition, Madam Speaker, since there are so few of us. We can hardly be expected to be available at all times to do our work in committee, in the House and all the other business we have to accomplish in a day's work. After all, we want our contribution, both in committee and in this House, to be worthwhile.

Personally, I didn't have time to speak to the Air Canada Bill because the Committee on Official Languages is sitting three times a week: Tuesday, Wednesday and Thursday. I would have liked to be in the House when the debate took place, but I could not, because I had business to attend to elsewhere. Many Members would like to speak to Bill C-129, and although they may not be here in the House right now, they certainly do want to take part in this important debate.

I suggest that the Government be careful if it is up to its old tricks, because the Opposition knows a trick or two as well. There are a few chapters missing in their book on dirty tricks, Madam Speaker, and if they want to start playing this kind of game, they better watch out.

An Hon. Member: The Nielsen bible.

• (1240)

[*English*]

Mr. Tobin: The Nielsen bible.

Mr. Gauthier: Yes, the Nielsen bible, the book of dirty tricks written by the so-called specialist. He did not write all the dirty tricks. There are still some unwritten, and we may use some of them.

Mr. Lorne Nystrom (Yorkton—Melville): Madam Speaker, the motion before us today is a motion under Standing Order 117 to allocate time on the Air Canada Bill. I want to oppose that motion very strenuously on behalf of our Party.

We have been dealing with the Air Canada Bill in the House for only some seven hours, and after some seven hours only, the Government has moved to allocate time, to bring down the guillotine. That is probably without precedent, or certainly it is very, very rare for a Government to use its majority this early in a debate on a very important, fundamental issue. Where is democracy? Where is freedom of speech when the Government moves that quickly and ruthlessly to allocate time?

The Deputy House Leader said that we are railing about an issue that is now popular around the world. He is talking about privatization. He is worshipping Margaret Thatcher, Ronald Reagan and Jacques Chirac. I would remind the Minister of State (Mr. Lewis) that Jacques Chirac was clobbered in the presidential election campaign in France, and one reason for that was his policies.

[*Translation*]

He was rejected by the French people, Madam Speaker, and he was trounced by the President, François Mitterand, during the presidential elections in France six weeks ago. A week from now, at the second voting round, France will have a majority socialist government. And this is also thanks to Mr. Chirac's domestic policy, Madam Speaker. It's not just Mrs. Thatcher and Mr. Reagan. We also have Mr. Chirac, in France. Another Conservative. And we have exactly the same problem here in Canada, Madam Speaker with the guy from Baie-Comeau!

[*English*]

We will fight as hard as we can to make sure that we keep Air Canada Canadian, to make sure that we protect this great Canadian institution which is part of the heritage of Canada. It was fought for and defended by many Conservative leaders over the last 50 or 52 years. We will not have our freedom of speech thwarted by a Conservative majority that wants to implement in Canada the political agenda of Jacques Chirac, Margaret Thatcher or Ronald Reagan.

The Minister says that the Government is being very generous in terms of the debate it is allowing on the Air Canada privatization Bill. I wish he would think back to four or five years ago when he and his Party were in opposition and the Liberal Government brought in time allocation. What did the Party across the way say then? It said it was a denial of free speech, that it was the guillotine, that it was the Government of Mr. Trudeau using its majority. Does the Minister remember that? Of course, he was making speeches on this side of the House about the unfair use of time allocation.

Mr. Tobin: Just quote Stephen Lewis's speech.

Mr. Nystrom: I have been told to quote Stephen Lewis's speech. Instead, I will quote the speech of the Minister for International Trade (Mr. Crosbie).

On June 9, 1981, he said the following:

> Mr. Speaker, this is a continuation of the philosophy of the government. For example, first, the English Parliament must adopt any dog's breakfast the government sends over to them as a Constitution, and must hold its nose and pass it.
>
> Another illustration of that attitude is that we have to hold our noses and pass whatever this government brings to the House, and pass it quickly. This comes from a closure-crazed government, a government which suffers from the crime of parliamentary bestiality.

Whatever that is, Madam Speaker. That was the Minister for International Trade talking about parliamentary bestiality when the Liberal Government brought in time allocation on one of his favourite Bills in 1981. He went on to say:

> It cannot wait to force these kinds of things through the House . . . The same little group comes in here on every closure motion. The same little group of parliamentary eunuchs, the same group of parliamentary assassins—the House leader, the assistant House leader, the hon. Member for Ottawa Centre (Mr. Evans), the Minister of State for Finance (Mr. Bussières)—are in here all the time, assassinating this House and removing the good from the House. That is why I call them the parliamentary eunuchs.

Those were the words of one of the leaders in the Conservative Party, the Minister for International Trade and the former Minister of Transport. When he was on this side of the House, he was complaining about time allocation and about closure when it was imposed by the Liberal Government of the day.

It is no wonder the Canadian people say that the Conservative Party's Government is the most unpopular Government in the history of Canada. It says one thing in opposition and another thing in government, and it says it time and time again.

The Hon. Member for Mackenzie (Mr. Scowen) is shaking his head in disgust right now. As a new Member, he cannot understand why the great Minister for International Trade would say one thing in opposition and another thing in government. That is why the Canadian people do not trust that Government across the way. That is why the Government will lose the majority of its parliamentary seats when the election is called. It says one thing in opposition and another thing in government.

Once again, the Minister for International Trade said in 1981 the following:

> This is an illustration of what has happened to Canada. Today we have a parliamentary system of government without any checks and balances and without the separation of powers. The Prime Minister has a group of docile sheep in his caucus—

Mr. Tobin: Bleating.

Mr. Nystrom: If we call the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) and the Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan) docile sheep, what name do we have for the people sitting on the backbenches of the Conservative Party today? They are not even docile sheep. They cannot even bleat. They will not even stand up on their hind feet and speak their minds. They are willing to be puppets on the end of the string of the Prime Minister's Office, trying to impress him because they want to be Parliamentary Secretaries or chairmen of committees or perhaps even Ministers of the Crown. That will just not happen.

The great Minister for International Trade said in 1981:

> They just say, "Baaa, sir, baaa, sir, pass it through the House, sir". As long as they do that, he has absolute power. This Prime Minister has absolute power as long as the majority in his caucus give him that unlimited power. They are so busy with their noses in the patronage trough and the power trough that they neither know nor care what happens to this Parliament, and we can expect nothing from them.

The Hon. Member for St. John's West was talking about patronage, time allocation and docile sheep in the old Government. I can think of no better way to describe the present Conservative caucus, a caucus that would allow, after seven hours of debate on a very important Bill, the government House Leader to move time allocation.

I see sitting across the way the Hon. Member for Simcoe South (Mr. Stewart). I looked up a quote in *Hansard* from February 12, 1981. That Hon. member is quoted objecting to time allocation and closure and using some pretty strong language about the former Government. I ask him now to rise and say the same thing about this Prime Minister who is abusing his majority. The Hon. Member for Simcoe South said the following:

> This chamber should be the embodiment of free speech. It should be the epitome of all those basic rights we have come to hold so sacred in this great country of ours. I personally will not stand idly by and be gagged by a Prime Minister (Mr. Trudeau) who has nothing but contempt for Parliament and who has said so.

I cannot believe those words. They are so beautiful. They sound like intelligent words coming from an intelligent Member. I ask that Member now, with seven more years of parliamentary experience, to rise and say the same thing about this Prime Minister that he said about that one, because this Prime Minister is doing exactly the same thing in gagging Parliament and free speech.

That Hon. Member went on to say:

> There are no marionettes on this side of the House. Where are the voices of protest in the government ranks? There has to be one person who will speak the truth. Have government backbenchers become the trained seals about which I spoke? Are they so browbeaten that they are afraid to speak out in defence of the freedom of this House?
>
> If we lose freedom of speech, as we have started to lose freedom in our economy—

And so on. If the Hon. Member for Simcoe South could say that in 1981, 1982 or 1983, why does he not have the courage of his convictions and the consistency in his state of mind to say the same thing now? I ask him to rise and explain that to the House. That is another reason why this Party across the way is losing power and popularity with the people of Canada.

The people of Canada want from their politicians honesty and consistency. I say: Where is the Minister for International Trade? Where is the Hon. Member for Simcoe South? He made these speeches in opposition that misled the Canadian people in September, 1984. The Hon. Member for Calgary West (Mr. Hawkes), sitting across the way in his sanctimonious, pious, parsimonious manner—

• (1250)

Mr. Hawkes: Parsimonious?

Mr. Nystrom: —gets up and talks about the Government being free, benevolent, and offering all kinds of time for debate. Where was he a few years ago in opposition when time allocation was brought in after 15 hours or 12 hours or 10 hours of debate? He called that a denial of freedom of speech. He called that an abuse of Parliament.

There are very few Bills as important as the Air Canada Bill before us today. It represents a fundamental change in the way

we as a country want to go. Yet here is a Government allocating time for debate after only seven hours. I am sure that if you were on the floor of this House instead of in the chair you, too, would get up and protest this abuse of majority, this denial of freedom of speech. That is what the Conservatives did in opposition over much less important clauses at times. I am sure that if some of them had the intellectual honesty to get up and speak their minds they would say the same thing today that they said some seven or eight years ago.

Mr. Tobin: On a point of order, Madam Speaker, in view of the remarks made by the Hon. Member who just spoke, and given the presence in the House of the Hon. Member for Simcoe South (Mr. Stewart), I would like to move:

That the Hon. Member for Simcoe South be now heard.

Mr. Rodriguez: I second it.

Mr. Hawkes: On a point of order, Madam Speaker, I think you may find unanimous consent for the Hon. Member for Simcoe South (Mr. Stewart) to speak.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mrs. Champagne): Is the Hon. Member for Simcoe South (Mr. Stewart) rising?

Mr. Ron Stewart (Simcoe South): Thank you, Madam Speaker. I think that what has been happening in this Chamber in the last few weeks and months is well known to all Canadians. We have seen stonewalling tactics. The fact is that the important Bills coming from this Party are not the type of Bills I was referring to at that time. Not in the least.

Mr. Tobin: You are turning red.

Mr. Stewart: Nothing like your tie. Are you a cousin of David Peterson?

This Government has provided more good legislation in three and a half years than was ever put before this House in its history. Right now there is a backlog of the most important legislation that Canadians will ever see. We believe in the free enterprise system. We believe that Air Canada can be run properly in the free enterprise system. It will be, too, whether the socialists like it or not.

There are certain times when time allocation is a necessity. Such was not the case when I made this statement. This Government is dedicated to bringing forward over the next few months the policies that the Canadian people were promised. We are going to fulfil that promise regardless of the stonewalling.

Mr. Hawkes: On a point of order, Madam Speaker, the Government would like to acknowledge the generosity of the Opposition in putting an extra government Member up, but I think I am the next to speak.

Mr. Nystrom: No, you alternate.

Mr. Gauthier: You had your turn. It is our turn.

Mr. Tobin: On a point of order, Madam Speaker, if you are going to recognize me for debate I will carry on with my speech. Otherwise, I raise the point of order that the Hon. Member has spoken and it is now our turn.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) is recognized on debate.

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Madam Speaker, I found it fascinating that a Member who went on forever six or seven years ago on the principle of parliamentary democracy, who spoke with great vehemence, great passion, and right from the bowels of his being about this cruel, unparliamentary, undemocratic gesture, this kind of motion, could only speak a minute or two in defence of the present Government. A few years ago he had to be restrained. The Sergeant-at-Arms had to be brought in to sit him in his place because he said he was going to stand and fight the battle for democracy, to prevent this kind of scurrilous, terrible motion being presented to the House of Commons. I have never seen such a spectacle of a Member standing and swallowing himself whole—a tragedy, not only for democracy, but for the Hon. Member who finds himself sitting in this House seven years later almost to the day when the same kind of motion was moved. Now he, suffering the threat of the lash of the whip of government Members across his back, had to stand and swallow himself whole.

I offer my sympathy, having witnessed the spectacle of a man melt before us in this House, having to swallow his words, having to take back everything he stood for seven years ago. I apologize for even forcing him to his feet to speak today.

The sad reality is that the Hon. Member for Simcoe South (Mr. Stewart), who managed to bleat out a few words to try to justify his position, is unfairly targeted in this House today. There he sits next to his colleague, beaming, the redness in his face but a glow, like a beacon of embarrassment. Rudolph the Red Nosed Reindeer, being seen from all parts of Canada. The tragedy is he is but one, because he is surrounded by his colleagues, many of whom have made the same kind of speech but who were not unfortunate enough today to be singled out.

What did the Hon. Member say? He said he stands behind this legislation. He stands behind the Government. He stands behind this measure to bring the guillotine down. You can hear the jack-boots beating in the background, echoing off the walls of this great democratic institution, coming to shut us up. What did he say? He said:

If we lose freedom of speech, as we have started to lose freedom in our economy and as did Petrofina, we will lose individual freedom, because that is what happens when economic freedom is lost. If we lose freedom of speech by closure, the right to oppose, the right to criticize, the right to scrutinize public business and public accounts, what reason is there to sit in this House of Commons?

We ask him that question again today. What reason is there to sit in the House of Commons when a government majority takes away from a minority, those who speak on behalf of the people of Canada, the right to bring accountability to the work of the Government? In a parliamentary system, whenever a Prime Minister has a majority, that Prime Minister, if he chooses, becomes an elected dictator. When a Government piles up, through mismanagement, the kind and number of Bills the Government has piled up on the legislative agenda because of mismanagement and incompetence, and chooses to cut off the right, indeed the responsibility and duty of the Opposition to bring accountability to the work of the Government, that Government becomes an elected dictatorship. That is what is happening.

That supposed kind of gesture seven years ago had the Hon. Member for Simcoe South in a proper snit, and today it turned him into—no, I cannot use the word. He has suffered enough so I will contain myself. At page 7193 of *Hansard* of February 12, 1981, he says:

> I tell you, Mr. Speaker, we cannot be stopped with closure . . . But today hon. members opposite are sitting with a comfortable majority. I for one refuse to stand silent and see the rights of Parliament abused, frustrated and strangled. I believe in open covenants, and I believe they should be arrived at openly. We, as elected Members of Parliament, hold a public trust. That trust is being abused when a parliamentary majority seeks to withhold the rights of the opposition minority.

Those were the words of the Hon. Member for Simcoe South. When confronted with similar circumstances, he stood as a Member of Parliament, beholden to no one but his conscience to defend the rights of Parliament, and today he sits as a defeated man, a man who no longer believes in democracy. Shame!

The Acting Speaker (Mrs. Champagne): It being one o'clock I do now leave the chair until two o'clock.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

NATIONAL DEFENCE

OPPOSITION TO ACQUISITION OF NUCLEAR POWERED SUBMARINES

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, as time goes by the issue of nuclear submarines is becoming more and more controversial amongst Canadians for several reasons.

By purchasing nuclear submarines we would be breaking the spirit, if not the letter, of the Nuclear Weapons Non-proliferation Treaty which Canada promoted so well in past decades.

Second, we can establish our presence and sovereignty with less expensive and more creative means than by introducing nuclear technology in our Armed Forces.

Third, there are other more urgent items which require federal dollars.

For instance, the Federation of Canadian Municipalities every year implores Ottawa for help in the construction of badly needed sewers for the protection of our water. Or take the need for a national high quality day care program, an urgent matter.

Surely the children of this nation, our future, should command the greatest attention in the spending priorities of any Government, even this hopeless Government. Sink the idea of nuclear submarines.

* * *

UNIONVILLE VILLAGE FESTIVAL

TRIBUTE TO VOLUNTARY ORGANIZERS

Mr. Bill Attewell (Don Valley East): Mr. Speaker, this past weekend my wife Sandy and I attended the nineteenth annual Unionville Village Festival along with 30,000 to 40,000 other people. It is a family oriented festival with events and fun for all.

Saturday's festival parade was a great success. On Sunday I entered the 5K run along with several hundred people of all ages and am pleased to say that I finished the run in a record time of 22 minutes and 19 seconds. Later in the morning we attended an inter-faith open air church service in Crosby Park which was sponsored by six local churches.

The festival not only increases the residents' pride in this century-old community, but increases everyone's commitment to work hard to preserve its uniqueness.

To organize such a successful event requires an army of enthusiastic volunteers. Cathy Escott, the chairperson, expressed her sincere thanks to all these volunteers, and special thanks to vice-chairman Rick Newell, and for the help of several past chairpersons such as Joan Homer, Bob McCullough, Fred Cox, Paul Heney, George Shepherd, and Glenn Crosby.

* * *

ADVERTISING

DIET 7-UP CAMPAIGN—SEXIST STEREOTYPING

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, a television advertisement for Diet 7-Up is currently receiving air time in Canada. The ad depicts two police officers, one male and one female. Having stopped a car for speeding, the

female officer begins flirting with the male driver, letting her hair cascade out of her hat; then she writes out her telephone number on the ticket rather than a fine.

This ad denigrates the professional role of women in the police force. It is a blatant example of the kind of sexist attitudes which continue to permeate our culture and to create barriers for women in all professions and all walks of life.

We must actively oppose advertisements like this, which treat women as sex objects, by writing and expressing our objections. By monitoring and complaining, and praising when appropriate, we can work constructively to change images of sexual stereotyping.

As women claim power in our society the whole human race is empowered and we move one step closer to eradicating the other symptoms of sexual inequality so prevalent in our culture, like inadequate child care, unbalanced political representation, and job ghettoization.

* * *

NATIONAL DEFENCE

OPENING OF RECRUITING OFFICE IN YELLOWKNIFE

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, the Department of National Defence is to be congratulated on its initiative in planning to open a recruiting office in Yellowknife next fall. This will be the first recruiting office north of 60 and will service the Northwest Territories, Yukon, and Arctic Quebec, giving northerners the same opportunity to join the Armed Forces as presently enjoyed by southerners.

In addition, the Northern Native Entry Program, which gives a three-week military course to potential recruits before they are obliged to sign up formally, is most helpful.

We thank DND for acting on the advice of northerners with respect to recruiting in their region.

* * *

[*Translation*]

THE HANDICAPPED

IMPORTANCE OF QUALITY OF LIFE

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, National Awareness Week for the Disabled is now past. I rise today to call on all Canadians throughout the country who took part in this campaign for independence last week to continue their efforts to improve the quality of life of our handicapped citizens.

You will recall that the United Nations proclaimed 1980 the International Year of the Disabled. It can be said that some obstacles have been smoothed in some areas like human rights, employment, income, housing, access to transportation and public buildings. But we are still very far from the two main objectives of the International Year of the Disabled. As you will recall, they were (1) full integration and (2) complete independence.

Handicapped people are not asking for charity, Mr. Speaker; they want to be full-fledged citizens. I therefore call on associations of the disabled, businesses, self-help groups, labour unions, the federal and provincial Governments and all municipalities to join together, as Rick Hansen asked us, to meet the legitimate demands of the handicapped.

* * *

• (1405)

[*English*]

ENVIRONMENTAL AFFAIRS

SEEPAGE OF CHEMICALS INTO NIAGARA RIVER FROM UNITED STATES DUMPS

Mr. Alan Redway (York East): Mr. Speaker, last week's announcement by the Minister of the Environment (Mr. McMillan) that $110 million in federal funds will be spent to help clean up pollution in the St. Lawrence River is welcomed indeed. However, the waters of the St. Lawrence which come from the Great Lakes system will never really be safe until we stop the seepage of deadly chemicals from the Occidental Chemical Corporation dumps on the American side of the Niagara River.

In spite of the Canada-U.S. agreement to reduce the amount of toxic chemicals flowing from these dumps, the levels have been increasing rather than decreasing. When will the U.S. clean up its act? Have we no alternative but to pray for the election of someone with a good environmental record, like Mike Dukakis? See you in church, Mr. Speaker!

* * *

MUNICIPAL AFFAIRS

PROPOSED INFRASTRUCTURE REHABILITATION PROGRAM

Mr. David Orlikow (Winnipeg North): Mr. Speaker, today the delegates to the Federation of Canadian Municipalities conference in Halifax will learn whether they have been jilted at the altar once again.

Already Canada's largest cities have been turned down once by the Minister of Finance (Mr. Wilson) on their proposal to regenerate the streets, bridges, and water and sewer systems of our cities. However, their case remains persuasive.

The physical plant in our cities is running down and delayed repairs now will be ever more expensive the longer we delay. The Government also knows that the proposal will create

80,000 direct jobs, the work will be socially and economically useful, the federal government contribution will be cost effective, and the broad consensus among federal, provincial and municipal levels of government favours this proposal.

Indeed, it is hard to find any reason for opposing this proposal except the Government's fear of further budgetary deficits. We can only hope that the Government will finally see the merit in a proposal that the federal New Democratic Party has already endorsed, and will act to make our cities more modern, more safe, and better places for many Canadians to live.

* * *

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—CONGRATULATIONS FROM EUROPEAN ECONOMIC COMMUNITY

Mr. Ron Stewart (Simcoe South): Mr. Speaker, I have just returned from the sixteenth annual meeting of the European Parliament. The European Economic Community is the world's largest market with over 320 million consumers, with a Gross Domestic Product larger than that in the United States.

The 12 member countries differ in language and culture yet their success story in rebuilding Europe, even to a grain surplus, through free trade is legend. They now contemplate removing all customs posts at their borders.

When I spoke about our free trade agreement with the United States, they who are our second largest trading partner acknowledged and lauded our success.

When I told them of the opposition to the free trade agreement from across the House, for reasons such as the loss of sovereignty, they scoffed and asked: "Have any of us sold out our nations? Have any of us lost sovereignty?"

The Germans, the Italians, the Irish, the Greeks? Of course not! They have created a booming market and better jobs through free trade, which is exactly what will happen here.

Hans-Jurgen Zahorka, one of the most respected Members of the European Parliament, congratulated us as a Government for what we accomplished in our free trade agreement with the United States. He told me that many doctoral papers have been written in Germany confirming our good fortune.

Free trade means continued good fortune, better jobs, and a great future for our children. Let's get on with it.

S. O. 21

[*Translation*]

MUNICIPAL AFFAIRS

DETERIORATION OF INFRASTRUCTURES—DEMAND FOR FEDERAL AID

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, the mayors of Canada's major cities are now in Halifax for the annual meeting of the Federation of Canadian Municipalities.

They have launched a call for help to the federal Government, faced with disintegrating municipal infrastructures. It would take $15 billion immediately to upgrade these infrastructures. Faced with this colossal expenditure, the mayors are asking Ottawa to help them.

The Mulroney Government is turning a deaf ear, but this program would create 60,000 jobs. I repeat: 60,000 jobs. We in the Official Opposition will not let the municipalities down. Not long ago, I presented a motion in the House, supporting the municipalities and their call for renewal of their infrastructures, and I got the support of all the provinces. Now the mayors want our support, and the Leader of the Opposition (Mr. Turner) has already promised a three-way shared cost program to create these jobs in this country.

I say to the Conservative Government: Canada needs a municipal infrastructures program. We need it now! Submarines, nuclear or otherwise, are not a priority!

* * *

• (1410)

[*English*]

ENVIRONMENTAL AFFAIRS

PROTECTION OF OZONE LAYER

Mr. John Oostrom (Willowdale): Mr. Speaker, the earth's ozone layer is under attack by man-made chemicals and by man physically destroying the environment. In the past weeks there has been some positive news. Brazilian researchers have found that the burning of an area of the Amazon Rain Forest as large as southern Ontario, each year, will have a disastrous effect on life by weakening the ozone layer. Brazil has recognized the importance of the Amazon to the world, and it is hoped that action will be taken.

Canada has decided to ban all non-essential uses of chemicals that destroy the ozone. The Minister is to be congratulated for his tough action, which goes beyond the 50 per cent agreed to by the countries which met in Montreal last September. As more nations become aware of the impending disaster, I am confident that they will follow Canada's lead in taking measures to halt the destruction of the ozone layer.

S. O. 21

EDUCATION

FUNDING REQUIRED BY UNIVERSITIES AND COLLEGES

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, to those who insist that Canada's educational system remains strong and internationally competitive, the Ontario Federation of Students Report called "Cut to the Bone" provides a graphic rebuttal with these examples of a crisis of neglect: a university where bake sales are needed to buy books and supplies; another where students wear coats and sweaters to class because there is no heat; a technical university where students have used for 16 years equipment that has a six-year life span; a psychology class so crowded that it mocks fire regulations; and buildings infested with rats and dead mice.

The message is clear. Our universities and colleges are being killed a slow death as some provinces cut funding and others even pilfer federal funds.

The Prime Minister (Mr. Mulroney) to the rescue with another promise—he will insist that the provinces use federal funds for education. In the meantime, what about the sins of his Government which is draining $1.5 billion from post-secondary funding?

When will the federal Government take the lead so both it and the provinces treat post-secondary education as an investment in Canada's future? When will the rhetoric stop and the broken promises end? When will the Government stop playing games with the future of our young people and act to ensure the only route to a competitive future is a well educated population?

* * *

[*Translation*]

PORTUGUESE NATIONAL HOLIDAY

TRIBUTE TO FELLOW CITIZENS

Mr. Claude Lanthier (LaSalle): Mr. Speaker, this week, more specifically next Friday, everywhere in Canada and especially in the wonderful riding of LaSalle-Émard, people will be celebrating Portugal's national holiday. Our sizeable Portuguese-Canadian community has preserved and enhanced its rich, ancestral traditions, to the delight of those Canadians who appreciate the benefits of Canadian multiculturalism.

Mr. Speaker, I hope our Portuguese immigrants who have given us such marvellous families will have a wonderful day, which will be a time for joyful reminiscing.

Our fellow citizens from Portugal, from the Algarve coast, the beaches of Estoril, and the Douro valley, have found a new home along the banks of Lachine Rapids, and we hope they will accept our best wishes on their national holiday.

* * *

[*English*]

IMMIGRATION

SPONSORSHIP OF ADOPTED CHILDREN AND OF GRANDPARENTS

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, for some time now the Government has been making promises to the immigrant community to have a more generous policy of family reunification. Yet we find out from lawyers in Winnipeg that the Department of Immigration is presently making it much more difficult for families to sponsor adopted children, parents, and grandparents. The Department is putting roadblocks in the way when the Immigration Appeal Board has already said that these roadblocks must be removed.

It is time for the Government not only to make promises to immigrants, but to take some action and tell the Department that, when the Immigration Appeal Board says it is okay to sponsor a relative, the Department ought to allow it to happen.

* * *

[*Translation*]

HOUSING

THE ELDERLY

Mr. Guy Ricard (Laval): Mr. Speaker, the Canadian population is aging all the time and according to statistics, it is predicted that in 2030, one Canadian in four will be 65 or older.

This results in a growing problem of housing for the elderly. It is not realistic to uproot someone from his community when he reaches retirement age. It is unthinkable to break the family ties between young people and their grandparents on the pretext of giving them security.

Mr. Speaker, on the contrary, other solutions to this problem must be found. The nuclear family, this bond between young and old, must be preserved. This wisdom that comes with years must be put to use.

I ask the Minister responsible for housing to deal with this important issue and to discharge his responsibilities by issuing the appropriate orders to CMHC to develop programs and make them available to beneficiaries.

• (1415)

ORAL QUESTION PERIOD

[*English*]

NATIONAL DEFENCE

PROPOSED ACQUISITION OF NUCLEAR POWERED SUBMARINES

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is directed to the Deputy Prime Minister in the absence of the Prime Minister. This weekend the Government's own Ambassador to the United Nations, Mr. Stephen Lewis, joined the succession of other important voices such as the Right Hon. Leader of the Opposition, the former Chief of Staff, Mr. Thériault, the Ambassador for Disarmament, Mr. Roche, and other leading defence specialists, in condemning the Government's decision to proceed with the purchase of a fleet of nuclear submarines, especially at a time when the superpowers themselves are engaging in important efforts to disarm their nuclear arsenals.

Will the Government finally admit that this costly and ill-considered nuclear sub program is the wrong initiative and there are far more constructive and productive ways for Canada to secure its security and provide for the defence of the sovereignty of our nation? Is it not time that the Government admitted, considering this overwhelming evidence and contradiction of its own officials, that it has embarked on the wrong course?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, with reference to that question, I believe Ambassador Lewis himself, during his speech on Saturday to the Congress of International Physicians for the Prevention of Nuclear War, noted he was "neutered" until August 1, but that he endorses everything Mr. Broadbent said about the plan to acquire nuclear submarines. Well, while he was neutered, he was endorsing a neutered policy. It is not our policy. This is a private opinion of the Ambassador to the United Nations who had noted that his term was drawing to a close—

Mr. Broadbent: Like yours.

Mr. Orlikow: You have a few more months than he does.

Mr. Crosbie: The term of the NDP has never come and never will, Mr. Speaker.

Ambassador Lewis' views and ours on this question do not coincide. We believe, and we advocate, that Canada should have the means to defend its territorial sovereignty. We should be in the position to exercise control over the Arctic. We can do this with the nuclear propelled submarine policy outlined in our defence White Paper. We are going to stick to it. We will put the question clearly before the Canadian people and see if they want the neutered policy of hon. gentlemen opposite.

Mr. Broadbent: Do that!

Mr. Axworthy: Mr. Speaker, if it is the Minister's conclusion that the Ambassador of the UN is neutered because he is coming to the end of his term, I suggest that puts him in exactly the same position as the Minister himself.

COST OF SUBMARINE PROGRAM

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I would like to direct my supplementary question on the same topic to the Minister of Finance. Last Thursday in the House in response to a question put by my colleague, the Hon. Member for Papineau, the Minister of Finance said that the precise numbers on the cost of submarines would be compiled after the country of origin for the submarines is chosen. That was compounded by statements by members of the Department of Defence admitting the $6 billion of operating costs have not been included in their estimates, so that no one knows what the final exact cost will be.

Is this a new way for the Government to do business, to make a decision before it even knows what the costs will be? Is that not a foolhardy and unwise way to proceed with a major expenditure of taxpayers' dollars on an ill-founded policy when the Government does not even know what the cost will be? Is it not time the Minister of Finance stepped in and took some control of this matter and tried to save this country from a disastrous decision?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member is drawing too precise conclusions to things that have been said. What we are facing right now is a decision on the country of origin for the submarine purchase. We have a fairly good idea of the cost of this program at this point. It is not until you can get into the detailed discussions, which come only after you make the decision on country of origin, that you are able to define the cost of the program with the degree of precision that would be necessary before a final decision is taken. That is the position we are in right now.

• (1420)

Mr. Axworthy: That reminds me of that saying, "What's a billion or two", Mr. Speaker. Is that the new position of the Finance Minister?

POSITION OF AMBASSADOR TO UNITED STATES

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): I have a supplementary question for the Deputy Prime Minister speaking for the Prime Minister.

A speech this weekend by Ambassador Lewis to the United Nations, I think it would be fair to say, has left considerable confusion on the question of the Government's foreign policy. The Ambassador over the last four years has accepted and articulated government policy on a wide range of issues from nuclear arms to foreign aid. Either the Government has radically changed its position, or the Ambassador has decided that the policies no longer warrant his support.

If the Ambassador's statement of this weekend on such crucial matters as Cruise missile testing, foreign aid, and nuclear subs does not contradict the Government's position, and considering he is one of the chief spokespersons for government foreign policy, does this not call into question the entire premises of that foreign policy, causing major confusion and doubt on the part of other countries and our allies as to exactly what the foreign policy of this Government really is?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, there is no doubt whatever about what our foreign policy is, particularly in this area. I quote from the Canadian Press report of this story. It reads:

> Mr. Lewis stretched the bounds normally observed by Canadian diplomats, who are supposed to stay out of domestic politics.

Mr. Lewis is an Ambassador and his job is to carry out the policy of the Government. In these remarks he was neither articulating the policy of the Government nor carrying it out. As he said himself, he is

> —entitled to a little bravery at the eleventh hour of his tenure.

I would have thought he might be entitled to a little bravery throughout his tenure, Mr. Speaker, and that he should keep the rules in mind for the remainder of his tenure as our representative at the United Nations, so this kind of advantage cannot be taken of him or of us by the Official Opposition.

* * *

FINANCIAL INSTITUTIONS

COMMITTEE REPORT ON SERVICE CHARGES

Miss Aideen Nicholson (Trinity): Mr. Speaker, My question is for the Minister of Finance. Now that the Minister has received the Standing Committee's report on financial service charges, is it his intention to facilitate passage of the Private Member's Bill introduced this morning, or to introduce government legislation?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am sure the Hon. Member will understand that this report has just been tabled. It is a very good report. As she knows, we have waited for some while with some anticipation for the report.

What I would like to do with my colleague, the Minister of State for Finance, is to review the propositions in the report. At that point we can make a decision as to how we might proceed from here.

APPLICATION OF GOVERNMENT POLICY

Miss Aideen Nicholson (Trinity): Mr. Speaker, the publicity about the report has focused on charges by banks, but the report itself deals with all financial institutions regulated by the Government of Canada.

Is the Minister able to say that whatever measures he takes will be applied not only to banks but to other federally regulated institutions?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think that that is a logical question that the Hon. Member might want to ask. Again I would say a response would be premature.

We want to look at the implications that that might have as far as provincially regulated institutions in the same field of business, such as trust companies, are concerned. As I indicated in my first response, we are quite interested in the conclusions that have been drawn here. I do not want to make any early statement for fear of prejudging what a more considered point of view might be. It is something we will be studying at some length, and we will be back to the House at an early date with some response.

* * *

NATIONAL DEFENCE

PROPOSED ACQUISITION OF NUCLEAR POWERED SUBMARINES—ARCTIC SURVEILLANCE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Minister of Finance who, I understand, is playing a part in the review of the reckless and costly nuclear submarine decision.

The Minister knows that military experts in Europe, Canada and the United States have all said that when it comes to surveillance in the Arctic there is a much more effective, much less costly way, of going about it than embarking on, as I say, a reckless and much more costly decision of having nuclear submarines.

• (1425)

Since the Minister is involved in a reassessment of the policy over-all, will he confirm that for every $1 billion that would be saved on nuclear submarines, we would have enough money to support 250,000 child care spaces for one year, 10,000 hospital beds for one year, 40,000 transitional homes for one year, and we could feed one million of Canada's poor children one lunch a day for three years? There is an alternative use of $1 billion in each of those items. Would the Minister confirm that those estimates are accurate and, in so doing, would he add his voice to sanity and say that he will oppose this reckless and irresponsible submarine decision?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have learned from three and a half years of hard experience never to take the Hon. Member's figures at face value. They are normally twisted out of some measure of reality, going back to the very first time he opened his mouth in this Parliament and said that we would lose 200,000 jobs because of actions we were taking. Clearly we did not lose 200,000

jobs. We gained many, many hundred thousand more than that.

I think the proposals that have been set out in the defence White Paper stand for themselves. They are the result of a very extensive review by the Government, working with the Department of National Defence and the military advisers, on the approach that we should be taking as a Government. I think the Hon. Member will understand that those questions are more appropriately put to the Minister of National Defence who will be back in the House shortly.

INDIAN RESERVES—SOCIAL CONDITIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I am not sure the Minister of National Defence will have the information we want on alternative spending in the social field, for example. Again, the Minister has been cited as one of those who is trying to bring some common sense to cabinet decisions.

At a time when we have in virtually every Indian reserve in Canada what can only be described as disgusting and unacceptable poverty, at a time when there are one million Canadian children in poverty, at a time when we have a need for child care spaces, at a time when there are all kinds of real social needs that have to be met, why does the Government not embark on a sensible surveillance military policy and use the saved billions of dollars for needed social spending in Canada?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am sure the Hon. Member understands the importance of balance in public policy. The Hon. Member has mentioned our spending on Indian affairs, and I should point out to him that that has increased by 42 per cent since we came into office.

What we have done, on a range of social policy initiatives that I have outlined many times in the House, speaks for itself. Just to remind the Hon. Member, I will tell him that we have increased the child tax credit, we have provided for the prepayment of the child tax credit, we have introduced a refundable sales tax credit, and we have introduced a number of changes that have improved the lives of veterans.

The changes we have made in a range of social policy areas have, I think, been a good balance between what is needed on the economic development side, on the regional development side, on the international affairs side, and on the side of defence policy, all of which combined represent what is needed in good government.

It is very easy for the Hon. Member to pull out of the air some ideas that he would like to put into operation, something which he probably will never get a chance to do, so I understand his frustration in that way. I think it is important to look at the balance and recognize that we are coming off a period when the defence affairs of this country were seriously neglected.

We are trying to generate a greater degree of balance so that the men and women who represent us in the Armed Forces know that they will be properly equipped and that there is a Government that stands behind them.

Mr. Broadbent: Mr. Speaker, the Minister knows that what is being objected to is wasteful spending. He knows that Canadian military experts as well as British, French, and American have said that this nuclear submarine policy is an absurd one, and Canadians understand that.

[*Translation*]

GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): My last question is simply this: Would the Minister confirm that the Government is now considering its options on this policy? Is it possible that the Canadian Government intends to reverse its policy and to adopt an approach that does not include purchasing nuclear submarines?

• (1430)

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not know who the Hon. Member is trying to fool. His colleague sitting right beside him said a matter of weeks ago that the NDP would not introduce nuclear submarines but would put that same amount of money into surface vessels.

Mr. Broadbent: Not the same amount.

Mr. Wilson (Etobicoke Centre): The NDP Leader is saying they were not going to cut back on the defence budget.

Mr. Broadbent: He did not say that.

Mr. Wilson (Etobicoke Centre): You cannot have it both ways. You say you don't want to have nuclear submarines but you want to keep defence spending at the same levels. You cannot fool the Canadian people, they are too smart for that.

* * *

IMMIGRATION

REPORTED GRANTING OF REFUGEE STATUS TO NICARAGUAN CONTRA REBELS

Mr. Sergio Marchi (York West): Mr. Speaker, my question is directed to the Minister of Immigration. It concerns today's reports that Nicaraguan Contra rebels requested and received refugee status in Canada as early as last year.

Following statements made last November by the Secretary of State for External Affairs who said that Canada might have to admit Contra rebels as refugees, the Minister for External Relations assured this House on November 24, in response to questions from the Opposition, that:

> We have never admitted terrorists or persons guilty of war crimes, and that policy will not change.

Two days later in the House the then Minister of Immigration said:

> —all those accused of violence, whoever they are, will not be accepted.

I ask the Minister a very simple and straightforward question. Why did the Government break its commitment to the House and Canadians by allowing Contra rebels to enter this country when many of them have horrible records of human rights violation and, as such, violate Section 19 of the Minister's Immigration Act?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, first, I stand by those statements made by my colleague. As the Hon. Member knows, these cases are all considered case by case. People with war crimes records and terrorist records are not considered as refugees in Canada.

The best way to resolve this is through the proposals we have before the House in our two Bills. They will help keep out claimants who should not be here. In the meantime, we continue to look at each case on a case by case basis wherever they are from. As the Hon. Member knows, this is only one of the countries with which we have some difficulties.

Mr. Marchi: The statements of the Minister of State for External Affairs and the then Minister of Immigration fly in the face of government policy and the Immigration Act which makes these individuals inadmissible. That is not to suggest they should not be helping legitimate refugees. The Minister irresponsibly ignores that very important point.

PASSPORT FORGERIES

Mr. Sergio Marchi (York West): Mr. Speaker, regarding the network of passport forgeries which facilitates the entry of these Contra rebels, the Minister's senior immigration official, Jean Roberge, said:

> —we don't see that as a major federal offence as far as Canada is concerned.

How can the Government justify an official position which essentially condones this criminal activity? Since the Government knew of this plot since April, why has it not halted this operation, which is clearly illegal under existing legislation, and brought these culprits to justice?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, it is I who speak for the Government and this Department and I do take this very seriously, and so does the Solicitor General. In fact, there have been international meetings as recently as last week in which the Solicitor General was involved, which included the very large international problem of false documentation. We do take this very seriously and it relates once again not just to Nicaragua but to people who are in the country. He can see by the police action on the weekend that we do take these things very seriously. I am getting a little tired of the Hon. Member suggesting that I do not take my job seriously.

[*Translation*]

FINANCE

CREATION OF FINANCIAL SERVICES OMBUDSMAN POSITION—MINISTER'S POSITION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of Finance. The Committee on Finance and Economic Affairs has just tabled its report, which concludes that consumers' frustrations and anger with the banks are founded and justified. Will the Minister immediately follow up on the Committee's recommendations and more particularly on those contained in the NDP's report, which called for creating the position of financial services ombudsman, whose role would be to act as a referee?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think I have essentially responded to the Hon. Member's question. I indicated we will study the report of the committee in detail. I had a quick read through it already but I want to reflect further on it before I make any statements. That particular comment must apply to the question the Hon. Member just posed.

SUGGESTED FREEZE ON SERVICE CHARGES

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, in the report tabled today the committee clearly comes down on the side of consumers who complained vociferously to the committee and this House that they have been dinged and donged on bank service charges. The one thing missing in the report was any immediate redress for Canadian consumers.

Is the Minister prepared to consider in a positive way the recommendation of NDP members of the committee that there be a freeze on bank service charges for one year in light of the fact that the Royal Bank has already done that?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I can understand the point of view expressed. I think we have all had such representations from our constituents. I have indicated a few times in response to questions that we were looking forward to the work that the committee was doing on the question of bank charges to give us some guidance on how we might proceed. However, I am sure the Hon. Member is not so impatient that he would expect I would have an immediate considered response in a matter of two or three hours after the report is tabled.

For that reason I think he will understand that we want to review this carefully. We do not want to delay long in coming up with conclusions, and I am sure, once that is done, the point of view expressed, the importance of the interests of the consumer, will be taken into account in arriving at our conclusions.

CANADIAN SECURITY INTELLIGENCE SERVICE

CITIZENSHIP APPLICATIONS—DELAY IN PROCESSING SECURITY CLEARANCES

Mr. Alan Redway (York East): Mr. Speaker, my question is directed to the Solicitor General. Is it true that those applying for Canadian citizenship now have to wait up to a year to receive their security clearances before they can become Canadian citizens? Is it also true that there is such a backlog of people waiting for security clearances that applicants in the family immigrant class are no longer being added to the waiting list by CSIS?

If that is true, when in Heaven's name are we going to do something about it?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, the hon. gentleman is quite correct in that there certainly is a delay with the processing of security clearances. We are certainly well aware of the problem and we have taken a number of steps to try to alleviate the situation, such as doubling the number of CSIS officers assigned to the screening process. We are reviewing the requests for security processing.

I would point out that in the past year we have had an unprecedented number of requests with respect to *Le sommet de la Francophonie*, the Commonwealth Conference, the Calgary Olympics, and the Toronto Economic Summit. For example, for the Calgary Olympics alone we had to process an additional 50,000 clearances. Indeed, we are aware of the problem, we are working on it, and we hope to have it resolved within the next several months.

* * *

• (1440)

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—CHICKEN IMPORTS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister for International Trade. Last week we heard that the United States health care companies will be able to come into Canada and take over health care clinics here.

There is a report today in the press that the Prime Minister's trade deal will allow an additional two million chickens to come into Canada, raised under unsanitary conditions compared to those in Canada, and carrying high levels of residues of antibiotics.

Why is the Government endangering the health of Canadians by massively increasing the imports of this poultry carrying high levels of residues of antibiotics?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the hon. gentleman has been in a knowledgeable position for a long enough period to know that the free trade deal does nothing of the sort. The only thing done under the free trade deal was to increase the quota of U.S. chickens allowed into Canada from 6.3 per cent to 7.5 per cent of Canadian production because it turned out that that was the quota level of the average of the last five years. In other words, what is permitted is what has been the average permitted under our quota system of the last five years.

The supply management system in connection with chickens remains in effect. Our health standards remain in effect. The whole situation remains unchanged. The Hon. Member knows that full well and should not attempt to spread a canard about the chicken situation.

MINISTER'S POSITION

Mr. Maurice Foster (Algoma): Mr. Speaker, the Minister for International Trade knows that the drafting instructions by the two congressional committees call for the administration to remove all barriers to imports of Canadian food as soon as possible. He also knows that when that happens that will allow a flood of poultry meat to come into Canada.

This morning a press report quotes Dr. Tom Feltmate of Agriculture Canada as saying that virtually no testing of antibiotics in U.S. poultry coming into Canada is carried out.

Why is the Minister increasing these imports? He knows that the recommendation of the United States congressional committees on the free trade deal is to remove all those barriers. Why is he playing Russian roulette with Canadians' health?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, it is this kind of gross exaggeration, completely bizarre exaggeration, which so damages the opponents of the free trade agreement. The free trade agreement does not permit an increase in the number of chickens being imported into Canada. The quota system remains in full effect. Our supply management system and the quota system remain in full effect.

Some Hon. Members: Not true.

Some Hon. Members: Wrong.

Mr. Crosbie: The attempt to yell me down doesn't change the truth. The truth stands no matter how much hon. gentlemen opposite cackle about chicken or whatever they want to cackle about.

I repeat that the quota level set is the quota that has in actual fact been the average of the last five years. No amount of obfuscation or bizarre misrepresentation can change that.

Oral Questions

IMMIGRATION

SELECTION OF GUATEMALAN AND NICARAGUAN REFUGEES

Mr. Dan Heap (Spadina): Mr. Speaker, my question is for the Minister of Employment and Immigration. As the Minister knows from her Department's figures, between January, '87, and March, '88, her Government sponsored only 568 Guatemalan refugees, that is from a country with civil war, guerrilla war, and death squads, but 1,177 from Nicaragua, a country with a declining war, a much better human rights record, and no death squads.

Will the Minister explain why, out of a limited allocation of refugees in total for Central America, her Government sponsors more than twice as many Nicaraguans as Guatemalans?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member knows that Nicaragua is a country which does have refugees. There are refugee camps with Nicaraguans in them. It is not only our country which determines that there are people in Nicaragua in need of our help.

The Member also knows that we look at all of these things on a case by case basis. Each one is determined on its merits one at a time.

The Member also knows that people arriving at our borders and claiming refugee status themselves take far too long to get through our system. We need help with some of those things from the Hon. Member.

SELECTION CRITERIA

Mr. Dan Heap (Spadina): Mr. Speaker, my colleague on my far left has asked me to give the Minister some help. I will point out to her that I am not referring to people coming to our borders but people being selected by our embassy in San José and other such embassies.

The Minister also knows that Jean Roberge, the senior immigration officer at San José, has been quoted in the press as saying that refugee status does not depend on a person's being in danger. He said that we look at their settlement ability in Canada.

Will the Minister admit that these Nicaraguans are not being selected as refugees but are being selected as immigrants? Will she take them out of the allocation of 3,400 refugees for Central America and make room for genuine refugees from Guatemala and El Salvador?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I did not find the Hon. Member's question singularly helpful, any more than I find his approach on our refugee Bills singularly helpful.

Our process of selection abroad includes some other things. In our selection abroad we are able actively to screen out terrorists and people who have been involved in war crimes and war situations in their countries. That is why we have the screening process abroad.

We do the same thing once people arrive on our shores. But I can assure you that before people come to this country as selected refugees the dangerous ones are excluded.

* * *

[*Translation*]

AEROSPACE

SPACE AGENCY—GOVERNMENT POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I have a question for the Conservative Government about the way it is treating Quebec. I often hear people complaining on behalf of Quebec. On the weekend, Premier Bourassa cried foul, accusing the federal Government of dragging its feet, and he was referring more specifically to the long-awaited decision on the space agency . . .

Just listen to those Conservative Members who never bother to complain interrupt anyone who spears up for Quebec!

Mr. Hudon: Oh, oh!

Mr. Guilbault (Saint-Jacques): Mr. Speaker, the Hon. Member for Beauharnois—Salaberry may eventually get up enough courage to demand Quebec's due.

Mr. Speaker, I want to ask the Deputy Prime Minister whether he could explain to the House what the President of the Treasury Board meant when he said on March 24, after he had been asked at least fifty times about the decision on the space agency: "The space agency is coming and it's coming fast!". What was that supposed to mean, when two months later we still have no decision and no hope that the Government is going to take any action soon?

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, what the Hon. Member did not say is that the President of the Treasury Board at the time also said that, as soon as a decision was made about the space agency's location, a number of things would happen. We know that decisions have been made by the Government in this respect. However, the Government is still considering the matter, and as we have said many times, I can understand the Hon. Member's frustration about not getting an answer as soon as possible, but as soon as the Government is in a position to make a decision and to announce it, it will do so.

PUBLICATION OF AEROSPACE RESEARCH REGIONAL CONTRACTS—MINISTER'S POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, it's not just a matter of frustration. The fact is, while we are waiting for the decision, Quebec's share of space research contracts is steadily decreasing.

I asked the same question a month ago, quoting *Le Devoir* which said that Quebec did not receive a single contract in the month of March for space research. I was told: "You picked that month on purpose". Well, in April, Quebec got 1.4 per cent of all contracts awarded in Canada. That is what is happening. Why won't the Government put its cards on the table? A year ago, the Department of Supply and Services stopped publishing the regional monthly breakdown for space research contracts. I want to ask the Deputy Prime Minister whether once and for all, he will ask the Minister of Supply and Services to publish the breakdown so we know what is going on.

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, I have never heard a more childish approach to the issue of awarding contracts. First of all, if the Liberal Party would make its position clear on space research contracts . . . If we follow the logic of the Liberal Party, according to which we should get rid of the objectives that have been set, namely, 35 per cent for the entire space program, this would mean that at the communications level, such as MSAT, a program under which 77 per cent of the contracts were awarded to Quebec, if we follow the logic of the Liberal Party, we should limit communications companies in Quebec to only 35 per cent of those contracts. I don't think this position would make the Hon. Member very popular with the communications industry in Quebec. Well, that is what he is arguing. Overall, our objective is to award 35 per cent to Quebec.

Mr. Speaker, the other point I want to make is that companies that bid on contracts do so wherever they happen to be located. The Liberal Party is upset—because there aren't enough companies in Quebec! What did the Liberal Government do during the sixteen years it was in power to develop an industry in Quebec that would be able to take advantage of these contracts?

* * *

• (1450)

[*English*]

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—HEALTH CARE SERVICES

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is directed to the Minister for International Trade who today again warned us against exaggeration. On Friday the Minister said, as reported at page 16106 of *Hansard*:

> The free trade agreement has nothing at all to do with the health care system . . .

I have obtained from the free trade negotiator's office a list of activities covered by the trade deal. That list includes commercially provided medical and other health laboratories, including x-ray labs, public health labs, blood bank labs and so forth.

Is the Minister now prepared to withdraw his comments of Friday and make it clear that in fact health care services are a part of this trade deal?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I tried to outline the position last Friday. The free trade agreement does not affect the health care system or health care services. There is only one possible area where it has any effect at all, in any way related to the health care system. It is in the provision of management services in the health care area.

We happen to have in Canada some of the best firms in the world in the provision of management services in health care facilities. Extendicare is one example. They were interested in our getting the right for them to be able to operate in the United States and to be more competitive in the United States. We have nothing to fear from U.S. companies in the field of health care management services.

If a province does not wish to have private management in its health care facilities, it can simply pass the necessary legislation to prevent it. There is nothing whatsoever in the free trade agreement that forces any province to have a private health care facility in the province. Provinces can have all public facilities. They can have non-profit facilities. Nothing forces anyone to do anything in the Canadian health care system under the Canada-U.S. Free Trade Agreement.

LABORATORIES AND CLINICS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, this document comes from the trade negotiator's office itself. The Minister is right that it makes quite clear that there are a great number of management services that are covered, but there are also commercial health services which include those labs that I noted. In view of that fact, is the Minister prepared to withdraw his statement and, second, admit that part of the consequence of this trade Bill will be to import much of the profit oriented health system from the United States in these laboratory and clinic areas, to change the Canadian health system in a serious and significant way?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, let me reassure the hon. gentleman. The Canada-U.S. Free Trade Agreement will not assist in an invasion from the United States of care-for-profit hospital or health services or whatever. If Canadians do not want profit involved in their health care system, if they only want government owned and

operated and non-profit institutions, every province can make laws to that effect.

With respect to the legislation introduced into the Ontario Legislature on Friday, the Premier of the province himself said: "I do not think we are flouting the deal". He is absolutely correct. He is not flouting it. He is not even tickling the deal. He is not harming the deal or aggravating the deal. Opposition Leader Bob Rae told reporters that the legislation is: "A complete cop-out as a free trade gambit". Your question is a complete cop-out as a free trade slander.

COMMERCIAL BLOOD BANKS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Minister for International Trade who apparently accuses everyone who does not agree with him of slander and every other kind of name.

I am pleased that today he changed the story he gave to the House on Friday with respect to the application of the free trade deal as it affects private and non-profit health care in this country.

For the first time in Canadian history, his Government has approved the private establishment of a for-profit blood bank in Montreal. Will the Minister tell us why commercial blood banks were included as part of the deal?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, may I repeat for the edification of the Hon. Member, who quite obviously does not take in anything the first time one says it, that there is nothing at all in the Canada-U.S. Free Trade Agreement that forces or causes Canadians to have a commercial blood service.

The Canadian system can and will continue. The Canadian Red Cross free supply of blood for those who need it will continue.

However, provinces can allow commercial blood services if they wish to have it or permit it. It has nothing to do with the Canada-U.S. Free Trade Agreement. I believe one is operating in Montreal at the present time. The Canada-U.S. Free Trade Agreement is not even yet in effect. How could this commercial blood clinic in Montreal have any connection with the Canada-U.S. Free Trade Agreement? Why does the Hon. Member persist in these bizarre and grotesque allegations?

[*Translation*]

MARKETING OF BLOOD—GOVERNMENT POSITION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, on the subject of blood, we know very well that a private blood bank has already been established in Montreal; this ties in with the Government's policy of privatization.

I would like to know precisely from the Minister, without the rhetoric that usually characterizes his statements in the House, why commercial blood banks are included in the schedules to the Free Trade Agreement. Why?

An Hon. Member: That is a good question, an excellent question!

• (1500)

[*English*]

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, let me look up my book here.

At page 502 of these briefing notes it states: "The free trade agreement creates no new rights for the establishment of commercial blood banks. In Canada this function is carried out mainly on a voluntary basis by the Red Cross, and blood is distributed freely to Canadians. The principle under which the Red Cross operates in Canada is that blood is a gift from one Canadian to another. There is nothing in the FTA which would undermine that principle. There is nothing in the FTA to prevent the Government from introducing regulations in the future to protect this principle". That is the blood situation, no matter whatever the lady wants to spread.

Ms. Copps: Why isn't it in the deal?

Mr. Crosbie: If you want to read it yourself, come over here and get it.

[*Editor's Note:* Whereupon *the Hon. Member for Hamilton East crossed the floor and obtained a document from the Minister for International Trade.*]

* * *

AIRPORTS

EDMONTON AIRPORT PARKING LOTS

Mr. Gordon Taylor (Bow River): Mr. Speaker, my question is directed to the Hon. Minister of Transport. The Department of Transport decided to close down the economy parking lot at the Edmonton Airport currently held by Park 'n Ride which has successfully competed against the Department's parking lot at the airport. When the Minister took over the portfolio he announced that he would take another look at the situation.

Can the Hon. Minister tell the House today if he has yet made a final decision?

Ms. Copps: He won't give it to me. He is a big phoney.

Mr. Dick: Stupid witch.

Ms. Copps: Don't call me a stupid bitch.

Mr. Speaker: I know that Hon. Members would want to hear the answer the Hon. Minister would want to give. The Hon. Minister.

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, the officers of the Department of Transport were instructed to extend the lease for a few months until we could go to tender. We believe it is fair that the interested parties

should be allowed to compete on those tenders as soon as it will be possible to do so.

* * *

PRIVILEGE

REQUEST FOR WITHDRAWAL OF STATEMENT MADE DURING QUESTION PERIOD

Mr. Derek Blackburn (Brant): Mr. Speaker, I rise on a question of privilege. Earlier today in Question Period the Minister of Finance (Mr. Wilson), in referring directly to me, stated that I had somewhere said that the savings to be made from going to conventional powered submarines as opposed to the very expensive nuclear-powered submarines would be spent by an NDP government in other ways in the defence portfolio.

I have never made that statement anywhere. I ask that the Minister of Finance withdraw that remark that he made during Question Period.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I appreciate what the Hon. Member has stated. My understanding is that the NDP defence policy is to spend new money on helicopters, patrol aircraft, frigates, minesweepers, and diesel submarines.

If all of these are put together, and the Hon. Member may wish to debate this with us at any time, the costs of this range of new capital expenditures under the NDP defence policy would be about the same as the cost of a nuclear submarine.

The only point that I was making was that the pious approach of the Leader of the New Democratic Party saying if we did not spend our money on nuclear submarines we could spend it on this was a red herring. The NDP defence policy is designed to spend just as much money, and therefore the comparisons that the Hon. Member is making are totally fallacious.

Mr. Blackburn (Brant): No way.

Mr. Speaker: Order, please. I must interrupt both the Minister and the Hon. Member for Brant (Mr. Blackburn). What has happened here is that the Minister had said something in reply to a question during Question Period. The Hon. Member for Brant has risen on an alleged question of privilege saying that at no time did he ever say that.

We are getting into a matter which is not privilege but a matter of debate. I think it could be more properly sorted out between the Minister and the Hon. Member.

In any event, the Hon. Member for Brant has it clearly on the record, and it is now clearly on the record, that he disagrees with at least part of what the Hon. Minister said that he had said at another occasion, and I think that that ends the matter.

OBJECTION TO COMMENT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I rise on a question of privilege. During the course of an interchange the Associate Minister of Defence (Mr. Dick) called me a witch. Originally I thought he said something else. He actually called me a witch. Frankly, it is going to be a rather long summer around this place, if people are going to characterize others with those ugly and sexist comments. I would ask the Associate Minister of Defence to withdraw.

Mr. Speaker: If the Hon. Minister said what is alleged, I know that he would withdraw.

Mr. Dick: Mr. Speaker, in all candour, I must admit that I did not say what the Hon. Member first indicated I said. I said she was a stupid witch, and I do withdraw "witch".

Some Hon. Members: Oh, oh!

Mr. Speaker: Greater graciousness would make it easier for the Chair.

The Hon. Member for Yorkton—Melville (Mr. Nystrom)

* * *

POINT OF ORDER

REQUEST THAT DOCUMENT QUOTED BE TABLED

Mr. Nystrom: Mr. Speaker, earlier during Question Period the Minister of International Trade (Mr. Crosbie) was quoting from his briefing book. It is the practice when a Member quotes from a document in the House that that document tabled. I wonder if it is possible to have the Minister do that.

Mr. Speaker: I thought that the Hon. Member for Hamilton East (Ms. Copps) had retrieved at least a part of the book, but maybe I am mistaken.

Perhaps the Hon. Member for Yorkton—Melville, having made the point, could wait for an appropriate time for the Minister to respond. I have the Hon. Member's point.

GOVERNMENT ORDERS

[*English*]

AIR CANADA PUBLIC PARTICIPATION ACT

ALLOCATION OF TIME TO CONSIDER SECOND READING STAGE OF BILL C-129

The House resumed consideration of the motion of Mr. Lewis:

That, in relation to Bill C-129, an Act to provide for the continuance of Air Canada under the *Canada Business Corporations Act* and for the issuance and sale of shares thereof to the public, one further sitting day be allotted to the second reading stage of the Bill; and

Time Allocation

That, fifteen minutes before the expiry of the time provided for Government Business on the above-mentioned sitting day, any proceedings before the House shall be interrupted, if required, for the purpose of this Order and, in turn, every question necessary in order to dispose of the said stage of the Bill shall be put forthwith and successively, without further debate or amendment.

Mr. Speaker: When the House rose at one o'clock, the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) had the floor.

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I wish to continue my remarks, which are an attempt to show that the Government has moved in a manner reminiscent of the echoes of jack-boots of days gone by to deny the fundamentals of democracy by putting a closure motion on the Air Canada privatization Bill. I suspect that it is setting the stage for many more such motions in the weeks ahead.

The people of Canada are asking themselves what a closure motion is. In a Parliament that has 211 Members on one side versus approximately 70 on the other side, in other words an overwhelming parliamentary majority, closure is a decision by the Government of Canada to limit the number of hours of a debate that can be given to any one piece of legislation.

After seven hours of debate, a mere pittance of debate, the Government has brought in closure to shut off debate on this Bill which will privatize a Canadian institution that is 50 years old. The Government will bring in that closure motion after only seven hours of debate when notice of this privatization was only brought to the people of Canada one month ago. There has been hardly any measure of public debate or discussion, let alone any thorough discussion in the Parliament of Canada, the people's House, about this Air Canada privatization measure.

When we examine the record of this move by the Government we find it is resplendent in, and surrounded by, hypocrisy on the part of the Conservative Party which, when similar measures on financial Bills years ago were brought in after much more debate, in fact five or six times more debate, stood up and said it was a travesty of justice, a denial of democracy to bring in closure to limit the amount of time that parliamentarians can spend in debating the people's business.

• (1510)

There was one Member, the Hon. Member for Simcoe South, (Mr. Stewart), who made quite a speech in the House back on February 12, 1981, about closure, about the evil designs of closure, who today demonstrated all the nerve of a toothache, all of the might and will of the face of a robber's horse. Of course, we all know what part of the robber's horse we see when it is running away. He stood up today in the House and said that closure was appropriate, that it was a responsible measure, that it was the majority doing the will of the people of Canada in a responsible fashion. But what did that same Member say about closure on February 12, 1981? He said that closure was a denial of democracy, a loss of freedom of speech. He said:

What could Caesar have us become, eunuchs in his court? What would the emperor have us be? Spear carriers I suppose, strewing olive branches at his feet as he enters this Chamber. Is the emperor afraid to be told he has no clothes? Is he afraid to meet Parliament face to face? Is he afraid to look us in the eyes? Is he afraid to involve us in the process of developing progressive legislation which will advance the ideals and goals of this nation?

Who is the emperor today? Is the emperor the man who sits at the head of the Party which has 30 seats in a Parliament of 282 seats? Is the emperor the man who sits at the head of a Party which has 40 seats in a Parliament of 282 seats? Or is the emperor in this Parliament the gentleman who has a commanding, decisive 211 seat majority in a Parliament of 282 seats?

Who is the leader who is giving the orders that Parliament shall not have the right to act in a democratic fashion? Who is the leader who, hearing the faint echoes of jack boots, knows how effective is the system of ramming legislation through? Who is the leader who is giving the orders today to shut down Parliament? Who is that leader? Is it the leader of the Liberal Party? Is it the leader of the New Democratic Party? No, it is the leader of the Conservative Party of Canada who is now unveiling the election scenario of this Government. It is a Party with 211 seats out of 282 seats, an overwhelming commanding majority, which is trying to convince the people of Canada that a mere 70 Members of Parliament are holding up the work of Parliament, that a mere 70 members of the Opposition are thwarting the will of the elected majority.

That is poppycock. That is an attempt to set the stage for a Government which cannot manage its own agenda. It has not properly managed the work of Parliament and it now wants Canadians to believe that a mere 70 Members out of 282 have made it impossible for the decisive majority to do its work.

Closure is a denial of democracy. This institution is the voice, the heart, the soul and the conscience of the people of Canada. That is why it is called the House of Commons. The people of this country want to be heard on the nation's business. We cannot accept, nor will we, this closure motion. We warn the Government that we will not accept the tyranny of the majority. We shall ensure that the will, the words and the vision of the people of Canada are felt on all important business before this Parliament and this country.

If the Government had any sense—more important, if it had any backbone and conscience to go with that common sense—it would withdraw this closure motion and allow democracy, as painful, uncomfortable and inconvenient as it sometimes might be, to function properly. Democracy is not perfect, but it is the best of all the imperfect systems this planet has offered so far. We would do well to emulate democratic principles by withdrawing this closure motion today.

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Madam Speaker, it is always a pleasure to follow the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin). He talks about backbone and conscience. It takes a little backbone to stand up in this House and deal with reality and the facts. It

does not take nearly as much backbone to stand up and deal in rhetoric and inflammatory words that attempt to mislead the Canadian public.

Mr. Tobin: What do you mean mislead?

Mr. Hawkes: He asks me what I mean. We have had five minutes of flamboyant rhetoric about closure. We are debating the motion under Standing Order 117 which deals with time allocation. The Opposition calls it closure. That is dishonest. It is especially dishonest in terms of this particular motion. This Government consistently offers the opportunity to expand debate. The Government should be commended for not using Standing Order 117 for many, many months. On Friday last we offered members of the Opposition the opportunity to continue debate for hours, for the entire weekend, on this particular piece of legislation.

Mr. Tobin: With no notice.

Mr. Gauthier: With no notice. What a big heart. What a hypocrite.

Mr. Hawkes: We offered up front in this Chamber the opportunity to debate. Where does time allocation come from? We saw that Hon. Member at seven minutes to one o'clock today do a procedural manoeuvre to avoid what is called a 9(4)(a). What is that? It is an expansion of debate, an expansion of democracy, and those Members opposite used procedural tricks. They used secrecy, the antithesis of backbone. Backbone deals with honesty—

Mr. Tobin: Point of order.

Mr. Hawkes: Secrecy is the opposite, and it is not a quality I personally like very much. I want to retain my place.

Mr. Tobin: Madam Speaker was in the Chair today before the lunch hour and will verify that this Member proposed that the Member for Simcoe South be allowed to speak. The Member who is now on his feet rose and seconded the motion and asked for unanimous consent. How he can now describe it as a procedural trick or dishonest tactic is beyond me. But, of course, nothing should surprise me about this Member.

The Acting Speaker (Mrs. Champagne): Order. The Hon. Parliamentary Secretary has the floor.

Mr. Hawkes: Thank you, Madam Speaker. You can see how the rhetoric arises and how fact gets overridden.

Mr. Tobin: Don't let facts stand in the way of your story. Carry on.

Mr. Hawkes: The Member attempted to move a motion which would not have been found in order and would have led to procedural debate, potentially to the ringing of the bells and the denial of debate.

Mr. Gauthier: Wrong!

Mr. Hawkes: On this side of the House I rose to say they would find unanimous consent on this side of the House for the Chair to recognize the Hon. Member for Simcoe South. I seconded no such motion.

Mr. Gauthier: You gave unanimous consent.

Mr. Rossi: You gave unanimous consent. Why don't you be honest and tell the truth?

Mr. Hawkes: I seconded no such motion because the motion itself would have been out of order. But it tells you a lot about the accuracy we receive from the other side of the House. If this time allocation debate, and the two hours spent on it, end in a vote today, I expect the vote to carry. There will be one more day of debate on this Bill at second reading. The closure on debate will have been caused by the Opposition, not by the Government.

The Government asks the Opposition right now, do we have unanimous consent to continue today beyond the normal hour of adjournment to debate this Bill for 10, 15 or 20 more hours starting at six o'clock this evening? Do we have unanimous consent?

Mr. Gauthier: No deal with you at any time!

Mr. Hawkes: If they tell me that we do not have unanimous consent, they are telling me right now that they prefer three hours of debate under time allocation. They want three hours instead of 10, 12 or 15 hours.

We should examine the behaviour of the Opposition on this Bill at second reading. It has already been debated for five days in the House. This debate will take up the sixth day. The time allocation will take up the seventh day. If we put that into context of the year's workload on Government Orders in this House, we are talking, on a single stage of a single Bill, the utilization of 2.5 per cent to 3 per cent of the normal time available in this Chamber for debate on all business such as pensions, proceeds of crime, environment and tax reform.

• (1520)

This is the thirteenth privatization in the life of this Government. Privatization of companies works. Companies produce better products, lower prices, better and more jobs. That is the record of our Government on privatization. Privatization does not serve the Opposition's purpose very well. Opposition Members want to go into an election with high unemployment rates and run-away inflation, all of the things from which they could get political advantage, so they do not like it when we manage the economy and the House well.

Mr. Rossi: Why don't you call an election?

Mr. Hawkes: Opposition Members accuse us of cutting off debate.

There is time allocation in this Chamber five days a week. Today is a Monday. At one o'clock the House shuts down.

When six o'clock comes, the House shuts down. Time is allocated.

Mr. Althouse: By unanimous agreement.

Mr. Hawkes: I took over the responsibility I have now in January, and day after day during Routine Proceedings we hear opposition Members making lengthy comments about their petitions. When the petitions are finally tabled we see that they have been certified six or eight months before, even one and a half years beforehand. What are Members doing with this extra 30, 60 and 90 seconds? They are eating into the time allowed for debates in this House. Canadians sent us here for reasoned debate on public issues and to bring them to a vote.

Let us look back at our recent history. In the mother of Parliaments in Britain it is unusual for one full day to be spent on a single subject. What has the Opposition done? On the environmental protection Bill, the most amended Bill in parliamentary history, the most carefully examined in committee, at third reading stage alone the Opposition used up several days of debate, the equivalent of three full days on something vital to the young people and to all of us in the nation.

On Bill C-121 the Opposition used 15 hours, the equivalent of five solid days of debate on second reading alone. Bill C-121 was privatization legislation. On the excise tax Bill on second reading alone there were nine hours of debate. When we started this morning we had almost nine hours—

An Hon. Member: Seven hours.

Mr. Hawkes: The Member says seven hours but he forgets about the first three speeches. We have had eight and a half hours of debate, the equivalent of three full days in this Chamber at second reading stage before the Bill goes to committee, before report stage and before third reading stage. What have the opposition Members done with the Atlantic Bill, the borrowing Bill and the western diversification Bill? They do not like free trade. Canadians do.

Mr. Rossi: Call an election then.

Mr. Hawkes: Opposition Members are using closure twice a day at lunch time and at the end of the evening. We have tried on 14 separate occasions to extend hours to complete debate to help democracy and to get things thoroughly aired. On a Friday afternoon, 27 of them slink out from behind the curtains to stop a motion that would serve democracy and allow debate to continue.

The Opposition will close off debate this evening at 6 p.m. We are here and could debate for six more hours tonight. We could debate until two or three o'clock in the morning. If opposition Members want debate, we make the offer. Do we have unanimous consent in this Chamber this evening to continue debate until we conclude an opportunity for everybody to speak on the Air Canada Bill? Or do the opposition Members want time allocation to take effect at 6 p.m. this evening? Which is it? Do we have unanimous consent or do we not?

I ask you, Madam Speaker, to put the question whether or not there is unanimous consent to continue debate this evening on the privatization of Air Canada. If that is the case, we can abandon this motion and move on to other Government Orders and have the debate this evening. If not, we will ensure that the voters of Canada get one more day of debate on Bill C-129 because that is the best we can achieve. With unanimous consent opposition Members can have more hours of debate, but if they will not consent to the additional hours, we will take what we can get, which is one more day's debate.

Mr. Rossi: Let Canadians speak up. You are the worst filibusterer in this House, Hawkes.

The Acting Speaker (Mrs. Champagne): Order. A question has been put to the House by the Hon. Parliamentary Secretary which I must put to the House at this time.

Is there unanimous consent for debate on this Bill to start at six o'clock p.m.?

Mr. Tobin: The answer is no right now. Debate.

Mr. Althouse: I have a point of order, Madam Speaker. It seems quite an unusual procedure for a second motion to be put before the House when we currently have a motion that was moved, seconded and is being debated. The mover of the motion has not proposed taking away the motion that is currently being debated. If he has, I did not hear anyone second it. In short, I am not sure that the motion has been properly put, Madam Speaker.

The Acting Speaker (Mrs. Champagne): I think we may save the House time if I say that I felt it was my duty to ask the House if there was unanimous consent. I am a servant of the House. If the House had decided to go back to Government Orders at this time and resume debate on Bill C-129 at six o'clock, the House would have been right in doing so. It was my duty to ask whether there was unanimous consent for the proposal. Obviously there is not. We are resuming debate.

Mr. Tobin: Madam Speaker, I rise on a point of order. We on this side of the House appreciate your concern and understanding of the need for any good Speaker to be a servant of the House and put a question that you thought we might have missed.

The responsibility of the Speaker, as you have properly just pointed out, is first and foremost to enforce the rules of Parliament. Indeed, the rules of Parliament are such that a second motion cannot be put while one is being entertained. Furthermore, the Member did not formally put a motion. Now that we are all clear on the subject, we can continue with debate.

Mr. Rossi: You can't always have it your way, Hawkes.

The Acting Speaker (Mrs. Champagne): I wish to thank the Hon. Member for his remarks. Nevertheless, I would like to add that in the close to four years that I have been in the House now I have seen many times when, on consent, the House has decided to put aside some of its rules and move in a different way. I wanted to make sure, as I think it was my duty, that such was not the desire of the House at that point. Resuming debate. The Hon. Member for Hamilton Mountain (Ms. Dewar).

Ms. Marion Dewar (Hamilton Mountain): Madam Speaker, my major concern this afternoon is what I would almost consider sleazy behaviour on the part of some of our colleagues. There has been all sorts of manipulation. I was in the House this morning. I did not hear any suggestion of extending debate over the lunch hour and I have heard accusations flying back and forth.

The basis of this whole debate is to limit debate on a very important issue, the taking away from the people of Canada of their own airline and putting it into some so-called private sector that very likely could be controlled with all the manipulation by a foreign power. Because of that we need to have an extensive debate.

• (1530)

I become very concerned when I hear people talk about how we are holding up the business of the House. Granted, I have not been here for very long, but I do recognize the fact that this House has been sitting for over three years now. Come fall, it will be four years. All these Bills have now been listed. Did it take the Government until this last year to put these Bills on the legislative agenda? If that is the case, I hardly think it is fair to be accusing the other side of the House of holding things up.

I am also very concerned about the fact that this heavy-handed approach is being taken. There should be a broad discussion not just about what is happening to a major asset of Canada but about how the people of Canada feel about the implications of what could happen. Some of the statements made have been authoritarian and non-democratic. Certainly, a Government that is holding about 206 seats should not be backward about allowing us to put on record the feedback we are getting from our ridings.

I hear all this grandiose talk about extending debates, about the ability to extend debate but that no one is doing it. When I was not a Member of Parliament but an ordinary citizen, my understanding was that parliamentary reform was brought in so that there could be thoughtful consideration and serious debate on issues, so that there would be no night hearings and so that the regular timetable for the legislature could be followed so people could be responsible about their duties as Members of Parliament. Since I have been here, every now and then I hear that we need to have 15 people in the House or else they will extend the debate and shut off another Bill or we will be sitting all summer because the Government has not been able to get its legislative agenda together. That is certainly not the kind of Government Canadians thought they were getting when they saw that parliamentary reform was coming in. It really does make a farce of this structure that was supposed to make us responsible, make us thoughtful and help us bring issues forward, issues that we feel are important to our constituents and indeed important to the whole of Canada.

Certainly some of the words of the Hon. Member for Simcoe South (Mr. Stewart) which were quoted today were embarrassing. It certainly helped me to recognize what has been going on. Hon. Members are simply saying: "You did, you didn't, you did, you didn't," but are not really addressing the fact that we are supposed to be able to look at the whole issue of the privatization of Air Canada and its implications on isolated communities.

This country was brought together by transportation networks and systems. Yet this Government wants to use less than eight hours of debate and allow about 20 people to speak in the House and then say that is it, we know what is good for you and we will do it. Surely that is not the kind of democracy that we should have in the year 1988.

We do know that there has been more and more of a desire on the part of Canadians to know what is happening here. There have been many requests to ensure that we use technology so that people can know what is happening. Certainly, the televising of the House of Commons debates has given Canadians access to what is happening here, but on a day like today, I think what they are hearing and seeing is rather tragic.

This Government wants to railroad things through. There would be some excuse for it if it were a minority Government. As a minority Government, it would be a little more sensitive to procedure. If it were a minority Government, it would feel that it would have to do this and that in case the House falls. However, after having a great majority for three and a half years, the Government is now trying to rush everything through at the last minute and it is saying that it is the Opposition's fault because we will not allow debate. Where were the Bills? Just 10 days ago, we received a Bill that amends 27 statutes. It is absolutely ludicrous that the Government is doing that while saying that we are holding up debate. I think this is a real tragic day for democracy.

The Hon. Member for St. John's West (Mr. Crosbie) is very good at making a joke of everything. However, when he was in Opposition, he said some things with which we agree. He said, when he was on this side of the House, the following:

> Where are all the defenders of the people on the other side of the House? They are going to come out of their trough in a few minutes. They will hear the bell and will have to break away from whatever trough they have their noses in at the moment. They will have to come into this House and says "Oink, oink". They will have to say "Aye, aye". They will have to say "Yes" to the stampeding of Parliament, to rushing this bill through the House. They will have to say "Yes" to the gutting of Parliament. They have to do the dirty work that the parliamentary assistants, assassins and eunuchs have asked them to do.

The Hon. Member for St. John's West said that on June 9, 1981, when he was in opposition. In witnessing the kind of behaviour we have seen today, we have become witnesses to great hypocrisy. If there is cynicism on the part of the public, it is because members of the public know that politicians say one thing to them one day and do the opposite the next day.

Though I have not been a Member of the House for very long, I was certainly on the doorsteps of the people a year ago during the long by-election campaign. I had much opportunity to get a good sense of what the people of my constituency were saying and feeling. I got a feeling of a great sense of powerlessness from the people of my constituency. They felt that the Government would do whatever it liked, that it did not really care what was happening to any of us. We have witnessed that today.

We have heard the Government say that time allocation is not closure. For goodness sakes, who is it kidding, and what kind of procedures is it trying to play with? We know that the Government is limiting the time for debate on this particular Bill. I think that is unacceptable, particularly when it comes to such a serious Bill.

We know that the direction of air transportation policy will change, and it will be a major change. Some might think that that will be a benefit and others might think it will not be a benefit, but surely it is the role of the House of Commons to discuss that, have a full debate on it and have a vote on it.

The Government is terrified that there might be some actual facts that come out instead of a lot of gobbledegook. Government Members are terrified, so they want to stop the debate. They know that as soon as Canadians start to get a good sense of what is really happening in the country, they will not put their support behind the Government.

A few moments ago, government Members were saying that Canadians all supported free trade. They were talking to different Canadians than I have been talking to. Again, they do not want to talk about the substance of these Bills. As soon as we get into any substantive debate, we hear that we are trying to delay the business of the House of Commons.

I notice that my time is up. I think it really is a sad day for democracy when the Government is trying to push through a Bill like this and is terrified to let the facts come out.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Madam Speaker, much has been said with respect to the activities of this Government in attempting to stifle debate on this very important Bill. It is just ludicrous that the Government is attempting to choke off debate on this vitally important matter. Air Canada has been a Crown corporation for 51 years, yet the Government is apoplectic because we have debated this Bill for seven hours on second reading. It does not want to give the people of Canada the opportunity for the facts to come out. That is disgraceful. It is reprehensible. That is the kind of Government we have been getting for almost four years.

• (1540)

The Deputy Government House Leader said he had to put a limit on the debate because we would not sit extended hours on Friday. We were not prepared to oblige the Government in sitting well into the evening on Friday. He acted as though this was some kind of chastisement of the Opposition. This House adjourns on Friday afternoon for a very good reason. It allows Members of Parliament to get back to their constituencies.

Mr. Hawkes: What about tonight?

Mr. MacLellan: Now we hear from the Hon. Member for Calgary West (Mr. Hawkes) whose constituents do not want him back in his constituency.

What happened is not only an abuse of the rights of Members of Parliament, but it is completely cutting the support out from underneath the Government's own proposition. It was that Government that brought forward the rule to adjourn on Friday afternoon at three o'clock. It was part of the Government's change to the rules of the House of Commons.

We have heard, of course, with great interest and amusement the comments made by the Hon. Minister for International Trade (Mr. Crosbie) and the Hon. Member for Simcoe South (Mr. Stewart). I was just reading the Hon. Member's comments who said on February 12, 1981:

> Is the reasoning behind closure that we have an 83-cent dollar—

As ludicrous as it was then, it is even more ludicrous today because the dollar is even lower than it was then.

This Bill is of vital importance to Canada. If it passes we will privatize one of the major Crown corporations, certainly one of the oldest. It has been in existence for 51 years. The Government, as we said, allowed Parliament to speak for only seven hours. Of course, the Conservatives are not willing to debate this. They just want to get it passed. They have presented only six speakers, less than either of the two opposition Parties, so they are not interested in presenting their side of the case because they really do not have much of a case to present. They want to make sure that the opposition Parties are unable to present their side of the House and we feel we do have a case.

Not only has the Government limited debate to approximately seven hours, this Bill was introduced for first reading on the Thursday before the long weekend in May. On Tuesday, when the House returned, the Government brought this Bill forward for second reading. It allowed one sitting day between first and second reading. The Government is adamant that the people of Canada not hear debate on this measure. It does not want the people to realize what this is going to do to transportation in Canada. It does not want the people to know what they are going to be losing through the giveaway of of this very valuable Crown corporation.

The Government does not want the people of this country to know that if it had done the same thing last summer when the market was higher, the country would have got millions of

dollars more for it. The Government is not only literally giving away this company to the private sector, but doing it at a time when the market is low.

The Government says it is not going to sell all of the shares of Air Canada, but it is not saying when it is going to sell any of the shares. It is going to sell some of the shares as soon as it possibly can. If it sells even one share of Air Canada, that Crown corporation stops being an arm of public policy to be used by Government or Parliament to the betterment and advantage of the people of Canada.

This is just a ludicrous situation. The Government said it had to give notice and limit the debate because, first, we would not sit extended hours on Friday. I have already mentioned that. Then it came through with this notice of motion on Friday, 15 minutes before we moved to deal with Private Members' Business. What the Government called consultation was to ask the opposition Parties how many speakers they proposed to put up. That is supposed to be consultation. There was no indication at all that it was going to limit debate.

The Government did this at a time when most Members were in their ridings, and no notice was given to either Members in the House or the various House Leaders. It waited until the last possible minute, knowing that as many Members as possible would be out of Ottawa. It is just incredible. Then the Government comes forward with the most ridiculous, most inane reasons for circumventing the rights of Parliament and the people of Canada. The new House rules may be an advantage but there are certain large gaps, and Standing Order 117 is one of them. In any event, the Government will not respect the spirit of the rules. It will use every little deficiency it sees in the rules to circumvent the rights of Parliament. That is a travesty and the Government is doing it more and more every day.

The Government expects goodwill from members of the Opposition. Certainly this opposition Party is prepared to give it if the Government has any sense of decency and any sense of acting in the best interests of Parliament and the people of this country. However, it has shown clearly it has not. Yet it will cry. It is the whiniest Government you will ever see. Any time members opposite feel someone steps on their toes, any time their noses are twigged, there is a wailing and hollering and beating of breasts and pounding of heads, a scene like you have never seen before. Yet we in the Opposition are supposed to be able to take that. We are supposed not only to have our rights trampled upon by the Government but we are supposed to allow the rights of the people of Canada to go undefended.

We are not going to do it. If we have to sit here all summer, every day, we are not going to do it. We are not going to do it because to do it would be a breakdown of the democracy which has existed in this country since it was founded.

Mr. Morrissey Johnson (Bonavista—Trinity—Conception): Madam Speaker, I will refrain from talking about parliamentary procedure because, like most Members here, I have not had the benefit of 15 or 20 years to learn all about it. To be quite honest with you, I do not believe that a lot of the people who have spoken today learned an awful lot in the time they have been here.

What I hear being debated now, does not make any sense. I thought everyone in the Opposition wanted to express their views about why Air Canada should not be privatized. Yet I have not heard anyone saying anything today about why Air Canada should not be privatized. They are talking about the rights of which they are being deprived by not being able to speak about it. Why do they not use the time they have today to talk about what a great disservice will be done to the people of Canada if we allow Air Canada to be privatized?

• (1550)

The reason I have not spoken on the Bill to date is because the people in my riding are saying that we should get it over with, that the mistake the Government is making is that it is not going all the way and allowing all the shares to be bought by the public.

I do not know what all the argument is about. I do know that if the motion before us is passed there will be another full day of debate. There have already been eight and a half hours of debate. Even then the debate will not be over.

I have heard Members talk about parliamentary reform. It certainly was not the Official Opposition that brought in parliamentary reform, it was the Progressive Conservative Government which brought in the parliamentary reform to which everyone is referring now. We saw the results of parliamentary reform last week when a private Member's Bill was passed in the House with Members on the government side voting in favour of Bill C-204. It does not seem that this Government wants to implement a dictatorship in the House of Commons. It is clear to me that the Government wants private Members to have a say in what is being passed in this House.

As I said, there would be another full day of debate and the Bill would then go to a legislative committee, which is another part of parliamentary reform brought in by the Government, where it would be debated by whichever Members are appointed to sit on the committee. The Bill would be debated in that committee for a number of days. I hear that some legislative committees have gone on for months, partly because the Opposition has used stalling tactics, similar to what they are doing today, so that the legislation would not come back to the House where it could be debated again at report stage.

After that, Madam Speaker, it will be debated again at third reading. When it leaves this Chamber and goes to the other Chamber, it will be debated once more.

Opposition Members obviously know that there are many Bills presently before the House and more Bills which will be brought in which contain good legislation for the country. They do not want them to come forward. They are hoping that after a while Members will get tired of the long hot summer

and the legislation will be put on the back burner to be brought up later in the fall.

They talk about democracy. I was of the opinion that the people spoke in a democratic way when they elected the majority which the Government enjoys on this side of the Chamber. All the Members hear what their constituents tell them when they go home and they come here and act accordingly.

I think the Opposition is getting on with a lot of nonsense. What is the point of talking about what happened five years ago and ten years ago when Members who are no longer here argued back and forth about pieces of legislation? As far as I am concerned, we must now look to the present and the future, a future which is good for this country.

I believe that the privatization of Air Canada will be good for the country. That is what the people of Canada want. We should get the debate over with, get the legislation to committee, and let the people start buying shares in this government operated Crown corporation which they want to have privatized. I am sure that, the same as the other corporations which have been privatized, it will be good for the country.

Mr. Nystrom: Madam Speaker, I rise on a point of order. I find it passing strange that there are not more Conservatives in the House for this important debate. We might as well call quorum until they get some more Members here.

The Acting Speaker (Mrs. Champagne): Call in the Members.

And the bells having rung:

Mr. Hawkes: Madam Speaker, I rise on a point of order. There is an unfortunate habit creeping into the Chamber of calling quorum as a way of wiping out a debate. In the context of the present discussion, where we have made an offer to continue debate on this Bill for many, many hours, this further attempt to cut off debate is not appreciated by the Government. I suggest that the Opposition has some responsibility, on opposition days, to provide this Chamber with a quorum. I would just like to say on the record that perhaps they should remember that.

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Some Hon. Members: Question.

Mr. Vic Althouse (Humboldt—Lake Centre): Madam Speaker, we sometimes have trouble hearing your voice over the shouting in the House. I rise to speak on this motion under Standing Order 117 moved by the Government to restrict debate on the Bill to privatize Air Canada. This motion has forced the House to discuss whether or not debate should be stifled and has taken away entirely from the debate on the Bill to privatize Air Canada.

I raise that to remind my friend on the government side who has just spoken that that is the reason for this debate. It is not in order to be discussing Air Canada as such or to make representations for or against that government Bill because the motion before the House at this time is whether or not we should restrict debate according to the government order.

The Acting Speaker (Mrs. Champagne): I apologize to the Hon. Member for having to interrupt him. However, it is impossible to hear the Hon. Member when there is a conversation taking place at full voice across the House. I would appreciate if all Hon. Members would pay a little more attention to what is going on in the House. My apologies to the Hon. Member.

Mr. Althouse: Thank you, Madam Speaker. The guidelines of this new Government and this new Parliament were very simple and very straightforward and were very much appreciated by Canadians in general who gave the Government the majority it currently has as a result of a promise of national reconciliation through the introduction of consultation, co-operation, consensus and general civility. That has been disappearing very much over the last three and a half years. It has been disappearing, not only because of the actions of a few people in the opposition but because of the actions of the 206 Members who are now left on the government side.

We have seen a lack of consultation which has generated the particular brouhaha which we are into today. The Government House Leader and the House Leaders of the other two Parties failed to have meetings concerning the progress of the Air Canada Bill. Very few words even passed between them, let alone real consultation and valuable communication.

• (1600)

There has been a lack of co-operation because it is very difficult to co-operate if people do not communicate. Instead, we have degenerated to the point where the Government House Leader uses his substantial power in the House to move motions like those under Standing Order 117 to restrict debate on a particular piece of legislation. In this case, it is an Act to privatize Air Canada.

I suppose one can only expect that when there is a lack of consultation and co-operation, civility and consensus will soon disappear. We are now at the point where the House had almost fallen into total discord, as you pointed out and brought back to order again, Madam Speaker. The House came back to order partly because many Members abandoned the House.

The Government is having great difficulty organizing its own business. There are some 41 uncompleted Bills that are on the Government's priority list of Bills which it would like to have debated and passed before the end of June, some 16 debating days from now. I do not believe that this House has ever generated that kind of productivity in passing legislation.

There were some productive days last week when I believe some four or five Bills dealing with Indian rights passed

through the House, some through all stages. That can happen when there is consensus and co-operation. However, that can only take place when it is accompanied by consultation.

Not only are there some 41 Bills on the priority list of the Government, there are another eight to ten Bills that it intends to introduce. Two Bills dealing with agriculture that were introduced today had been promised for some months. The legislation dealing with horse-racing had been discussed well before Christmas, and another Bill amending the Western Grain Stabilization Act was promised before Christmas. We are still waiting for amendments to the Canada Agricultural Products Standards Act which the Minister has been talking about since last summer. We have yet to see that Bill.

It is difficult to generate the kind of production the Government would like when it has not even completed the first stage of introducing and printing the Bill. Once Bills are before us, it is the right and duty of parliamentarians in opposition to look at them in a critical manner and see whether the proposed legislation is in the best interests of Canadians. If we have doubts or questions, it is our duty to present those arguments and those questions. That is why we are called the Loyal Opposition.

We began that process in the case of the Air Canada privatization Bill. We have been trying to find out why the Government wishes to begin the privatization process of a Crown corporation that has functioned efficiently and has served the country well for more than 50 years. That corporation has had profits exceeding its losses in the last 10 years amounting to $279.3 million.

Air Canada is not involved in a declining industry. The service provided by Air Canada is among the top 10 in the world according to all international objective observers. They recognize it as an efficient, well-managed and modern airline. It is recognized as among the most favoured airlines worldwide.

However, we are being told that this is not good enough and we must find another means of financing this corporation. We understand that it needs more equity to buy more equipment. There are a number of ways that this can be done, including the public issue of shares as decided upon by the Government. It could also be done through a commitment from the federal Treasury of another $200 million or $300 million and by expanding the equity shareholdings so that the corporation could borrow money that way. It is my understanding that even with the public issue of shares, the corporation's intention and requirement will be to go to the market to borrow money to make the necessary equipment purchases.

There is also the option of leasing equipment. We are not sure at this stage whether the Government and management of Air Canada fully investigated this alternative.

Apart from our concern about whether the Government has made the right choice in privatizing Air Canada, there are some aspects of the legislation that do not seem to make sense in terms of ownership and control. The Government is proposing to give control of 45 per cent of the shares to outside investors. We are told by Ministers involved with this legislation that the people who control the 45 per cent of the shares will have control of the corporation. That makes no sense to us. We believe it is undemocratic and not the proper way to give control.

At the same time, I believe the use of Standing Order 117 in this particular case is not the proper way for the Government to use its power. We believe that seven hours of debate on this very important matter is not enough. I urge the House to reject this motion to close the debate and to permit true democracy to continue functioning in a co-operative way which will provide a much better solution for the operation of the House and the country in general.

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PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE RAISED

The Acting Speaker (Mrs. Champagne): Order. It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria)—Trade—Promotion campaign—Contract with John Laschinger/Request that contract be tabled; The Hon. Member for Bow River (Mr. Taylor)—National Revenue—Evaluation of used agricultural machinery; the Hon. Member for York East (Mr. Redway)—Disasters—Air-India crash—Request for public inquiry.

GOVERNMENT ORDERS

[*Translation*]

AIR CANADA PUBLIC PARTICIPATION ACT

ALLOCATION OF TIME TO CONSIDER SECOND READING STAGE OF BILL C-129

The House resumed consideration of the motion of Mr. Lewis:

That, in relation to Bill C-129, An Act to provide for the continuance of Air Canada under the *Canada Business Corporations Act* and for the issuance and sale of shares thereof to the public, one further sitting day be allotted to the second reading stage of the Bill; and

That, fifteen minutes before the expiry of the time provided for Government Business on the above-mentioned sitting day, any proceedings before the House shall be interrupted, if required, for the purpose of this Order and, in turn, every question necessary in order to dispose of the said stage of the Bill shall be put forthwith and successively, without further debate or amendment.

Mr. Marcel Prud'homme (Saint-Denis): Madam Speaker, once again, we see the end of the session approaching and the Government, as it has the bad habit of doing, tries to railroad

the greatest number of very important bills for Canadians and workers.

The Bill on privatizing Air Canada now before us is incredibly important. We all know how important Air Canada is for this country. We know what Air Canada means in the most remote regions of our country. We recognize Air Canada's importance in places that are almost inaccessible to private airlines, so that Canadians can travel better, leave their villages, towns and townships and travel in Canada. Chances are this Bill would make it a lot tougher for Canadians to travel throughout the country. Now the Government wants us to pass the Bill in a hurry, after only seven hours of debate, if I am not mistaken. Madam Speaker, a debate of seven hours is almost ridiculous. We spent days debating much less important issues, but on this major Bill the Government has had enough—right up to here, as the saying goes—and says: "We are losing patience, that will do!" All of a sudden the Government realizes it has 200 Members, so they will resort to any tactic to make Canadians and the House of Commons see it their way.

My colleagues who rose before me clearly summed up the whole issue. We are dealing with a major piece of legislation designed to privatize our national carrier, Air Canada.

For one reason or another the Government did not go for the option it favoured in the first place—outright privatization—because the Prime Minister (Mr. Mulroney) once promised that he would never privatize Air Canada. So they come up with this half-baked scheme, and that is one more reason to find out why the Government chose to privatize only 45 per cent of the company. We happen to know that a few Cabinet ministers would have supported full privatization. Either you privatize or you do not! However, they painted themselves right into a corner as a result of promises made in a moment of panic or when they had to come up with the right answers for Air Canada employees, so in some circles they had to say: "No, we will not privatize Air Canada, no way". Well, they are confronted with this dilemma and now they are asking Members of the House of Commons to solve the Government's problem.

Madam Speaker, my colleagues have clearly explained why we are objecting. We are objecting to the hasty adoption of this Bill because there are so many implications, so many implications for Air Canada employees, so many implications for the Canadian people, so many implications of different kinds that, no matter how many we are in the Opposition, as parliamentarians we are duty-bound to give thorough consideration to such an important Bill.

And as my Whip who is carefully listening to my argument pointed out to me, we simply cannot afford to give our consent and do as the Government wants us to do just like that. There is an expectation among the general public that the Opposition, which has a responsibility to get a good look at legislation, will have an opportunity to do so, to defend it, to listen to the representations made by Canadian men and women across the nation in order to better assess whether the legislation to be voted on is in the best interest of Canadians.

I see my colleague from New Brunswick. I am very well aware that a partial, ill-conceived privatization can lead to huge problems for the travelling public in New Brunswick—it can lead to huge problems for my colleague from Newfoundland, for my colleague from Cape Breton, for people from Northwestern Quebec, the Gaspé peninsula, the Quebec region. We are entitled to a much more serious composed look at the legislation. This Government is getting jittery, suddenly realizing it has almost gone through four years out of a five-year term. They had five years available. But realizing they probably would like to call an election in the fall, they suddenly decided they would wear hon. Members out.

We were called back here I think on August 4 or 5 1987 in order to discuss a legislation again in a panic situation, to scare Canadians and Quebecers with so-called illegal immigrants. They panicked and they recalled Parliament. But the legislation we were recalled for has yet to be enacted by this House and the Senate, and the Government is getting ready to backstep and accept amendments put forward by our colleagues in the other place. Although this is what we were recalled for on August 4 or 5, 1987—and I stand to be corrected either by madam Speaker or one of my colleagues or the House leader—I am not sure as to the date, but we were recalled in August and are still here. And all of a sudden the Government says: Gosh, Meech Lake should be enacted now! Granted a majority of us will support Meech Lake, but let them call that piece of legislation! And on the matter of abortion, we are no longer sure where we are going!

We are presented with a motion that does not make any sense if there is to be some leadership in Canada. That must go through! The day care centers program must be passed! Governments always have the bad habit to try at the last minute to scare off or to tire off the House and say: "Well, from now on to the end of June, we must go through all our legislative agenda".

Well, we say no to that! We will take all the time we need. As rightly indicated by my colleague for New-Brunswick, they will not succeed in tiring us. They will not have us by surprise. We will continue to sit. We will do our duty. And although they may be 208 or 210 or 206, I forgot how many are left now, we will not allow them to violate the rules. We have the right to discuss bills. It is our right to do so if we consider them to be important, and to my knowledge, Madam Speaker, they are. We are not abusing the time of the House.

• (1610)

[*English*]

We think it is highly reasonable that we should take a little more time to see if Bill C-129, which will privatize Air Canada, is in the best interests of Canada. It may be the wish of the Government, but perhaps some Members of the Government are not happy. Those who believe in privatization

would have liked Air Canada to be completely privatized, therefore they are unhappy that the Government is only going to privatize 45 per cent. Those who are opposed to privatization still have to fight because 45 per cent will be privatized.

This is not the manner in which to conduct the affairs of an orderly House of Commons in the British tradition. The British parliamentary system proceeds in a more orderly fashion than this House of Commons. It is not because perhaps Members are tired because they were called back on August 11 last year. In case some Canadians are not aware, Members have been here for five days a week, and the House sits for five days a week. Most of the time I am here five days of the week. Some other Members may not be for other reasons, but that is their privilege.

We have been here since August 11, 1987, and the end of the term may come soon, depending on the Gallup poll next week, which I am ready to bet will be excellent. The chairman of the national Liberal caucus and I are good friends, and I am sure he knows from the news we get that the Gallup will be quite devastating again this week, so that means that the election may be postponed again. I am ready to bet that the Gallup will be extremely good.

Mr. Gauthier: For us.

Mr. Prud'homme: Very good for us, of course, but I do not brag about it. It is a fact of life.

One thing that is sure is that members of the Government, at the very end of a normal term of office, want to stampede the House by saying that they are tired, they are fed up, and they want to go and work on their re-election plan. After all, we are not all here with the wish to be defeated, so we have to return to our ridings. But we are kept here with all kinds of rules of the House that make no sense.

• (1620)

At the last instant in June, the Government comes in with a vast plan of action, as if it was at the beginning of its term. It is almost a Speech from the Throne the Government is proposing to us. We were told we must pass this before the end of June, otherwise we will sit all summer. Well, I do not want to sit all summer but if such is to be the case, we will sit this summer. I like the company of my colleagues. I see my friend, the Hon. Member for Victoria (Mr. McKinnon). I am sure he will be here and I will be here and we will have plenty of time to continue our good acquaintance if we have to sit here this summer, but it makes no sense.

You are indicating to me, Madam Speaker, that I should terminate my intervention. I am sure my other colleagues will speak until the very last minute we are allowed. We object to this motion. We will vote against this call of the Government to stampede the House of Commons on a very important piece of legislation. The sacred duty of the Opposition is to oppose strongly when we see fit to oppose and to let legislation go through when we believe it is not so important that we should fight forever. But the consequences are great with this particular piece of legislation for the various regions of this country.

People from Toronto, Montreal and Vancouver have it good, but let us consider the rest of Canada. Those people are saying that with this silly privatization they will have more difficulty travelling. What about the workers who are asking all kinds of questions? I put it to you, Madam Speaker, that seven hours of discussion is not that much of an abuse of the House of Commons. I hope my very esteemed colleague from Alberta, who is trying to tutor the House of Commons on how we should act, will revise his views and allow us to discuss this piece of legislation for a much longer time.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Madam Speaker, I am glad to have the opportunity to make a few remarks on the Government's motion to restrict debate on Bill C-129. Like all the other Members of my Party, I am strongly opposed to this motion to limit debate on one of the most important pieces of legislation brought before the House this spring. Bill C-129 proposes to privatize, at least partially, Air Canada, which has been in existence since 1937. It has been one of the building blocks of Canadian Confederation. It has helped tie Canada together from sea to sea. It has served the national purpose in terms of setting labour standards and serving all parts of this country.

This Government wants to privatize Air Canada. We believe that a measure as important as this deserves full debate. What we have had is seven hours of debate in which we have tried to bring forward our concerns about this measure. We believe it is a wrong measure. We believe it will be harmful to the people of Canada. We believe it deserves a full debate in the House of Commons. We have a number of arguments to bring against this measure and we would like to hear what the Government has to say in favour of the Bill. Therefore, we are strongly opposed to any measure that would close off debate.

Air Canada is a company that is well managed. Even the Government will admit that. It is a company the people wish to see retained in public ownership. Even a majority of Conservatives are supportive of the idea of the Government maintaining ownership of Air Canada. A minority of Government Members want to see it privatized. Yet, for ideological reasons, this Government wants to privatize.

I was interested to read some of the remarks made by the Hon. Member for Simcoe South (Mr. Stewart), in 1981. We heard him this morning trying to backtrack on what he said then.

> I refuse to worship at the throne of the emperor from Mount Royal who, in turn, worships at the throne of Castro, Galbraith, Mao and Lasky.

Of course, when he is talking about the emperor from Mount Royal, he is talking about former Prime Minister Trudeau. We know what emperor he is worshipping, but at whose throne does the present Prime Minister (Mr. Mulroney) worship? He worships at the throne of Margaret Thatcher, Bill

Vander Zalm and the Fraser Institute. He worships at the throne of privatization.

Rather than looking at Crown corporations on a case by case basis to see whether or not it makes sense for some to be privatized or for the Government to divest itself of some Crown corporations, the Government has an ideological outlook. It sees privatization as the answer. It is fine for the Government to jam this measure through the House of Commons without the adequate debate we, for our part, want to see.

When I spoke on this Bill on Friday, one point I tried to make was that we once more have a betrayal of trust by the Government. Government Members did not want to hear this. They did not want to hear the litany of the betrayals of trust by the Government and this Prime Minister, of which Air Canada is only one. They tried to shout me down. It is its refusal to hear what the Opposition has to say which characterizes the Government. The huge majority opposite are not willing to listen to reason on one of the most important issues facing Canada today, whether or not we will continue to have a strong, vibrant public sector in our economy which is symbolized by Air Canada. The Government is taking the approach that it does not want that debate. It simply wants to have legislation pushed through the House of Commons with about seven hours of debate so it can then bring in some kind of time allocation.

Admittedly, the Government gave us a choice. On Friday it tried to have extended hours which it called "opening up the system for democracy". What a sham. The Government should count its own back-benchers and Cabinet Members. We are heading into an election. It knows that on Friday the great majority of Members of this House have to get back to their constituencies. Members who live in the West have to travel up to eight or nine hours to get to their constituencies. It is not possible to make changes on a Friday afternoon, cancel their plans, and still get home for important constituency events on the weekend. Yet the Government has the hypocrisy to pretend that by offering the possibility of extended hours for debate on something as important as the privatization of Air Canada, it is opening up democracy. What a sham and hypocrisy that is. If the Government is serious about wanting to have debate, it should let the debate continue. It should let all Members of the House speak. I am not speaking for myself here because I had the opportunity to speak on Friday. It was not my weekend to go home. I will be going home this coming weekend. But all Members who want to speak should be given an opportunity to speak.

The Government should give some of its own Members who perhaps believe in this idiotic privatization the opportunity to speak. Let us have a debate. What we have seen is one or two Members of the Government speaking and the other Government Members sitting like sheep. They bleat occasionally but do not get up and speak intelligently on the merits or lack of them in the privatization approach. They try to shout down the Opposition and then try to push through a measure to limit the total amount of debate.

This is not good enough in a democracy. I would like to refer again to the words of the Hon. Member for Simcoe South in 1981. They made sense then and I think they makes sense now. He said:

> I tell you, Mr. Speaker, we cannot be stopped with closure. That statement was made when closure was invoked during the infamous pipeline debate. But today Hon. Members opposite are sitting with a comfortable majority. I for one refuse to stand silent and see the rights of Parliament abused, frustrated and strangled.

We heard him today. He was prepared to see the rights of Parliament abused, frustrated and strangled. He said:

> I believe in open covenants, and I believe they should be arrived at openly. We, as elected Members of Parliament, hold a public trust. That trust is being abused when a parliamentary majority seeks to withhold the rights of the opposition minority.

• (1630)

The Hon. Member is in his seat again. This morning he had the opportunity to stand up and defend the statements he made in 1981. Instead he gave a very weak defence of the Government. He said basically that was then, this is now, that then I was on the opposition side and now I am on the government side of the House.

Mr. Stewart: Madam Speaker, I rise on a point of order. That is not what I said at the time. That procedure was on a money Bill. There had been five closure motions in five months. Time allocation has not been brought in by this Government since last October or November. What the Member said was false.

The Acting Speaker (Mrs. Champagne): That is a matter of debate. I can understand the Hon. Member wanting to make his point. The Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly) has the floor.

Mr. Manly: Madam Speaker, I was not purporting to quote the Hon. Member exactly. I was giving the gist of what he said. If people wish to check *Hansard*, they will see very well that what the Member was doing was back-tracking on the brave statements he had made when he was a member of the Opposition and standing up for the rights of Parliament against what he considered to be an arrogant majority on the government side. We are now seeing that same kind of arrogant majority each day. We see the Hon. Member defending the arrogance, saying that it is okay because what the Government is doing meets with his approbation. I do not agree with that.

Time allocation is a form of closure. What we have seen from the Government is a form of limiting debate. On our side we are concerned that this measure to sell off 45 per cent of the shares of Air Canada is a matter of fundamental importance to the people of Canada, and a matter of fundamental importance to the economy. We believe it deserves a full debate, not one that is cut short by motions of time allocation

by the Government, not one that will be cut short by phoney motions to extend the hours which is, in effect, legislation by exhaustion, but rather a full debate in which all Members on all sides of the House have a chance to speak their piece, bring forward facts, marshal their arguments and say on what side of the issue they are.

The Opposition does not want to see this Bill pushed through. The Government is not interested in debate. It is interested in jamming through a whole agenda without proper, adequate and informed debate.

[*Translation*]

The Acting Speaker (Mrs. Champagne): It being 4.34 p.m., the two hours allotted for the study of the motion put to the House according to Standing Order 117 have expired. It is therefore my duty, according to that Standing Order, to interrupt the debate and to put every question necessary to dispose of the said motion.

[*English*]

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the yeas have it.

And more than five Members having risen:

The Acting Speaker (Mrs. Champagne): Call in the Members.

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

• (1640)

(Division No. 375)

YEAS

Members

Andre	Crofton	Graham
Attewell	Crosbie (St. John's West)	Gray (Bonaventure—Îles-de-la-Madeleine)
Belsher	Dantzer	Greenaway
Bernier	Darling	Hardey
Blais	Daubney	Hawkes
Bouchard	Desjardins	Hees
Bourgault	Domm	Hudon
Cardiff	Fennell	James
Chartrand	Ferland	Jardine
Clark (Brandon—Souris)	Fraleigh	Johnson (Bonavista—Trinity—Conception)
Collins	Fretz	Joncas
		Kelleher
		Ladouceur
		Lanthier
		Lewis
		Marin
		Mazankowski
		McCain
		McDermid
		McKenzie
		McKinnon
		Merrithew
		Minaker
		Mitges
		Moore
		Nickerson
		Oostrom
		Pennock
		Price
		Redway
		Reimer
		Ricard
		Schellenberg (Nanaimo—Alberni)
		Scowen
		Sparrow
		Stewart
		Taylor
		Tremblay (Lotbinière)
		Tupper
		Turner (Ottawa—Carleton)
		Valcourt
		Vankoughnet
		Wilson (Swift Current—Maple Creek)
		Wilson (Etobicoke Centre)
		Winegard—67

NAYS

Members

Allmand	Guilbault (Saint-Jacques)	Nicholson (Trinity)
Althouse	Heap	Nystrom
Axworthy	Jewett	Orlikow
Blackburn (Brant)	Keeper	Prud'homme
Boudria	Killens	Robichaud
Broadbent	Langdon	Rompkey
Caccia	MacLellan	Rossi
Copps	Manly	Tobin—29
Dewar	McCurdy	
Foster	McLaughlin	
Gauthier		

• (1650)

The Acting Speaker (Mrs. Champagne): I declare the motion carried.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Point of order, Madam Speaker. I wish to advise the Government's intention to call Bill C-129 tomorrow.

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

• (1700)

PRIVATE MEMBERS' BUSINESS—BILLS

[*Translation*]

OFFICIAL LANGUAGES ACT

MEASURE TO AMEND

Mr. Jean-Robert Gauthier (Ottawa—Vanier) moved: that Bill C-279, an Act to amend the Official Languages Act (tabling of documents), be read the second time and referred to a legislative committee.

—Madam Speaker, I am happy to say a few words in support of this bill requiring that any document tabled in the House by the Government be tabled simultaneously in both official languages. Bill C-279 states that any document tabled or distributed in the Senate or the House of Commons by the Government must be in both official languages.

Madam Speaker, bilingualism and language of work practices in the House of Commons depend on courtesy and good will rather than on the Act itself. In fact, nothing in this Act which dates back to 1969, requires the government to observe the custom whereby all members of the House would have access to Government documents in the language of their choice. On occasion, documents might be tabled only in English, which would place those Hon. Members who do not speak English at a disadvantage; on the other hand, some documents tabled only in French would do a serious disservice to those Hon. Members who understand only English.

Because as a rule the Government tables all documents in both official languages, I have always considered this as a good practice and went along with it until one day, while reading the Standing Orders of the House of Commons, I suddenly realized that there was no provision either in the Official Languages Act or the Senate and House of Commons Act making it compulsory for the Government to table simultaneously all documents in both official languages.

I remind the House of the recent experience of last November when the Government tabled in the House the Free Trade Agreement in English only. We did not make a big fuss over it. We did not show our disappointment at the time because I knew quite well that the Government was taking this measure very seriously and that within a reasonable time, we would get a French translation of this document. As a matter of fact, we got it the very next day.

As a result of events which somewhat surprised and shocked a number of Hon. Members, the House will remember the amendments which the Minister of Consumer and Corporate Affairs moved to Bill C-22.

At that time the Minister came to the House and placed us in a somewhat *de facto* situation, informing us that although he had no French translation of these amendments he would give us one off the cuff which he did by reading very quickly the highly technical amendments provided by translators and interpreters—but he just could not do justice to these amendments.

I was very disappointed and I felt this was a most disrespectful approach to the basic rights of all Hon. Members to have access to all documents in their own language.

As I said earlier, nothing obliged the Minister or the Government to proceed differently. That is why I decided to prepare a Bill to amend the Official Languages Act, so that events such as those I just described do not recur.

We all know that the 1969 Official Languages Act is in its last days. I hope that it will be replaced by a much more complete, much more modern piece of legislation and Bill C-72, now in clause-by-clause consideration in committee, should come back to us in a few days and, hopefully, be passed quickly and proclaimed by the Governor General.

This Bill C-72, tabled in the House on June 25, as you will recall, contained no provision to require the Government to table documents in both official languages simultaneously.

I therefore thought, further to last November's events, free trade, Bill C-22, that it might be good to amend the law and that is why I tabled Bill C-279 here in the House.

Madam Speaker, the wording of Bill C-279 is quite clear and precise. It is simple. It has only one clause. The Official Languages Act is amended as follows:

"Any document tabled or distributed in the Senate or the House of Commons by the Government of Canada shall be tabled or distributed simultaneously in both official languages and both language versions are equally authoritative."

It seemed to me at the time that this was a reasonable and proper proposal, to say the least, and that it only required the support and good will of my colleagues in the House to have this provision accepted. In any case, our national bilingual policy depended merely on generosity of spirit has bothered me for a long time and that is why I asked the Committee dealing with Bill C-72 to include an amendment I had already put forward, which would in fact implement Bill C-279.

The Minister of Justice ((Mr. Hnatyshyn), when he appeared before us to explain his position, surprised me somewhat when he said publicly: "We accept the idea of including in Bill C-72 provisions saying that any document tabled by the Government should be tabled simultanuously in both official languages". He added, of course, that he would like my amendment to be more precise with regard to Government documents, and he suggested that the amendment should rather deal with documents prepared by federal institutions as defined in the Bill, which means the Government and the corporations established to perform a Federal function.

In any case, the minister's amendment, which was brought forward last week before the Committee, seemed basically to meet my objective, and I noticed with pleasure along with my colleagues of the Committee that there was a certain will to act on the part of the Government; they even let me propose the amendment in question which I think will be eventually passed by the Committee but which was withheld for now and which was, as we know, passed more or less, even if the clause is maintained until the end of the Committee proceedings.

Thus, Madam Speaker, I cannot see why we continue to proceed with Bill C-279, but I know the Standing Order. I know that to withdraw it I have to ask for the unanimous consent of the House but we will clearly have an amendment to Bill C-72 which will do precisely what I wanted to do with Bill C-279. I am very pleased with that. On occasion, Members in this House are able to help improve legislation. I am even prouder that the Government recognized that occasionally an opposition Member could help them draft legislation. I do not wish to take any more time on this debate. I simply want to say to the Government: Thank you very much! I appreciate your action. It is my view that many Members in this House will recognize that in this case the Government certainly is right to include in the Bill a requirement that any document from any federal institution that is tabled in this House will be tabled in both official languages.

Madam Speaker, I would ask for unanimous consent for Bill C-279 to be withdrawn.

• (1710)

[*English*]

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Madam Speaker, I do not think there will be any trouble on this side of the House with the Hon. Member's request for unanimous consent. In a few days it will be nine years since I arrived here as a Member of this Chamber. There has been some frustration in my life as a unilingual Canadian from western Canada at the occasional absence of documents in the precise English that I needed.

I think the will of the committee dealing with Bill C-72 comes out of our different experiences in this Chamber. It is a country with two official languages and we really need the documentation and amendments that come before us to be in two languages so that we can give them the care and attention they deserve in a nation like this.

I thank the Member for his kind comments. Members on the government side and, I suggest, from the NDP as well were unanimous in the committee in putting the clause in Bill C-72. We were pleased to be able to have the Member take the Government's amendment and actually move it for us so that it was truly an effort in national unity relating to two languages. I think it is wise to withdraw the Bill, and we give our consent.

Ms. Marion Dewar (Hamilton Mountain): Madam Speaker, it is with pride that I can give the consent of our Party with regard to this Private Member's Bill. I want to take this opportunity to congratulate the Hon. Member who presented the Bill to the House.

I was surprised that legislation such as suggested in this Bill was not already in place. As the Member for Ottawa—Vanier (Mr. Gauthier) has said, there are many times with the absence of a law that for the sake of expedience we begin to slip and put in documents in one language. That is unacceptable in our bilingual nation.

The progress we have seen is the type of progress we want to happen. It is nice to speak to something on which all sides agree, knowing that in the end we will be a better country for it.

The Acting Speaker (Mrs. Champagne): I see that there is unanimous consent. Therefore, the order is discharged.

Order discharged and Bill withdrawn.

Mr. Hawkes: Madam Speaker, I rise on a point of order. The step taken by the Hon. Member has meant that Private Member's Hour has finished somewhat earlier than usual. There are Members who have questions listed on the Adjournment Debate. I do not know if Members are prepared to proceed.

The Acting Speaker (Mrs. Champagne): I see that two of the Hon. Members listed on today's Adjournment Debate are present. Is it the wish of the House to suspend to make sure that everyone on the other side is present as well?

I am quite prepared to recognize the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria), but I do not see the Parliamentary Secretary in the House. That is why I am inclined to suspend the sitting.

Mr. Gauthier: Madam Speaker, I think that the Parliamentary Secretary has gone to get some papers. I can telephone those who are expected to be called at six o'clock and ask them to come earlier, if necessary.

Mr. Hawkes: Madam Speaker, we are making those telephone calls. The Member for Glengarry—Prescott—Russell (Mr. Boudria) has a seven minute question. Perhaps we can begin there and see if the appropriate Parliamentary Secretary is here for the response.

Mr. Boudria: Madam Speaker, may I suggest that the House suspend until 5.30 p.m. in order for us to arrange for colleagues to be here for an appropriate debate, and continue at that time?

The Acting Speaker (Mrs. Champagne): I am glad that the Hon. Member agrees with the original suggestion made by the Chair.

SITTING SUSPENDED

The Acting Speaker (Mrs. Champagne): Shall the House suspend the sitting to the call of the Chair?

Some Hon. Members: Agreed.

At 5.17 p.m. the sitting of the House was suspended.

SITTING RESUMED

The House resumed at 5.24 p.m.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

Adjournment Debate

TRADE—PROMOTION CAMPAIGN—CONTRACT WITH JOHN LASCHINGER/ REQUEST THAT CONTRACT BE TABLED

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, on a number of occasions in the past I have questioned the Government on its awarding of contracts for publicity. I must say that the answers I have received have been most unsatisfactory. That is why I have expressed to the Chair, by way of notice, that I wished to raise this issue during the adjournment debate tonight.

I raised a question with the Government about the cost of the free trade program. First, as I alleged in the question that I asked, the cost of running the free trade office is in the area of $30 million. There was a previous campaign designed, of course, to promote the trade deal, albeit unsuccessfully, which cost Canadian taxpayers some $12.7 million. So unsuccessful was this first program that much of the free trade material, the brochures, and so on, were recycled. You will recall, Madam Speaker, that it was raised in the House in terms of what we do with recycled paper; generally, we convert it to toilet paper and other such uses.

Some of us were of the opinion at that time that this action wiped the slate clean, but it had not. We now know that the Government wants to spend another $10 million to promote the free trade deal. This contract was given, in part, to a company having, as one of its principals, a gentleman by the name of John Laschinger. Mr. Laschinger is a good friend of the Minister for International Trade (Mr. Crosbie).

Mr. McDermid: Mine, too.

Mr. Boudria: That is even better, Madam Speaker.

Mr. McDermid: And most people here.

Mr. Boudria: He is a good friend of the Minister for International Trade. In the House that Minister stated that Mr. Laschinger was used to doing the impossible because he had run the unsuccessful campaign for the Tory leadership of the Hon. Minister for International Trade. I do not think that is a very good defence. Let us remember that the Minister for International Trade came something like third in the leadership race. We should not be spending $10 million for a third-rate type of affair.

Some days later, on June 3, the Minister for International Trade was speaking to a group of students at Jarvis Collegiate in Toronto. He was questioned on the $10 million promotion deal, and in defence of his promotional package he said that this was "a mere nothing". To waste $10 million of taxpayers' money can hardly be considered as "a mere nothing". I, for one, feel that that expenditure is totally unnecessary. That is why I submit to the House today that I am dissatisfied with the answer that I have received.

[*Translation*]

And it is my sincere hope the Parliamentary Secretary will stand up in his place today and announce publicly that this Government has dropped their proposal to spend $10 million selling the Prime Minister's Trade Agreement. As we know, the Trade Agreement itself is wrong, it is bad for this country, and the Agreement as a whole should be withdrawn. But even if the Government still proceed with that wrong Agreement, the least they could do is not impose upon Canadian taxpayers an extra $10 million expenditure to sell that hodgepodge that I must say that is not even edible.

Therefore, Madam Speaker, I urge the Parliamentary Secretary today to rise in his place, here in this House, and clearly state once and for all the Government will stop that promotion, that propaganda campaign now.

[*English*]

In closing, it is interesting to note that the same Conservative Government, when it was in opposition, said that under a Conservative Government "no geese would be flying in the sunset", when talking about the national unity campaign of the early 1980s. If geese flying into the sunset for national unity is so wrong, why is it that those turkeys walking across the border in the fog, in the name of free trade, is so right?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Madam Speaker, I am surprised that the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) would stand here and call our American neighbours turkeys—

Mr. Boudria: No.

Mr. McDermid: —or refer to Canadians crossing the border into the United States as turkeys. That is what he said. I cannot understand that at all.

Mr. Boudria: I was referring to the Minister.

Mr. McDermid: I sat quietly and listened to the Hon. Member. Perhaps he could listen to me and learn something.

First, the Hon. Member said that this deal was bad for Canada. The only ones who say that are the Liberals and the NDP in their promotion. Every independent study states that it will be good for Canada. Every major economic unity in this country, from the Canadian Manufacturers' Association to the Canadian Federation of Independent Business, all say it is going to be good for Canada. These are the people who are going to make it work, not the New Democratic Party, nor the Liberals. The people who are out there putting their dollars on the line, taking the risk, making it happen, are the ones who say that it will work. For the Hon. Member to go around saying that it is bad for the country is fair ball, but it is not necessarily so, that is for sure.

• (1730)

The next thing I want to talk about briefly is Mr. Laschinger. I can understand why the Opposition is concerned about John Laschinger working for the Minister for International Trade (Mr. Crosbie). He is one of the top communications

consultants in the country. This man has his Masters in Business Administration. He was a senior official in the Ontario Government where he was director of small business development and international trade development. I can understand why the Opposition has the fear of Mr. Laschinger providing advice to the Canadian Government with respect to communications on free trade.

The next thing I want to talk about is the $10 million and how it is going to be spent. In the first phase of the free trade agreement, not one penny was spent on television advertising or on radio advertising. The only advertising that was done in newspapers was to publicize a toll free number for people to call to get information or material. That was the only advertising that was done. What we have are printed material, brochures explaining the various sectors of the agreement, the agreement itself, the tariff schedules, and an over-all explanation of the agreement.

The Hon. Member must understand that in Phase I there was no paid advertising such as the Liberals used to do with all those ads on radio and television. In this next period we are going into the area where we want to have symposiums taking place across the country in order to educate the business people, the entrepreneurs, on how to penetrate the American market, how to find their niche down there, and how to increase their sales. That is what this money will be used for. The Liberals like to quote the Gallup Poll. Late last year a Gallup poll made it very clear that Canadians wanted more information. That is what the Government is providing.

Now that the free trade agreement is in the House and we are working on legislation to implement it, it is very important that the Canadian business community receives the information it requires. Our trade groups from all our offices in the United States must be educated on where they can penetrate the market in the United States. That is what the money is being spent on. That is what they are asking for. The Canadian public wants that. It wants more information. Our business community wants more information, especially the small and medium sized businesses. The large businesses can take care of themselves. The small and medium sized businesses must have access to these symposiums, and that is what we are talking about.

In this particular area we are going to provide information on where the public can obtain the brochures and more information. As I go around speaking in many different areas, I am told by a number of people that they cannot get information from their Member of Parliament. It turns out their Member of Parliament is in the Opposition and will not provide them with any information. These people are not being provided with the information that is available, so they must come to members of the Government to get that information. Of course the Hon. Member, knows full well that, in order to discuss and educate the public on the free trade agreement, this information must be forthcoming.

Adjournment Debate

NATIONAL REVENUE—EVALUATION OF USED AGRICULTURAL MACHINERY.

Mr. Gordon Taylor (Bow River): Mr. Speaker, on May 5, 1988, I asked the Hon. Minister of National Revenue (Mr. MacKay if the Hon. Minister would give favourable consideration to amending or rescinding any and all interpretation bulletins or other documents issued or used by the Department of National Revenue which permit employees of that Department, in effect, to change or alter the list prices of manufacturers or the invoice prices of farmers when a used machine is traded in on a new machine. The Hon. Minister said:

> I welcome this question from the Hon. Member who has been particularly conscientious on focusing on this matter which is, of course, of great importance to western farmers, indeed all farmers. I want to assure him that my Department is always anxious to administer this program in an equitable manner.
>
> I will take his question as a representation and remind him that we cancelled this special audit over a year ago and are endeavouring to find ways to give special attention to farmers who feel that the question of over-evaluation or otherwise of used equipment has not been dealt with properly. We are sensitive to this and we will continue to monitor it.

• (1735)

Monitoring is not sufficient, Madam Speaker. I strongly recommend that the Department scrap this inequitable program for the following reasons. First, it is grave discrimination. When the Minister cancelled the special audit over a year ago we all thought that that was the end of the program. However, since then the tax officers are again pursuing the same matter with some farmers—not all of them, just some of them. This is very discriminatory.

For example, in one case a farmer is being taxed several thousand dollars in taxes, whereas his neighbour who got more for his used machine is not even being assessed. It is discriminatory in another sense, and perhaps even a worse one. The Deputy Minister advised that Revenue Canada was not pursuing this matter in Ontario and Québec. His excuse was that in Ontario and Québec farmers have much smaller acreages and also use smaller equipment. The difference in price between the old equipment and the new range between $10,000 and $20,000, whereas in the West, where equipment is used to farm several sections of land, large equipment is required and the difference in price could go as high $100,000. If it is right to apply this program in western Canada, surely it is right to do so in central Canada. It is my view that it should not be used in either place, but certainly some western farmers are now suffering discrimination.

Second, farmers have been for a number of years trading old equipment on new equipment, and this policy of giving the collectors authority effectively to change a dealer's list price and the farmer's invoice price was not used until two or three years ago. I question the right of any tax collector to change invoice prices or list prices. As a matter of fact, the farmers have been doing what practically all Canadians do, namely, when we trade in a used vehicle on a new one we get the most we can for the used vehicle. This is readily accepted by

everyone except Revenue Canada, which is now saying that farmers are different and that they are not going to be permitted to get the most they can for their used machines when they are buying new ones.

Actually, Bulletin No. 87.5 came into being on December 11, 1987. This document is the one, I understand, that the tax collectors now use to change invoice prices and list prices. This would be utterly unfair even if it were applicable to everyone in Canada, but it is essentially unfair when it is used only against farmers in the West. This bulletin and others like it are the ones referred to in my question which I requested to have rescinded or withdrawn.

Third, this policy is wrong, wrong, wrong, (a) because the tax men are dealing with these matters two or four years after the fact; (b) because economic conditions at the time of the deal are almost impossible to duplicate or be fully known four years later; (c) because dealers offer greater discounts to those who buy for the first time and to those who buy by trading in an old machine in off seasons when they can offer greater reductions in list prices; (d) because many farmers traded their used machines as the practice was acceptable and many farmers felt it was helping the economy of the country; (e) because farmers had a right to believe that when the deal was made the list price and invoice price issued by the dealer would be accepted; and (f) because the theory that the practice was unfair to those who buy new machinery without a trade-in does not hold water, as such a person would be able to get a discount on a new machine applicable to the time the machine was purchased.

Fourth, that if the principle is sound then let us apply it to all Canadians including Members of Parliament and Senators and not just the western farmers, or not just a few of the western farmers. But in my view the practice is unfair, unsound, and should be scrapped entirely.

It is not the business of Revenue Canada to interfere in the market-place. Even if the dealer wants to give more dollars for the used machine than what it is worth, that is his business. If he goes broke, he is the one who suffers.

A farmer should have every right in the market-place that other Canadians have and particularly in the tough times now being experienced on the farms. Every proper item that will keep our farmers on the land should be welcomed. In conclusion, I again urge the Hon. Minister to scrap this program and to do it fast.

• (1740)

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Madam Speaker, the Hon. Member for Bow River (Mr. Taylor) has raised this subject before and has very rightfully represented his constituents, and not only his constituents but others in rural communities.

On March 5, 1987, over a year ago, the Minister advised the House that he had instructed his officials to pause in the audit of the tax returns of taxpayers who have claimed investment tax credits on purchases of heavy machinery and equipment. The Minister advised that during the pause the Department would review all files under audit to ensure that audit criteria identified for this program and communicated to taxpayers and their representatives and Members of this House, including the Hon. Member for Bow River, were in fact being adhered to and that none of these audits was unreasonable.

The Minister has pointed out on numerous occasions that the specific audit program was not restricted to farmers of western Canada but included those in other industrial sectors such as logging, transportation, and manufacturing, and encompassed those in all regions of the country. Any of us who have been audited knows what a pain that is.

Departmental officials have reported to the Minister that their review of audit findings indicates that the normal audit process can adequately address investment tax credit overallowance issues. Accordingly, this audit activity as a special project was cancelled, however cases in process where either departmental officials had advised taxpayers or the representatives of a proposed reassessment or information had been received and a proposal was to be made prior to the project pause will be completed. Any further cases where evidence of non-compliance is discovered will be handled through the Department's normal or routine audit program.

It has always been the position of the Department that the investment tax credit claimed must be based on the actual cost of the property acquired and computed in a manner consistent with the economic reality of the transaction. The cost of a property that is acquired for consideration which includes a trade-in must be determined based on the value of all consideration given in exchange. The position on the determination of capital cost is set out in an information circular which reiterates the long-standing position of the Department as set out in an interpretation bulletin dated March 12, 1973. The position is supported by case law and by accounting principles.

Because Revenue Canada recognizes that the determination of fair market value of used equipment involves consideration of many factors, the Department will only reassess those cases where full benefit of the doubt has been given to taxpayers and there is a clear and significant overallowance. Revenue Canada will ensure that every reasonable opportunity is provided to taxpayers to present fully their positions before any reassessments are made. Taxpayers are reminded that they have a right to appeal formally any reassessment the Department makes.

Revenue Canada seeks to reinforce voluntary compliance with Canada's laws. Where an audit adjustment creates a tax liability, Revenue Canada has always been, and will be more than willing in cases of real hardship, to discuss reasonable approaches to settlement of the tax liability. In other words, it will maintain fairness within Revenue Canada.

DISASTERS—AIR-INDIA CRASH—REQUEST FOR PUBLIC INQUIRY

Mr. Alan Redway (York East): Madam Speaker, exactly one month ago today, on May 6, I was sitting in my constituency office on O'Connor Drive in Toronto across the desk from two gentlemen, members of the Air-India Survivors Association. One was Dr. Bal Gupta who had lost his wife in that terrible tragedy. The other gentleman had lost not only his wife but all his children as well.

Although we can sympathize with Dr. Gupta and all the Air-India crash survivors, we cannot really feel the depth of their tragedy personally. Hopefully we never will be placed in that position.

The facts of the Air-India disaster speak for themselves. It occurred, as you will recall, Madam Speaker, on June 23, 1985, when Air-India Flight 182 plunged into the sea off the coast of Ireland and 329 men, women, and children lost their lives in that disaster. The vast majority of those men, women, and children were Canadian citizens with origins in India.

• (1745)

Why did those two gentlemen come to my constituency office one month ago? In fact, why is there such a thing as the Air-India Survivors Association? Why do they hold memorial services each year here in Ottawa and Toronto? It is, of course, to remember and honour the loved ones they lost in that great tragedy. At the same time, and understandably so, they want to see the investigation come to an end. They want all the facts to be known. They want justice to be done.

Three years have passed since this happened and, as you know, Madam Speaker, no charges have been laid, no trials held, and no convictions registered. Ireland, where it actually occurred, has had its investigation. India, the proprietor of Air-India, has had its investigation. What about Canada, where the flight departed from? What about Canada, where the vast majority of the victims lived as Canadian citizens? The Solicitor General of Canada (Mr. Kelleher) says that an investigation by the RCMP and CSIS is still active, still ongoing, and is making progress. In fact, some $60 million has been spent, which the Solicitor General says is more than has ever been spent on any criminal investigation in Canada.

He says that to hold a public judicial inquiry into this great tragedy at this time would hinder the investigation, would divert the investigators away from the investigation, and would cause them to spend time justifying their own actions rather than carrying on the investigation to a conclusion. That may make sense. At first blush it seems to make sense to me, yet I think of the fact that three years have gone by since this investigation got under way. At the same time it has been revealed that tapes of wire-tapped conversations relating to the investigation have been erased. There have been reports of bad blood between the RCMP and CSIS, bad communications between those two organizations. On top of that, we know that the former Director of CSIS, Mr. Finn, left his post and was replaced by Mr. Morden. We know as well that that was not because things were going right with CSIS. On top of all that, we had a recent report of a mix-up in CSIS and the RCMP in the case of Mr. Mohammad.

With all this going on it is no wonder that the survivors group is upset. It is no wonder that people like Dr. Gupta and others are coming to me and asking questions. It is, in my opinion, time for a public judicial inquiry into this Air-India disaster. It is time to find out once and for all just how active is this investigation that the Solicitor General refers to. How many people are actually involved? Is there anything going on other than routine work? Is there a real investigation going on? What sort of progress has really been made? What do we mean by progress?

At the end of May, the Solicitor General said that he was never going to close the books on this investigation. It is not a question of keeping the books open or closing them. It is a time to look at those books once and for all and to find out what in Heaven's name has been going on.

If he is smart, the Parliamentary Secretary is going to announce to this House and the Canadian public tonight that there will be a public judicial inquiry into the Air-India tragedy.

• (1750)

Mr. Murray Cardiff (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, the Hon. Member for York East (Mr. Redway), on February 5, 1988, asked the Government if it were not time for a public inquiry concerning the Air India crash.

The Government shares the concern of Canadians over the progress of the Air India investigation. However, in view of certain actions under way at the moment, a public inquiry would not be appropriate.

The RCMP investigation of the Air India crash, which is still in progress, has been so extensive that there has never been less than 50 RCMP members devoted full time to it since it started. If a public inquiry were to be held while this investigation is in progress, it could interfere with the criminal investigation and would be denied the information that might otherwise have been available from a completed, unimpeded criminal investigation.

In this regard I believe that it would be worth while to point out that this view is also shared by the Security Intelligence Review Committee. I am referring to the testimony given by the chairman of the Security Intelligence Review Committee, the Hon. Ron Atkey, to the Standing Committee on Justice and the Solicitor General during his last appearance before the standing committee on December 17 of last year.

At that time he said:

> Our unanimous opinion on this committee, representative of the three Parties in the House of Commons, is that the country's top priority must be to bring the culprits to justice.

As you are aware, Madam Speaker, the Security Intelligence Review Committee is responsible for reviewing the performance of CSIS and Mr. Atkey, in the context of a possible Security Intelligence Review Committee inquiry into the Air-India affair, went on to say as follows:

> We believe that, if we launched an inquiry now, we would disrupt the investigation by forcing law enforcement agencies, the Security Service, and individuals engaged in those agencies to concentrate on defending themselves rather than finding sufficient evidence to convict those guilty of these terrible events.

Moreover, the Air-India crash is also the subject of extensive civil litigation. A public inquiry could also influence these actions. I believe that Hon. Members would not wish Parliament to interfere with our established legal processes.

[*Translation*]

The Acting Speaker (Mrs. Champagne): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 5.53 p.m.

HOUSE OF COMMONS

Tuesday, June 7, 1988

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

BILL C-61—PRESENTATION OF REPORT OF LEGISLATIVE COMMITTEE

Mr. Joe Reid (St. Catharines): Mr. Speaker, on behalf of the Chairman of the legislative committee for Bill C-61, an Act to amend the Criminal Code, the Food and Drugs Act, and the Narcotic Control Act, I have the honour to present Bill C-61 to this House with amendments.

[*Translation*]

STRIKING COMMITTEE—PRESENTATION OF SIXTY-THIRD REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour to present the sixty-third report of the Striking Committee.

[*Editor's Note: See today's Votes and Proceedings.*]

* * *

[*English*]

PETITIONS

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Gus Mitges (Grey—Simcoe): Mr. Speaker, it is a great pleasure for me to present a petition from Vancouver, British Columbia, with 10,000 signatures. The petitioners unanimously believe in the rights of all unborn children and vigorously oppose the killing of such innocent human life through abortion.

The petitioners call upon Parliament to pass immediately legislation that will protect the unborn child from the moment of conception. I agree wholeheartedly with this most humanitarian request.

[*Translation*]

Mr. Claude Lanthier (LaSalle): Mr. Speaker, it is my bounden duty to table before this august Chamber a serious petition from some 2,000 citizens of LaSalle, Ville-Émard and Montreal who demand that our responsible government legislate as soon as possible to protect children's lives from the moment of conception.

[*English*]

CANADA-U.S. FREE TRADE AGREEMENT

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have the honour to present two petitions pursuant to the provisions of Standing Order 106. The petitions are signed by residents of Winnipeg. The petitioners state that the Conservative Government had no mandate from the Canadian people to conclude a free trade agreement with the United States; and whereas the proposed trade agreement not only denies Canadians secure access to the U.S. market, which was the key objective in these negotiations, but it threatens the loss of hundreds of thousands of Canadian jobs.

Therefore, your petitioners humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement in a national general election.

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Gordon Taylor (Bow River): Mr. Speaker, through the courtesy of the Hon. Member for Grey—Simcoe (Mr. Mitges), it is my pleasure to present a petition on behalf of more than 2,100 people from the Province of British Columbia. The petitioners humbly pray and call upon Parliament to pass immediately legislation that will protect the unborn child from the moment of conception, as in duty bound your petitioners will ever pray.

• (1110)

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is my honour and, indeed, a duty and a privilege to present a petition pursuant to Standing Order 106 on behalf of quite a host of constituents. They believe that the Conservative Government lacks a mandate from the people of Canada to conclude a trade deal with the United States. They believe that in the course of the negotiations Canadian sovereignty has been compromised. They also believe that, essentially, we have lost our control as a country to build a society distinct from that of the United States of America.

They believe it is only right and fair that the Government now dissolve Parliament and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election. My suspicion is that they would like it to occur sooner than later.

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Roger Clinch (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I have the honour and privilege to present two petitions today on behalf of the constituents of Gloucester County.

[*Translation*]

Therefore, the petitioners ask us to act immediately to protect, defend and respect the rights of unborn children.

[*English*]

These petitioners ask us to consider the tragic effects of the decision of the Supreme Court of Canada with respect to Section 251 of the Criminal Code. They pray and beg that we will take immediate action to protect, defend and respect the right of unborn children.

Mr. John Oostrom (Willowdale): Mr. Speaker, it is my privilege, duty and honour to present a petition on behalf of some 700 petitioners from Kingston, Glenburnie, Joyceville, Enterprise, Elginburg, Inverary, Orleans, Battersea, Smiths Falls, Cobourg, Pembroke and North Bay. They are disappointed that the Supreme Court of Canada struck down Canada's abortion law leaving unborn children without any protection of the basic right to life. Therefore the undersigned, your petitioners, humbly pray and call upon Parliament to pass immediately legislation to protect the unborn child from the moment of conception.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Speaker: Agreed?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

AIR CANADA PUBLIC PARTICIPATION ACT

MEASURE TO ENACT

The House resumed from Monday, June 7, consideration of the motion of Mr. Mazankowski that Bill C-129, an Act to provide for the continuance of Air Canada under the Canada Business Corporations Act and for the issuance and sale of shares thereof to the public, be read the second time and referred to a legislative committee; and the motion of Mr. McDermid:

That this question be now put.

Mr. Joe Reid (St. Catharines): Mr. Speaker, it is a pleasure and an honour to rise in my place today to speak in support of Bill C-129, a Bill which will give Canadians an opportunity to share in the future of Air Canada.

This legislation has been welcomed by Canadians from across the country—by consumers, Air Canada employees, the airline industry, not to mention the Canadian public at large. The Canadian public has welcomed it because it means increased competition. Increased competition means better service for consumers. Air Canada employees have welcomed it because it means expanded opportunities for the company in the future, and an opportunity for them to share in the growth of their labours.

This legislation is fully consistent with the competitive environment created by the National Transportation Act, which Act was passed just last year. That Act replaced a 20-year old law and revamped the transportation sector. It permits greater reliance on market forces and less reliance on economic regulation. The results of this are beginning to be felt in more innovation and enterprise, as well as more competitive transportation services with reduced prices.

For the airlines this has meant that it will be much easier to adjust their services to meet the demands of the market-place and to tailor their fare structure to meet competitive conditions.

The short title of Bill C-129 is the Air Canada Public Participation Act. This is an apt description of what this legislation is all about.

The intent of the Bill is to provide all Canadians with the unique opportunity to become real and active partners in the ownership of one of the world's great airlines. Once the Bill is passed, Air Canada's 22,000 plus employees, all of whom have contributed to the airline's national and international success and achievements, will also be able to share directly in the company's ownership and success.

I would remind Hon. Members as well that the legislation before us limits the level of individual ownership and, in so doing, broadens the base of potential investors.

The Air Canada Public Participation Act will ensure that no more than 10 per cent of Air Canada can ever be owned or controlled by an individual or any associated interests. There need be no concern about Canadians ever losing control of Air Canada. The legislation parallels the National Transportation Act, 1987 in that regard by restricting non-resident ownership to no more than 25 per cent of publicly available voting shares.

Air Canada, I repeat, will remain Canadian-owned and controlled. The only difference will be that Canadians, including the airline's employees, will be able to share directly in a Canadian enterprise that has become a symbol of excellence world-wide.

Most things will not change. It will be business as usual. Air Canada will be continuing its current employment and safety practices and polices, after public participation. Legislation such as the Canada Labour Code, the National Transportation Act, the Pension Benefits Standards Act and the Aeronautics Act will still apply to Air Canada, regardless of its ownership status.

The Government's commitment to maintaining a high level of safety in the Canadian transportation system will not be jeopardized. Safety has not been deregulated, and will likewise not be affected by public participation. This Government believes in regulating "smarter", and in some cases that means less regulation, in other cases more, but in all cases it means better regulation.

The Air Canada Public Participation Act will guarantee the continuance of the airline's operational and overhaul centres in Winnipeg, Mississauga and Montreal. Its head office will remain in Montreal.

In addition, the Official Languages Act continues to apply to Air Canada, thus ensuring service in both official languages.

When the Deputy Prime Minister (Mr. Mazankowski) spoke during this debate, he referred to the support this legislation has elicited from all across the country and from all sectors and interests. They welcome it because they want to see Air Canada maintain its position of respect among the world's airlines. They welcome public participation because they know that a flexible, unfettered Air Canada will continue to prosper in the new environment that has resulted from the economic regulatory reform of the Canadian airline industry.

The Government's program of economic regulatory reform has meant that more people have been able to fly to more places at better prices than ever before. It means that Canadians have benefited from increased innovation, initiative, entrepreneurial spirit and competition in the air industry. Canada's airline industry has one of the world's best airline safety records.

• (1120)

Transport Canada's essential role will continue to be the regulatory and enforcement body of airline safety in the testing and licencing of flight and maintenance personnel and the regulations regarding aircraft maintenance and operations including inspections. Air Canada and all other Canadian airlines must comply with these regulations irrespective of ownership, as is the case today. In the context of airline safety records, it seems very appropriate that it is the Hon. Deputy Prime Minister (Mr. Mazankowski) who has introduced this legislation. Members of this House will recall that in his former capacity as Transport Minister in 1979 he set in motion the reform of air safety standards in this country through the study undertaken by Mr. Justice Dubin. The Dubin report was the long overdue examination of air safety. Its recommendations were wide-ranging and comprehensive. They addressed air worthiness, accident and incident reporting, enforcement, navigational aids, uncontrolled airports and personnel.

For example, one of the key recommendations contained in the Dubin report called for the establishment of an independent Aviation Safety Board. This board became fully operational in October, 1984. Its objective is to advance aviation safety by conducting independent investigations into aviation occurrences, identifying safety deficiencies and making recommendations to eliminate or reduce those deficiencies.

The Canadian Aviation Safety Board accident investigation lab here in Ottawa is one of the most sophisticated facilities of its kind in the world. It is there that specialized laboratory testing and analysis of aircraft parts, structural components and wreckage from aviation occurrences is conducted. The engineering function also includes wreckage search and recovery, such as the recent recovery of literally thousands of pieces of aircraft wreckage from the bottom of Hamilton harbour. I think we can all agree, Mr. Speaker, that these are not pleasant tasks but they are essential to ensuring the continued provision of safe air transportation.

Another Dubin recommendation that has since been implemented is the creation of the Civil Aviation Tribunal to hear and determine appeals from administrative decisions quickly and fairly. This tribunal is unique in the world and permits carriers or individuals to seek an independent review if, for example, they object to the imposition of a fine.

Finally, a discussion of the Dubin recommendations is not complete until we also address the amendments to the Aeronautics Act as amended in 1985. These amendments reflected a number of the Dubin recommendations and gave this country one of the most progressive aviation safety laws in existence. The Aeronautics Act, 1985, modernized and replaced safety legislation that had not been amended in any significant way since World War II. The amended legislation has strengthened the areas of airport security, government access to pilots and engineers' records, owner and operator insurance requirements, standards for air worthiness, air traffic services and navigational aids and medical check-ups for those holding licences. Most important, Transport Canada's enforcement powers have been increased and penalties for infractions have been strengthened. This involved amending the Criminal Code as well so that some aviation

safety infractions are now considered criminal rather than civil offences.

As a means of properly administering the new Aeronautics Act, Transport Canada has undertaken an assessment of how best to employ in its certification, surveillance, monitoring and enforcement resources. But these new safety measures do not stop with the Aeronautics Act, Mr. Speaker.

Since 1985, Transport Canada has directed an additional $70 million toward enhancements to security at Canada's airports. This includes better physical security, more security guards and a better security inspection program. Among the further measures aimed at making air travel safe for all Canadians is the Canadian air space systems plan. This program is part of the Government's continuing commitment to develop world class technology in this country. The air space systems plan helps Transport Canada to keep pace with the rapid technological improvements in aviation safety. One aspect of this plan that is well under way is the radar modernization project. At a total estimated cost of $810 million, approximately half of which has already been spent, this initiative will improve air traffic control across the country. The bottom line is increased safety for Canada's air travellers. This was all accomplished long before initiatives such as regulatory reform and now public participation of Air Canada. Canada is the only country in the world that undertook a comprehensive review of our air safety regulations before pursuing economic regulatory reform initiatives.

Indeed, these accomplishments in the area of transportation safety made regulatory reform possible. Today it is not necessary to regulate how much a carrier can charge for a fare. What really matters is whether that carrier can operate safely. Likewise, it is not necessary for the Government to own Air Canada to ensure that it will continue to operate safely. For two years now improved regulations have been in place to ensure the safe operation for every carrier in the airline industry, including Air Canada. The Government has no difficulty with the question of where to spend taxpayers' hard earned money. We believe in using tax dollars where they will best benefit the people of Canada as a whole.

An Air Canada with access to equity markets will be willing and able to purchase aircraft on its own. The people of Canada are eager to participate by investing their capital in the future of a well-run airline. We believe that government dollars are better spent regulating air safety. This is where tax money should be going rather than buying an aircraft for an airline that would prefer having the freedom to buy them on its own and without someone looking over its shoulder.

We have witnessed a rapid evolution in the air industry as both technology and service have kept pace with the travellers' demands. In the face of increased competition, it is absolutely essential that Air Canada have new capital to develop new routes and to provide new services. It needs to maintain a modern air fleet so that it can continue to serve Canadians proudly around the world. Public participation is essential for a competitive, financially independent Air Canada, and a strong Air Canada is essential to Canada's competitive airline industry.

For the better part of this century, Canadians have relied upon air travel to span our great distances, open our remote areas and draw us all together as a nation. From its modest beginnings in 1937 Air Canada has grown to play an integral role in our nation building of this great Canada. Air Canada represents a network that has brought us closer together. It represents a network that has linked us with the larger global world, and Canadians are now looking forward to the day when they can share in the direct ownership of this great national enterprise.

• (1130)

Air Canada is a great national institution. I am proud to support this legislation that will allow us to participate in it, just as I am proud of the achievements of a Government that has made air travel safer, more reliable and more accessible for all Canadians.

Mr. Duguay: Mr. Speaker, I want first to congratulate my colleague on his very fine speech on the need for this legislation.

George Orwell once defined "Doublespeak" as the ability to hold and express two conflicting points of view at the same time. I want to read for the benefit of my colleagues some comments made on Thursday, May 10, 1984, by the then Minister of Transport, the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy). He said:

> —and I myself embarked on a series of personal discussions in Canada and the United States . . . There were times I had to take issue with those who predicted mass chaos in industry if we attempted reform.
>
> Airline crashes, labour disputes, airline bankruptcies, loss of small community services, all of these were blamed on change, which I would say were properly and effectively disputed and debunked during the course of the hearings.

He went on to explain his view of policy:

> The essence of this policy is less regulation and more competition. It is a significant departure from the *status quo* and reflects the first comprehensive reform of Canadian air policy. It demonstrates the government's confidence in the maturity of Canada's airline industry to respond to the challenges of increased competition.
>
> This policy discards the concept that the airline industry is a public utility. Instead, it introduces the idea that commercial competition is the basis of a healthy air transport system.

It seems to me that the then Minister of Transport, the Hon. Member for Winnipeg—Fort Garry, was an eloquent speaker for the privatization of Air Canada. I wonder if my hon. colleague from St. Catharines might have a comment about how the Hon. Member has perfected "Doublespeak" so that he can now oppose what he so fervently supported only a brief time ago.

Mr. Reid: Mr. Speaker, it has been said of Canadians that we are a pragmatic lot. There is a tremendous difference between 1937 and 1987. There has been a growth in the

airlines and in the maturity of this nation. Air Canada has matured as an airline. My friend from Winnipeg—Fort Garry noted that change, and was in a position to do something about it. That was what he was doing, but he did not go far enough.

It became the opportunity of this Government, particularly the Deputy Prime Minister, who in 1979 indicated that safety would always be a priority concern of any Government to which he belonged and that transportation should be governed by the economic sector with a great role being played by the private sector.

A member of the Opposition who once held an important role sees the issue differently today. However, in 1988, the role of Air Canada can only be one in which it is given an opportunity to compete with other airlines without the regulations that encumbered the Air Canada of yesterday. That is what we are doing with this Bill.

Mr. Benjamin: Mr. Speaker, on the assumption that my hon. friend from St. Catharines is a good free enterpriser who is in favour of competition and private investment, I would assume as well that he believes that the investors in any profitable corporation should have an opportunity to make a return on those investments in the form of dividends, interest or both.

Why should Canadians or employees of Air Canada who are also Canadians buy shares in a company that had a $45-million net profit last year after taxes but paid no dividends? In 1986, it had a $40-million profit but paid no dividends. Does the Hon. Member think that that is proper? Do the taxpayers of Canada not have just as much right for an opportunity for return on their investment as any single private investor?

Mr. Reid: Mr. Speaker, I can only ask my hon. friend to wait until 1990 to see what kind of dividend Air Canada will then pay. I recall that that question was raised by the Hon. Member himself at the Standing Committee on Transport. It was pointed out then that the Government of Canada did receive some return for the great service of Air Canada, but the point to be made now is that, yes, as a free enterpriser I agree that the people of Canada should be able to share in the growth and the wealth of an industry whose role is expanding and enlarging. We asked the employees themselves if they wanted to share in this, and of course they do. They want to be part of this growth. They want to be able to share in the profit of their labours. This is the opportunity we are giving them and the people of Canada. We are giving them an opportunity to share in that growth that is bound to take place in the future, just as it has in the past.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, we intend to oppose the privatization of Air Canada today as we have on earlier occasions and as we will at every stage at which this Bill is discussed. We do that because we see this proposal being made not because there is any real economic or financial justification for the idea but simply because it is part of the ideological baggage the Conservative Government carries with it. It is part of its belief that anything the private sector does is better and more efficient than what can be done by publicly-owned companies.

The facts and the record of Air Canada prove that to be completely false. After all, let us recall that Air Canada was established as a Crown corporation by a Liberal Government generations ago because the then Government and the people of Canada realized that an airline which flew regularly from the Atlantic to the Pacific was necessary for Canada and because the private investors were not interested in such an airline. They could not see that they would make a profit in the early years. Therefore, Air Canada was established.

Air Canada has been an efficient company. It has provided service and it is rated internationally as one of the best, most efficient airline companies in the world. It has been well managed and it has been efficient. It has provided service to most parts of Canada, not just to the major cities. To the best of its ability, it has met the needs of the Canadian people.

We are told that part of the reason for privatizing Air Canada is that Air Canada needs new aeroplanes, which it does, and that these new aeroplanes, needed to replace the aging aeroplanes it is now using, will cost billions of dollars. The sale of shares the Government is proposing will only bring in $300 million.

Analysts in the business of watching how money is raised have indicated that there are other ways to raise money. The Government could permit Air Canada to borrow the money. After all, that would not add to the real debt of Canada because Air Canada has been sufficiently profitable to pay the interest and eventually repay the loans.

• (1140)

The Canadian public supports the belief that Air Canada should remain public. Two polls done earlier this year, one by Gallup and one by Environics, show that by a two-to-one majority people believe that Air Canada should not be privatized. Economists in the business world, business analysts, and the head of British Air, all of whom believe in privatization, have said that partial privatization is a mistake, that partial privatization will not work.

Mr. McDermid: They want the whole thing. Do you agree with them?

Mr. Orlikow: Mr. Speaker, I guess the polls showing how low the Conservative Party is in public opinion—

Mr. McDermid: Come on down and run against me.

Mr. Orlikow: Mr. Speaker, I am quite prepared to listen to the Hon. Member for Brampton—Georgetown (Mr. McDermid) make his own speech, and I will not interrupt. However, if he is going to interrupt me I want to deal with his interruptions. The reason he is so nervous and so busy interrupting,

interjecting, and shouting, is that he knows he is not going to be here after the next election.

He asks me whether I agree with the people who are saying that the company should be 100 per cent privatized. I do not agree with them but they are saying, and I wish he would listen, that either the company should remain as a Crown corporation or it should be 100 per cent privatized. The Government does not have the guts to propose 100 per cent privatization because it knows the public is opposed to that. The Government has opened the door to 100 per cent privatization by bringing forth this proposal for partial privatization.

Those who believe in 100 per cent privatization say that partial privatization is a mistake and will not work. It will not work because there is a requirement in this Bill that the company retain its bilingual status. That is going to cost the company money. It requires that the head office remain in Montreal. That may not be the best business decision. It requires that the maintenance bases in Winnipeg, Montreal, and Toronto be maintained. They say that that is not necessarily a good business decision. They say that we ought to go for 100 per cent privatization, which this Bill does not provide for.

I want to raise several other points which have not been dealt with. We are told that the Government wants to privatize because the private company will be able to operate much more efficiently because of deregulation. We copied our deregulation system from the United States. We now know that many of the people, groups, and organizations in the United States which believed that deregulation would bring benefits in the United States, having now had the experience of a number of years of deregulation, realize that deregulation in the United States was a mistake. We ought to learn from that.

For example, in a June 1988 issue of *Consumer Reports* magazine issued in the United States the serious problems facing the United States as a result of their 1978 deregulation policy are discussed. This is the same situation which a privatized Air Canada will face following deregulation in Canada which was begun by the then Minister of Transport in the Liberal Government, the Member for Winnipeg—Fort Garry (Mr. Axworthy), and continued by the present Deputy Prime Minister (Mr. Mazankowski) under the Conservative Government.

I want to put on the record the views of the American Consumers' Association because the Canadian Consumers' Association has been one of the biggest supporters of deregulation. The article reads in part as follows:

> We recently surveyed more than 400 *Consumer Reports* readers who are fliers. Nearly half said that air travel is generally worse today than it was 10 years ago, before deregulation. Less than 20 percent said it was generally better. When we asked recent fliers if they had any specific complaints about their latest flight, we got an outpouring of grievances. Almost half reported their flight departed more than 15 minutes late; nearly one in five said it was more than an hour late. Half the readers called the seating "very crowded,"—

—anyone who has travelled on our planes recently knows how crowded they can be—

> —and one-third said their food was "unappetizing."

That certainly sounds familiar.

> They reported long lines at check-in (28 percent), overbooked planes (14 percent), and an unacceptably long wait for baggage (19 percent).
>
> All this is a far cry from what was expected from deregulation. Deregulation held out to consumers the promise of low fares, better service, more competition, and a boom in travel.

That is just what we heard a few moment ago from the Member for St. Catharines (Mr. Reid). The article goes on:

> Last year, names like Air Atlanta, Air South, Chicago Air, Gulf Air, McClain, Royale Airlines, Royal West, and TranStar vanished from terminals in airports around the nation. They join a raft of other more familiar names like Republic, Western, USA . . . All of them have been merged, purged, or submerged, leaving behind an industry of eight major airlines, each enjoying local monopolies or shared monopolies, and each serviced by smaller commuter lines that have affiliations with one or more of the giants.

Well, Mr. Speaker, is that not precisely what has happened here? Have we not, despite deregulation, the situation of having two and a half giants; Air Canada and Canadian International, and, to a lesser extent but coming up quickly, Wardair? This is what has happened. The article continues:

> Airfares, which dropped sharply because of aggressive competition from upstart airlines, have already started to rise—

That is in the United States and we are going to see that happen in Canada as well. The article continues:

> "You ain't seen nothin' yet," says Julius Maldutis, vice president for aviation research at Salomon Brothers, Inc. He predicts that cheaper fares will be further encumbered by onerous restrictions. "You'll still have discount fares, but the availability will be restricted," he says.

I could continue to quote from that article but I think I have said enough to indicate what has happened in the United States and what is going to happen in Canada as deregulation continues to bite further and further.

There are other problems involved. We have heard strong rumours that Air Canada vice-presidents are already strongly lobbying the Government to remove the bilingualism guarantees in the legislation. Members from Quebec should be worried, particularly Members from Montreal, because we know that the main centre for travellers is not Montreal but Toronto. We had a bitter experience in Winnipeg. When Air Canada began, its head office was located in Winnipeg, along with the major maintenance base. When Air Canada officials decided that its operations should be in Montreal, they did not explain to the Government that they had legitimate reasons for moving its head office, maintenance base and other facilities from Winnipeg to Montreal. Instead, they moved in stages, first with the headquarters, then other facilities, and finally the maintenance base.

• (1150)

The Member for Selkirk—Interlake (Mr. Holtmann) is not so old that he cannot remember the pain and unanimous hostility felt not only by the unions and workers involved but by the business community over this move and how Winnipeg was shafted.

I suggest to Members of Parliament from Montreal that they keep a very careful eye on Air Canada when it is privatized. I will not be surprised if Air Canada facilities, now mainly centered in Montreal, are eventually moved quietly and surreptitiously to Toronto. Members may suggest that the Bill does not permit this, but we know from experience how a company can get around promises and legislation when it is interested in making a profit.

There is no provision to ensure that when the privatized company purchases new aircraft part of the production of the new planes will be done in Canada. According to my information, until now the wings for McDonnell Douglas aircraft that have been purchased by Air Canada were produced in Toronto. I also believe that some of the work done on other planes was carried out by Canadair in Montreal.

We know that the Post Office, in its determination to make a profit, has taken the contract to move mail originating in Canada to destinations in Europe away from Canadian air carriers and given it to a United States firm. I am sure that this contract formed a substantial part of the business of Air Canada and Canadian International Airlines.

The Post Office was given a directive by the Government to be as financially efficient as possible. Naturally, if it can get a better deal from a European carrier it will do so, ignoring the fact that it may lead to job loss in Canada.

Air Canada is looking at the purchase of new airplanes from Airbus. One must question whether any part of the Airbus aircraft will be built in Canada since it has no facilities here. Furthermore, if the purpose of privatization is to make a company as financially efficient as possible, why would it not buy airplanes as cheaply as possible unless otherwise directed by the Government?

Some government Members will suggest that the privatization still leaves the Government of Canada with a majority share of the company. However, the Government has already said that its share will be operated in a passive way, meaning that the private owners will make the decisions, including the decision to buy as cheaply as possible.

I ask Members from Toronto, Montreal and Winnipeg, where there are sizeable aircraft industries employing thousands of people, what will be the effect on those cities, those workers and on the business community if Air Canada is permitted to buy aircraft from Airbus in Europe or anywhere else, simply because they are cheaper? We believe it is important to take into account the adverse effects of such a decision.

The privatization of Air Canada will mean that it will be primarily concerned with the major centres of Toronto, Vancouver and Montreal, where the most money will be made. We are opposed to that kind of division in Canada. It will result in three groups of Canadians, with Canadians living in the major cities getting first class service, those living in other centres like Calgary, Regina, Winnipeg and Halifax getting second class service, while those in rural communities and in the North will get the worst service. That will be the inevitable result of the privatization of Air Canada.

Mr. Holtmann: Mr. Speaker, I want to comment on the ramblings on of the Member for Winnipeg North (Mr. Orlikow) who quite clearly substantially lacks knowledge of the airline industry, despite the fact that he has been around this place for quite some time.

He flies every week, like me, and we see each other from time to time. The NDP purport to be the only Party that represents union people. Has he asked whether they are really in favour of it?

I have discussed this with many stewardesses and pilots. The Hon. Member held up a piece of paper, citing it as a poll saying that up to a three-to-one majority of people in Canada oppose what the Government is doing. I defy the Hon. Member to pull out the exact poll and tell us when it was conducted. He should present more substantial statements. I also have a poll that I would like to draw to the attention of the Hon. Member for Winnipeg North (Mr. Orlikow). It was published in the *Financial Times* and it was conducted by Decima. I suppose it is just as valid a poll as the one presented by the Hon. Member. On June 6, 1988, not very long ago, Canadians were asked: The federal Government recently announced that it will reduce its ownership in Air Canada, shares will be sold to Air Canada employees and Canadian investors first, and there will be limits on how many shares any one investor can have and how many of these shares can be owned by foreign investors. What is your view?

• (1200)

I hope the Hon. Member listens to the response, which was that 11 per cent were strongly supportive of this plan, 58 per cent supported it, 21 per cent opposed it, 7 per cent strongly opposed it, and 3 per cent did not know. That is hardly a two to one opposition to what the Government has done.

The next question asked was: How do you think this plan will affect the airline's ability to compete and grow? That is a fair question and it was asked of Canadians who, the Hon. Member purports, do not support this. Eight per cent said it will have a very positive effect, 64 per cent said it would have a positive effect, 20 per cent said it would have a negative effect, and 4 per cent said it would have a very negative effect. Do those figures back up the Hon. Member's statement that all Canadians believe that this is going to be very harmful to the industry?

I will read another question: How do you think it will affect the quality of service the airline offers to Canadian travellers? Nine per cent said it would have a positive effect, 65 per cent said it would have a very positive effect, 19 per cent said it would have a negative effect, and 4 per cent said it would have a very negative effect.

The Hon. Member threw some figures out in this House which distort what really is the case. This particular Decima poll indicates that basically 65 per cent of Canadians support the sale of Air Canada to the private sector. So the Hon. Member's argument requires perhaps some explanation.

The Hon. Member talked about deregulation. This has nothing to do with deregulation, so why bring the subject up? Does he mean that airlines should not continue to be regulated? We have private airlines right now. Are they not under the regulations that exist? Of course, they are. That is a different issue.

The Hon. Member talks about merging with U.S. airlines. What does the New Democratic Party know about business, anyway? When did those Members become the experts on corporations, how they operate and how they merge to become more effective and efficient?

Where is the NDP support for unions? People who work at the airlines are mostly quite in favour of purchasing parts of Air Canada. The Hon. Member uses an airline every week, as I do, and he should ask its employees what they think about it. I have done that. I think the Hon. Member would be quite surprised by the answers.

His point of view on behalf of his Party is obviously not the same as the opinion of some of his other colleagues. When we were debating the privatization of Teleglobe Canada, the Hon. Member for Vancouver—Kingsway (Mr. Waddell) said, and I quote from *Hansard*, February 13, 1987, at page 3426:

> The Minister quite rightly said that we in the NDP are not against privatization—

Mr. Orlikow: I rise on a point of order. The Hon. Member for Selkirk-Interlake (Mr. Holtmann) has asked a number of questions. I hope he will leave me a few minutes to reply to most of his questions in which he has misrepresented many things.

Mr. Deputy Speaker: The Hon. Member for Winnipeg North (Mr. Orlikow) has a good point. Could the Member conclude?

Mr. Holtmann: Mr. Speaker, I will be very brief. I just wanted to point out that what the Member said this morning in the House is quite different from what his colleague said not too long ago. As I said, the Hon. Member for Vancouver—Kingsway said:

> The Minister quite rightly said that we in the NDP are not against privatization *per se*,—

They are in fact saying that in some cases they would consider privatization. He went on:

> —but there must be a practical reason for selling a Crown corporation. For example, if there was bad management in the Crown corporation, it did not have sufficient money, or there was no public policy reason for keeping the corporation, then maybe it could be sold to the private sector.

One of the Member's colleagues is suggesting that some Crown corporations should be sold. That was stated right in this very House. So I ask the Member to respond to some of the points I have made.

Mr. Orlikow: Mr. Speaker, I know I do not have much time, but let me just say that the Hon. Member for Selkirk—Interlake began by saying that I have been here for a long time. Yes, I have been here for quite a long time. I was here before the Hon. Member for Selkirk-Interlake, and I will be here after the Member is gone, which will happen right after the next election.

There is no difference between my views and the views of the Hon. Member for Vancouver—Kingsway (Mr. Waddell). Of course, if a Crown corporation has outlived its usefulness, if it is not efficient or if it is not well run, we are not opposed to its sale, but Air Canada is efficient. It is well run and it provides a necessary, essential and worth-while service. That is why we are opposed to the sale. The Member questioned my statement about the polls.

Mr. Girard: Mr. Speaker, the Hon. Member mentions Crown corporations could be sold. Could he tell us what Crown corporations he thinks should be sold?

Mr. Manly: That is not a point of order.

Mr. Deputy Speaker: That is not exactly a point of order. The Hon. Member for Winnipeg North (Mr. Orlikow) has the floor.

Mr. Orlikow: Mr. Speaker, I would do that but I have barely enough time to try to deal with the ridiculous questions asked by the Hon. Member for Selkirk—Interlake. The Member challenged my statement that the public was opposed to the sale. Let me put on the record part of the speech I made on April 12 which gives the facts. I hope the Hon. Member for Selkirk—Interlake will listen. I said then:

> On March 5, 1988, *The Globe and Mail* published an Environics poll concerning the selling of Crown corporations. The question was asked: Do you think the Government should or should not sell Air Canada? The response was: should, 31 per cent; should not, 51 per cent. It was the same in almost every region.

A similar poll appeared in the *Toronto Star* on March 31, 1981, conducted by Angus Reid.

Mr. Holtmann: In 1981?

Mr. Orlikow: In 1988. If the Hon. Member questions it, I will supply him with the actual report tomorrow. The poll asked whether or not the following corporations were well run. With respect to Air Canada, 63 per cent said it was well run and 20 per cent said it was not well run, 53 per cent said the Government should not sell Air Canada to the private sector, and 35 per cent said it should sell.

There is the answer, Mr. Speaker. There is no question in my mind that the public is opposed to the sale. With respect to talking to employees of Air Canada, asking a few employees does not give one the answers. They all belong to the unions. If they disagree with what their union is saying, it is very easy for

them to arrange to have a meeting and move a motion that the union change its policy. They have not done that because they essentially agree with the position as expressed by their unions.

Mr. Ken James (Parliamentary Secretary to the Minister of Supply and Services): Mr. Speaker, I am very pleased to have the opportunity today to speak on this very important Bill allowing for the participation of the Canadian public in the ownership of Air Canada. I would like to list some reasons why interest in participation and purchase has received such strong support from so many sources in Canada.

• (1210)

My colleagues, both on the government side and opposite, were talking about public reaction to the sale of Air Canada. The polling conducted by the *Financial Times* and Decima was mentioned. I would like to discuss the area of service and what is important in servicing Canadians. Air Canada has a long tradition of service and it is important that we mention that aspect. In a poll in relation to service the question was asked: "How do you think it will affect the quality of service that the airline offers to Canadian travellers?" It is noted that 74 per cent of those polled had a very positive reaction that it would maintain and enhance the type of service that Canadians are looking for from Air Canada. We should take heed of that.

It is also important that all Members have the opportunity of noting what was stated by Mr. Ed Godin, a spokesman for the pilots. As we all know, pilots have been very positive about the sale of Air Canada for a good number of years. The Hon. Member for Winnipeg North (Mr. Orlikow) noted earlier that he thought a number of employees were against the sale. Mr. Godin, when speaking about the other unions, stated: "We find their Members don't share the opinions of their union leaders", and that the union leaders are speaking out. That is quite common and it concerns me that the leadership do not take a plebiscite of their members or present to them the pluses and minuses of being able to purchase stock in Air Canada. They simply go out and make a statement. The same thing happens in my riding of Sarnia—Lambton in connection with free trade. There have been instances where leaders of unions have campaigned against the free trade initiative, whereas probably in the area of 80 per cent of the unionized members are very positive and understand the positive aspects that the free trade initiative will carry forth.

Mr. Manly: Mr. Speaker, I rise on a point of order. I wonder if the Hon. Member could advise when the Prime Minister (Mr. Mulroney) will take a poll of the Canadian people on trade issues?

Mr. Deputy Speaker: The Hon. Parliamentary Secretary may resume on debate.

Mr. James: I am not sure, Mr. Speaker, what type of point of order that was, but it was an interjection from my colleague opposite.

In addressing that very point, the Prime Minister (Mr. Mulroney) and the Government were elected to lead and show leadership in this country and maintain good government. Certainly, within that mandate international trade conditions have to be assessed. We would be a sorry lot if we did not adjust to the changing times and take into consideration having a treaty with our most important customer.

When talking about the union leaders Mr. Godin stated: "We find their members don't share the opinions of the union leaders. There's an effort within the unions to counter some of the statements of the union leaders". Mr. Godin further stated: "One flight attendant in Toronto has complained that her union is wasting its money to fight the deal while the pilots are using their money to get a good deal". The pilots are putting it in the sock in order to save it and have a good deal! I thought that was a very interesting quote.

The legislation responds to the changing needs of Air Canada within an economically deregulated air transport industry. This Government has paved the way for that to be done, which is very good for the industry. It provides the freedom and flexibility that will enable Air Canada to meet the challenges of a competitive and global environment. The legislation provides for the orderly transition of Air Canada, as a mature and responsive Canadian company, from a Crown corporation to a publicly held Canadian corporation. It will enable Air Canada to build upon the high level of performance it has demonstrated over its 51 year history. It will support the high level of personal identification that Canadians have and feel for Air Canada as our national flag carrier. We all know there is a very strong feeling in Canada about Air Canada, and certainly among many people who never board an airplane.

They feel positive about the Air Canada name and the airline. It is important that that be maintained, and it certainly will be. It has had a long and illustrious experience in Canada of handling the travelling public. When looking at the polls, it is important to note that a number of people who do not travel, unlike most Members in the House, have perhaps an even more positive feeling about Air Canada.

A few years ago, Air Canada was our only national airline. Today, we have Canadian Airlines International and its partners challenging Air Canada and its partners in national and regional markets across the country. In my riding of Sarnia—Lambton we have Air Ontario, a partner of Air Canada. It is a regional airline. Five months ago Canadian partners started to fly out of Sarnia on a regular basis. Therefore, we have excellent service in a metro area of approximately 87,000 people, and a county city, urban area of approximately 120,000. Air Ontario provides an excellent and competitive service. If one flies out at 7 a.m. to Toronto and connects with Air Canada one can be in Ottawa by 9.15 a.m. The same applies to Canadian Airlines International. It flies out of Sarnia at 7.05 a.m. That example in my own area illustrates the type of service provided to the smaller urban areas in Canada.

Wardair is also competing with the two major domestic air carriers in the domestic areas as well as in the charter business. That adds another dimension to the domestic airline business and its competitiveness. The other day I had to have my flight changed and it was changed over to Wardair. That other dimension adds competition, which makes for good service.

One might mention Wardair and the type of private sector competitiveness that Air Canada was experiencing. I note here that in September, 1987, Wardair successfully raised $125 million in a public equity issue to buy more airplanes. That illustrates the competitiveness that Air Canada was experiencing from the private sector where companies could go out and raise moneys, whereas Air Canada was not in the position to do so.

• (1220)

The changes that have been brought about by increased competition in the airline industry have taken place as a result of economic regulatory reform that has been brought on by the Government. This has led to competition for consumer dollars which, in turn, has resulted in lower fares. It is important to the service of Canadians that we have competition and lower fares. Americans have expressed to me their amazement with respect to the fares that we pay to go from one part of Canada to another. We are also interested in increased service and the growth of many smaller airlines serving regional needs.

I found it interesting to read an article which appeared recently in the the *Winnipeg Free Press* written by Dian Cohen who stated:

> The fundamental facts are these. Air Canada, as a creature of the federal government, is dependent on the government for its capital requirements. Air Canada operates as best it can as a private sector participant, in that it must endeavour to balance the books and make a profit. But it does not have the ability, as other private sector companies have, of going into the market place to invite equity participation when it needs a cash infusion.

She went on to state:

> Air Canada desperately needs a cash infusion right now—it has made a few million dollars in profits in the past couple of years, but nowhere near the $350 million to $1 billion it needs to replace its aging fleet with newer, quieter and more comfortable airplanes.

It has to replace those planes. Who will do it? Will the federal Government come up with the money? It is for more than competitive reasons that the fleet has constantly been renewed. Planes have geriatric problems just as people do.

She goes on to deal with certain jets with which Air Canada has had problems. The author of this article is a reputable economist. She deals with the options that are available:

> Option number one—that the Government will simply give Air Canada the money—is possible. It will mean, since the government of Canada is still spending about $25 billion more each year than it takes in in revenue that either taxes will have to go up, or the government will have to put Air Canada's needs above the needs of farmers, the oil patch, the unemployed, day care—

In order to come up with this amount of money something has to be sacrificed. That is of great concern to me, as it should be to everyone in the House.

In a recent article in the *Vancouver Province* of May 24, 1988, it is stated that if the Liberals and the New Democrats intend to do all they can to stymie the sale of shares in Air Canada, they had better spell out loud and clear how they expect the airline to raise the money to replace its aging aircraft.

The article goes on to state that the Liberals and New Democrats have offered no cogent reasons why Air Canada should remain as a Crown corporation, or solutions to its financing problems. "They should either put up or shut up and let the sale of these shares go on".

There are features of Air Canada as a Crown corporation that Canadians have valued in the past. Public participation will ensure that Air Canada does not lose sight of the values, and nor will public participation in any way detract from the high level of service Canadians have come to expect from Air Canada. The airline will continue its alliances with regional air carriers, which will provide air service to passengers from smaller centres. In a competitive market it makes sound commercial sense for Air Canada to maintain and improve upon joint scheduling with its regional carriers.

The airlines will still be working together to improve the industry generally. We believe Air Canada will continue to pursue opportunities to develop alliances and partnerships and to meet consumer demand. That is what the free enterprise spirit is all about.

In fact, Air Canada's commercial strategy has always been built upon good service and good value to customers. The interests of Air Canada's new shareholders will go hand in hand with those of the consumers. If Air Canada continues to provide good service and good value, it will continue to attract customers and will provide returns for the shareholders. When employees work for a company and are anxious to buy shares in the company they know the real potential of the company and are anxious to participate.

In the past few weeks I have heard criticism of the proposal to open Air Canada to public participation. It has been argued that Air Canada must remain a Crown corporation in order to serve a public policy role. What is the public policy role that Air Canada serves?

All airlines serve an important public service, providing access to regional, national and international destinations in a safe way, conveniently. We want it to be economical. Are Air Canada's routes and passengers more valuable than those of, say, Canadian Airlines? I believe not. It is very important that we have a deregulated and competitive situation.

Crown ownership of Air Canada is not required to ensure this service. What is required is healthy and open competition, exactly what this legislation will provide.

One major area of concern that does fall within the realm of public policy is the safety of the travelling public. Our Government has paid a lot of attention to safety issues in the airline industry. The Aeronautics Act of 1985 laid the foundation for a good, solid, regulatory framework. We have excellent enforcement by Transport Canada.

It is important that Canadians understand that when the Government came into office and took over the management of the company and was looking at privatization we developed some very sound ground rules. I have stated them a number of times before when I was very involved with legislation concerning Canadair, Teleglobe and de Havilland. There was a very sound basis for us to evaluate whether privatization should take place. Certainly, changing economic environment must be considered. We must look at effectiveness. There is abundant evidence to suggest that many Crown corporations are not as effective in serving their clients as the private sector can be. We must take that into consideration as we evaluate. Public ownership of Crown corporations places enormous demands on the Government. We have spoken about this a great deal today. Public institutions use taxpayers' money to operate. At times having Government involved even though just at arm's length tends to inhibit good, sound operation of companies. These facts were all taken into consideration when the Government moved into privatizing 13 different concerns.

• (1230)

I appreciate the opportunity to speak to this important legislation to explain why the Government moved toward its important decision on Air Canada. We are proud of Air Canada's achievement. As a member of the Government I am proud of this legislation that will enable Air Canada to grow and enable individual Canadians to share in its prosperity, its service to the country and to all Canadians.

Mr. Lewis: Mr. Speaker, I rise on a point of order. There have been discussions among the Parties and I think you will find that there is agreement to defer the vote on Bill C-129, which was to be called at 4.45 p.m. today, until 5.45 p.m.; to commence Private Members' Hour at 4.45 p.m. today and to suspend the adjournment proceedings.

Mr. Riis: Mr. Speaker, there have been discussions. In an effort to facilitate the work of the standing committees of the House of Commons, we certainly agree to putting off the vote until a little later in the day.

Mr. Gauthier: Mr. Speaker, just to make things very clear, we are talking about the final vote on second reading of Bill C-129. Presently the House is studying the amendment put by the Hon. Member for Brampton—Georgetown (Mr. McDermid) that this question be now put. The amendment before the House can be dealt with at some time during the day but, the final vote on second reading will take place at 5.45 p.m. tonight.

Mr. Deputy Speaker: The House has heard the proposal of the Deputy Government House Leader. Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Benjamin: Mr. Speaker, I listened to my friend's speech. He keeps perpetuating sheer mythology. He was reading from a document of some kind about how public ownership of Air Canada inhibits its efficiency and ability to operate, or he said words to that effect.

First, I want to tell my hon. friend that Air Canada has received international gold medals and efficiency awards at least three times in the last seven or eight years. It is recognized around the world as one of the most efficient well-run airlines in the world. Where is this inhibition?

When the Hon. Member talks about Air Canada needing $300 million to purchase new aircraft, I do not know if the Member has ever read Air Canada's corporate plan from 1987 to 1991 but it says the funds required for this multimillion dollar investment will come from internally generated funds and borrowing. That is on the assumption of no privatization. Air Canada itself says it does not need funds from the sale of shares to purchase new aircraft. I also want to point out to my hon. friend that if he takes the trouble to read Air Canada's annual reports each year he knows that Air Canada has received no subsidy payments for 26 years, nor has it received equity capital investment for at least 15 years.

Mr. Tobin: It has had profits in the last eight years.

Mr. Benjamin: Air Canada during that period of time bought its fleet of 727s, 757s, 767s and half of its DC-9s without being privatized. It generated the funds internally.

Finally, if my hon. friend wants to look at what the present situation is with Air Canada, the Government of Canada, the taxpayers, have an equity of $329 million in a $3 billion corporation. Air Canada owes the Government $153 million in loans that it is paying back. In fact, it paid back $22 million of the loan in 1987. Where does my hon. friend get the mythology that Air Canada needs this money from the sale of shares to purchase new aircraft when it did not have to do it before? All its present fleet was purchased by selling bonds, by loans and by profits. None of it required the sale of shares. I want to remind my hon. friend that the share authorization for Air Canada is $750 million, and only $329 million worth of shares are held by the people of Canada, so the Government could buy another $421 million worth of shares and Air Canada would have more than enough money to start its purchase of a new fleet of aircraft.

I wish my hon. friend and his colleagues would quit peddling this mythology that Air Canada needs to sell shares to get money for aircraft when previously it bought all of its aircraft without doing that. The Hon. Member said Air Canada made a few million dollars profit last year and the year before. The amount was $85 million in those two years, for which the

shareholders received no dividends, not very good free enterprise under a Conservative Government. Why does my hon. friend continue to peddle this kind of mythology that Air Canada needs this money?

Mr. James: Mr. Speaker, I thank my colleague opposite for his question. I know he has a great long-standing interest and involvement in the transportation industry. I know he feels very strongly philosophically about maintaining state involvement in our country.

Mr. Benjamin: Sound business practice.

Mr. James: We better get the balance sheet out. The Hon. Member mentioned that I said Air Canada needs $350 million to $1 billion. I quoted Dian Cohen's article, which is where that information came from. He might have been behind the curtain when I mentioned that. It seems to me that I recall that not too many months ago Air Canada's officials presented themselves at the Transport Minister's door looking for funds and, in essence, pressuring the Government for money, indicating that Air Canada was looking for money for the purchase of aircraft. It certainly does not indicate the aging of the aircraft. I have not inspected them, but certainly there is a very strong indication to the Government that Air Canada will need substantial funds.

• (1240)

I know the Hon. Member is concerned about the public. We must talk about—

Mr. Tobin: Question!

Mr. James: I am not sure what you are asking me. Are you telling me to sit down? I do not think I will.

What are we supposed to do, keep a national airline that is in competition with the other airlines that are privately owned and have to go to the well by themselves? As Hon. Members know, Air Canada does get preferential treatment when it goes on the market.

Mr. Benjamin: No, it doesn't, it does not.

Mr. James: It gets preferred rates. There is indication that it does.

Mr. Benjamin: It has to operate exactly the same as the privates.

Mr. James: Are we going to give it money? What are we going to do with the private sector people who are in the business while there is a government-owned Crown corporation? That is not very fair.

Air Canada employs thousands of employees, and the Hon. Member I am sure is very sincere about his concern for their jobs. So what are we to do, have the public sector airline in competition with two private sector airlines that are doing very well?

I agree that Air Canada is doing very well and has been profitable. In only two years in the last number of years, I don't know how many, it has lost money. Certainly it is the kind of company that will give us money back. Sorry, I have talked too long.

Mr. Tobin: Mr. Speaker, it is obvious when a Member has a poor case to make that he uses as much time as possible to avoid questions. The Hon. Member has said that he supports Bill C-129 because he read someone's column, but he obviously has not read Air Canada's annual reports, nor has he studied the situation with Air Canada.

We in this Party are not opposed to privatization. We do not have a philosophical objection to privatization. We do not have a belief that the Government must run each and every institution in the country, but we only support privatization when it makes sense and when it is in the interests of the taxpayers of Canada.

The Hon. Member is supporting a move to privatize Air Canada in the middle of deregulation, something that changes the ball game completely. We are hearing all kinds of horror stories from south of the border about airline companies operating in unsafe fashions, with money being diverted from maintenance and safety into profits. Deregulation has just been introduced in Canada. The experience of deregulation south of the border has been a mixed bag at the very best. Now Air Canada will be privatized, our only window left on the Canadian airline industry.

The day he announced this privatization, the Minister said that the Government of Canada will retain a majority shareholder position, 55 per cent of the shares, after the first initial privatization, and the Government will instruct the chairman of the board to vote the Government's shares with the minority shareholders. In other words, the 23 per cent or 24 per cent of the shareholders of Air Canada, private sector shareholders, will determine the fate of Air Canada because the Government will tell the person who is holding the Government's majority shares to vote with the minority.

Given that Canada is a huge nation of 25 million people only, and given that a small minority share-hold position may decide to cut routes all over the country in order to maximize profits because its bottom line is different from the public's bottom line, what will happen to Canadians who live in my riding, in places like Stephenville and Gander, people who live in northern Ontario, northern Quebec and western Canada? The service to those areas will be determined by someone who is looking at his pocketbook and at the bottom line. How would the Hon. Member explain to these people why suddenly the level of service has reverted to that of 15, 20 or 30 years ago? How does that serve the best interests of Canadians who already own Air Canada?

Mr. Benjamin: Why buy shares in something you already own? That's kind of dumb.

Mr. James: Mr. Speaker, I think we have noted in the past some scary people who have used that same argument, dictators and kings and the like, so the Hon. Member wants to be a little careful about asking why we want to fight for it, we already own it.

Mr. Tobin: Answer my question.

Mr. James: My dad always said that the best measure of what will happen in the future is what has happened in the past. Certainly Air Canada, like the private sector companies, is servicing smaller centres. It flies into Sarnia, using smaller aeroplanes—

Mr. Tobin: Sarnia is a major centre compared to Newfoundland, New Brunswick, Nova Scotia, P.E.I., northern Quebec, western Canada. Sarnia? Wake up.

Mr. James: With these—we have to remember that the times have changed.

Mr. Redway: Mr. Speaker, I rise on a point of order. The Hon. Parliamentary Secretary cannot possibly be expected to answer the question of the Hon. Member if the Hon. Member is going to shout out and cause such a commotion in the House. I wonder if you would direct the Hon. Member to be quiet and allow the Hon. Parliamentary Secretary to answer the question calmly and coolly.

Mr. Tobin: Mr. Speaker, speaking to the same point of order, I think that is an excellent piece of advice and I am quite prepared to follow it with good grace, provided the Parliamentary Secretary addresses the question I asked and does not meander again, as he is wont to do, lost in the haze, as he tries to figure out why he is supporting this Bill.

Mr. Deputy Speaker: The Hon. Parliamentary Secretary has the floor.

Mr. James: Mr. Speaker, thank you for all the assistance. The Hon. Member opposite and I have always had a good relationship. I cannot imagine how he would react to someone on this side he does not like. I am simply giving the Hon. Member an example of how the airlines now seem to be going through a lot of adjustments. Flying big aircraft into small centres is not economical. The partnership system seems to be using aircraft that are efficient and can handle the loads required. Both Canadian Airlines International and—

Mr. Tobin: You're flying low.

Mr. James: I am not sure that the Hon. Member wants to listen to the answer. I listened very attentively all the while to his question. I think we have to keep in mind the changing times and the changing use of aircraft, the new aircraft that is provided, built and manufactured for regionalization into small centres.

Mr. Deputy Speaker: I would like to advise the House that as of now, speeches will be of of 10 minutes' duration with no questions or comments permitted afterwards.

• (1250)

[*Translation*]

The Hon. Member for Otttawa—Vanier (Mr. Gauthier), for the first 10-minute speech.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I regret the fact that we are down to ten minutes, but I will do what I can to highlight my major concerns about the privatization of Air Canada, which is the purpose of Bill C-129.

Mr. Speaker, I will be perfectly frank: I am against the Government's Bill. I am against the Tories' proposal for privatization, and I think the mechanism to bring this about was designed in haste and that the Government has given no serious consideration to the impact of its decision on the industry and Air Canada itself.

In this case, Mr. Speaker, we have a proposal for privatization that was drafted, as I said earlier, in haste, and which I think is surprisingly ill-prepared. Of course, we are used to that in the House by now. The Government always seems to be rushing in its legislation, and it is unable to manage the time of the House effectively.

Mr. Speaker, the Government decided to privatize Air Canada because the Corporation has to buy new aircraft. It needs a capital injection of about $300 million to renew its fleet. As we said earlier, these requirements are not new. In years gone by, the Corporation has been able to buy the replacement aircraft it needs, and I think it will still be able to do so if it remains in the public sector.

The Government tells us it is going to give Air Canada back to Canadians by letting them purchase shares in the company. Mr. Speaker, Air Canada already belongs to Canadians. It is a public corporation, a Crown corporation, 100 per cent owned by Canadians. What this Government is about to do is sell us something we already own. This isn't very logical, but that's Tory logic for you. We will make more money by investing in a company that no longer belongs to us. The purpose of Bill C-129 is to take Air Canada away from us. It's like selling the furniture to buy the House. It's like giving the lease to strangers, whose interests may be very different from the needs and interests of Canadians.

Mr. Speaker, privatizing Air Canada does not make sense. We don't have to sell the pride and joy of Canadians that happens to be making a profit. In fact, the Prime Minister (Mr. Mulroney) said during the last election campaign, and I repeat it here today: "Canada needs a national airline", said Mr. Mulroney, and "I agree that Canada must keep this national airline".

Mr. Speaker, I agree with the Prime Minister. With a lot of time and effort, energy and skill and capital investment, we

here in Canada have made Air Canada a going concern with an international reputation. Now the Government is getting ready to dismantle all that because the company needs airplanes.

Mr. Speaker, because I am short of time, in the few minutes available to us, I would like to touch on a most important subject related to my work as official languages critic, namely, clause 10 of Bill C-129, which reads, "The Official Languages Act applies to the Corporation."

In the few moments at my disposal, I would share with the House my concerns on this obligation, this provision of the Bill.

Mr. Speaker, as a federal institution, Air Canada has always been subject to the Official Languages Act since 1969. In an appearance before the Official Languages Committee on April 15, 1987, Mr. Pierre Jeanniot, President and Chief Executive Officer of Air Canada, said:

> Air Canada, through its people, extends the reality of a bilingual Canada to every place we serve. I believe that these examples, only a few of many, also effectively demonstrate that bilingualism does work in a commercial environment. It takes a lot of effort and dedication and commitment, but it can and it is being accomplished.

Since the subject of privatization has been raised, increasing pressure has come from the company, which feels that clause 10 of Bill C-129 will put too heavy a burden on it compared to its competitors. I know that because I have met company representatives who told me of their fears. They raised a number of issues, including services provided by a third party; Bill C-72, the new Official Languages Act I hope will soon be passed by this House, and how it will apply; bilingual signage; supplementary audits by the Commissioner of Official Languages, Treasury Board and the Department of the Secretary of State; the possibility of court challenges; language of work, both with respect to documentation and computer systems; and the role of supervisors. The corporation is also concerned about the primacy of the Official Languages Act over the Aeronautics Act and the National Transportation Act, problems with personnel logistics and the interpretation of "significant demand", and finally, potential conflicts with provincial legislation such as Bill 101 in Quebec.

Mr. Speaker, I have discussed all these concerns with corporation representatives for some time. To hear these people talk, you would think they were headed for certain financial disaster if they ever had to comply with the Official Languages Act!

I listened very carefully to these people and I understand their concerns. Although I could take their fears one by one and put them to rest, I don't think this is either the time or the place to do so. However, one argument I utterly refuse to accept. According some Air Canada representatives, there is no way they can live with Bill C-72 in a commercial, profit-oriented environment. In this respect, Mr. Speaker, I am supported and by the President of Air Canada himself, Mr. Pierre Jeanniot, who told the Committee about a year ago, and I quote:

> In pragmatic terms, while our commitment is derived from a strong social belief in the equality of both languages and equal opportunities for all Canadians, we have also determined that bilingualism makes good commercial sense.

Mr. Speaker, I am convinced that this statement makes eminent sense. In the case of Air Canada and Bill C-129, I think there is room for adjustments, for specific arrangements to accommodate the company which, I agree, operates in a very particular and very competitive environment. The Official Opposition intends to propose such arrangements when the Bill is considered in Committee.

However, although we are open to adjustments, these should not be allowed to alter the basic principle. Canadians need a national carrier, but they also need a carrier that, partly privatized or not, respects the basic characteristics of this country, and I am referring to the English-French linguistic duality, a carrier that is able to offer services at all times in either official language of this country, from Vancouver to Halifax, from Yellowknife to Chicoutimi. This is a sacred principle that must not be altered, with or without privatization.

Mr. Speaker, I raised this point because I think it is extremely important. I would like to see the Government maintain what Bill C-129 contains with respect to official languages. I don't want to see the Government's commitment watered down. However I would not want to see Air Canada obliged to work in a competitive climate where it is not playing on a level field. I think we can allay Air Canada's fears about the Official Languages Act and its application to Bill C-129, while maintaining a certain way of doing things here in Canada for corporations that are privatized. In other words, when we privatize a public service, especially in the transportation sector, the corporation that will be privatized—it will be, because the Government has an overwhelming majority and will probably win the vote—but in any case, if it is privatized Mr. Speaker, there must be a commitment that the future company will remain subject to the Official Languages Act and that ways will be found to deal with the problems of being competitive after privatization.

I do not want Air Canada to be forced to do things that might reduce its competitiveness and give it financial difficulties. But I think that if the Government requires a company to do more than another company in the market, this same Government must guarantee that the company will be compensated for the additional services that it must provide. I am thinking, for example, of the three main aspects: language of work, language of service and equitable representation. There is no doubt that if employees are to work in their own language, English or French, throughout the country, Air Canada will have problems, but there are solutions, in Quebec as in Winnipeg. I think that we can reasonably call upon the expertise of the House and Hon. Members to find a solution to

this problem of language of work that might cause major problems for Air Canada.

As for language of service, Mr. Speaker, I maintain today that Air Canada has been required to use both for almost 20 years. It has gained some experience. The President and CEO of the company, Mr. Jeanniot, said so in committee. It can be done very easily and with good will if the company just understands that it must serve the Canadian public in both official languages throughout its operations. I think that we already have good experience and some background in this.

I see no problems with equitable representation. It costs the company no more to hire competent people who reflect the country's demographic makeup. As I already said, I think that Air Canada already has some experience with all these questions. It is possible to do so and we must continue, Mr. Speaker.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

OFFICIAL LANGUAGES

BILL C-72—POSITION OF QUÉBEC GOVERNMENT

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, Bill C-72 to amend the Official Languages Act says that the federal Government should support the language minorities in Canada including the anglophone minority in Quebec. The Meech Accord says that the English community in Quebec is part of the fundamental character of Canada and that the federal and provincial Governments must preserve this fundamental character.

Why then is the Quebec Government now questioning certain provisions of Bill C-72? Bill C-72 is totally consistent with the Meech Accord which Quebec initiated. The Meech Accord does not give priority to Quebec in language matters. Certain language rights were entrenched in the Constitution in 1867 and once again in 1982, and the federal Official Languages Act was enacted in 1970.

The Quebec Government should stop confusing the public on these issues. Language rights in Canada are fundamental and the promotion of one language should never be done at the expense of the other.

[*Translation*]

ITALIAN WEEK

TRIBUTE TO ITALIAN CANADIANS

Mr. Claude Lanthier (LaSalle): Mr. Speaker, on this occasion of Italy Week right here in Ottawa, it is a real pleasure and a great honour for me to respectfully salute all Italian Canadians, who have enriched our Canadian culture with their traditions that are so warm and colorful.

I wish to take this national opportunity to draw particular attention to the multicultural dimension of our wonderful constituency of LaSalle-Émard, which has two very active Italian parishes: Maria Madre Dei Christiani, ably led by Father Duchini, and San Giovanni Di Bosco, whose pastor is Father Piol.

Since we are not allowed to use the language of Dante, so rich as it is, in this House, I will simply use this expression known in all times and civilizations: "Bravo" to all Italian Canadians!

* * *

[*English*]

ADMINISTRATION OF JUSTICE

APPEAL WON BY ALBERTA SCHOOLTEACHER AGAINST CONVICTION FOR INCITING HATRED

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, it is not easy, in a society committed to freedom of speech, to curb abuse of that freedom. A blow for truth was struck with the conviction, in 1985, of James Keegstra for teaching Alberta high school students about a Jewish conspiracy he thinks is at work in world affairs.

The decision of the Alberta Court of Appeal to quash Keegstra's conviction illustrates the difficulty Canadians face in curbing lies and deceit used for racist purposes. Mr. Justice R. P. Kerans and his two colleagues assert that the Charter of Rights and Freedoms protects such freedom of speech and that the charge of inciting hatred against an identifiable group must be corroborated by evidence of such hatred and those exposed to the incitement.

An appeal to the Supreme Court of Canada regarding this decision is urgently needed. I urge the Minister of Justice (Mr. Hnatyshyn) to support the Attorney General of Alberta in obtaining an early hearing by the Supreme Court of Canada.

Canadians want to know what the limits on freedom of speech are in our multicultural society. They need to be assured that incitement to hatred against identifiable groups will not flourish under Charter protection.

S. O. 21

ABORTION

SUPPORT URGED FOR PRO-LIFE LEGISLATION

Mr. Gus Mitges (Grey—Simcoe): Mr. Speaker, there is no question that the womb is truly a dangerous place to live. Knowing the current madness prevalent in those who would do away with unborn children, none of us would ever choose to be there today.

The about-to-be-aborted unborn children would agree. Occasionally they do survive the abortion, but who is there to monitor what happens next? Absolutely no one except those who are intent on preventing and destroying life.

As Members of Parliament we must call for and support pro-life legislation. As Members of Parliament we must question whether a woman has a right to terminate her pregnancy by ensuring the death of her child.

As Members of Parliament we must not condone the future destruction of our unborn children by handing them over to the canonized law breaker Henry Morgantaler, who now views his mandate for nation-wide abortion clinics and schools, to teach other doctors his perfected death skills.

For us to accept wholesale abortion is to put future generations and ourselves in the hands of those who hold a philosophy of death. All arguments in favour of abortion, infanticide, and euthanasia, reveal that the humanitarian ethic wants to restrict the right to live and expand the right to die and to kill.

* * *

[*Translation*]

BY-ELECTIONS

LAC-SAINT-JEAN VOTERS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, last week, I had the pleasure and the honour to go to the riding of Lac-Saint-Jean and I met working men and women who, it so happened, have the same opinion of the Conservative Government as those in my riding of Montreal—Sainte-Marie. I met old people. They too feel the same way as seniors in Montreal—Sainte-Marie. I met families in Lac-Saint-Jean. They too have the same opinion of the Conservative Government as families in Montreal—Sainte-Marie.

Mr. Speaker, the difference, I learned, is that the people of Lac-Saint-Jean . . . no senior citizen there will vote for our national "Charlie Brown." And I am sure, Mr. Speaker, that at this moment . . . Mr. Bouchard was ahead in the race, but now, he is behind and the people of Lac-Saint-Jean will give a lesson to this Conservative Government, which has been incompetent for the past four years.

• (1405)

[*English*]

AEROSPACE

LOCATION OF PROPOSED SPACE AGENCY

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, the proposed headquarters for the federal space agency must be in Ottawa because it would simply be the right thing to do. The federal Departments and foreign embassies with which it will continually liase are here. Thousands of person years in research and development and related scientific activities are within the National Capital Region and should not be disrupted or relocated. National headquarters, as in most other industrialized nations, should be in the National Capital.

In 1985-86, 44.1 per cent of federal government grants for R and D to industry went to Quebec, with only 5.7 per cent to the National Capital Region. Space plan targets for regional spending show Quebec to get 35 per cent and Ontario 35 per cent.

The space industry wants the agency in Ottawa and so do I. It is the logical decision.

* * *

APARTHEID

SOUTH AFRICA—OPPRESSION OF BLACKS

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, the BBC has illuminated the tragedy behind the veil of secrecy designed by the South African Government to hide its torture and abuse of children. In Canada a lost child is often a victim of the criminal or the insane. In South Africa one seeks a missing black child in a government prison where the acts of the criminal and the insane are sanctioned by racist law.

Today three million black people are risking all to protest their continuing oppression. Under the leadership of COSATU and the churches of South Africa, in the face of uncivilized rejection of non violence by their oppressors, they themselves are trying non violent means of expression one more time. But perhaps the question must be asked: can they, or we who claim to be their supporters, really continue to believe that the violent oppressor will ever concede to a non violent plea? Will we instead find Frederick Douglas to be proven right, that we cannot hope to have the rain of freedom without the thunder and lightning of a liberating storm?

HEALTH

AIDS DISEASE—ONTARIO PREMIER'S ADVICE

Mr. Girve Fretz (Erie): Mr. Speaker, David Peterson, Ontario's Premier, has bewildering advice for children and high school students. According to a story in the May 21 *Globe and Mail*, he told 420 young people that Governments are spending millions of dollars on public awareness, advertising, and medical research on the disease AIDS. Mr. Peterson informed them that it is acceptable to have safe sex with the use of condoms.

Mr. Peterson admits that there is no cure for the dreaded AIDS disease that causes suffering, misery, and heartbreak.

In view of the fact that he was speaking to children and youths, it would seem to me that the subject of safe sex could have been mentioned in a husband-wife context. He could have warned that promiscuity and homosexuality are probably the two greatest causes of AIDS. He could have warned them that the best way to play it safe is to wait for marriage, but he didn't.

Young people need better role models. As the Premier of Ontario, he has an obligation and responsibility to give healthy and intelligent answers to important questions.

Is David Peterson's advice the kind we want to give our children? Surely our children, our students, who will become the men and women of tomorrow, deserve better. Bewildering advice indeed!

* * *

EXTERNAL AFFAIRS

U.S. COAST GUARD'S SEIZURE OF CANADIAN FISHING VESSEL IN LAKE SUPERIOR

Mr. Maurice Foster (Algoma): Mr. Speaker, last December 6, the Michigan Department of Natural Resources and the U.S. Coast Guard seized the Canadian fishing boat *Last Time* in Canadian waters in Lake Superior.

The vessel, owned by Ferroclad Fisheries of Batchawana, was taken to Sault Ste. Marie, Michigan, and had been in the possession of the Michigan Department of Natural Resources ever since. This has resulted in losses of hundreds of thousands of dollars of income to fishermen.

The captain and crew have been charged with a misdemeanour of fishing with an illegal device, a gillnet, which carries a maximum fine of $500. No conviction has been registered yet against the captain and crew. The fishing vessel which is worth some over $500,000 is still held by the State of Michigan.

The seizure of a Canadian fishing vessel in Canadian waters by the U.S. is illegal. I call on the Government of Canada to demand that this vessel be returned to the owners immediately because it was seized illegally, that the misdemeanour charges against the fishermen be dropped, and that full restitution for the losses to these fishermen be made by the United States Government.

* * *

MARINE TRANSPORT

BRITISH COLUMBIA CRUISE SHIP INDUSTRY

Mrs. Mary Collins (Capilano): Mr. Speaker, yesterday's announcement by the President of the Treasury Board (Miss Carney) that cruise ships of 250 or more berths would be allowed duty free entry into Canada on a long term basis was welcome news for the British Columbia cruise ship industry.

Certainly the concerns expressed about this issue over the past week from all quarters of the marine and tourism sectors have been listened to sympathetically by our colleagues in Cabinet. Now the work of the interdepartmental task force, which will look at all aspects of federal policy affecting the cruise industry, must be done thoroughly and urgently, particularly with respect to whether or not over the long term any taxes or tariffs should be charged on the goods consumed or sold aboard cruise ships after 1988, for which they have already been exempted.

• (1410)

Perhaps in all the flurry over this issue, someone missed the important announcement by the Minister of State for Tourism (Mr. Valcourt) on May 25 when he unveiled an $80,000 study to examine the potential for expanding the cruise ship industry on the British Columbia coast. This study will look at port requirements, attractions and services for cruise ship passengers, as well as marketing strategies to attract even more customers to the B.C. west coast.

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ENVIRONMENTAL AFFAIRS

TOXIC WASTES—DUMPING BY EUROPE IN AFRICAN COUNTRIES

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, modern industrial society does not know what to do with its garbage. Cities like Vancouver look for a dump site upcoast or in the interior. Large American cities tow their garbage out to sea or try to palm it off on poorer countries. The situation, however, becomes truly alarming when we deal with toxic waste. The experiences of the Love Canal and other dump sites have shown us that burying it is no solution.

We now hear of European countries that want to export the problem of toxic waste to Africa. A number of them plan to develop a toxic waste site in Benin. We read that Italy has dumped 1,200 tonnes of toxic waste in Nigeria and the

containers for this toxic waste were so hot they burned the hands of the workers who handled them despite the fact they were wearing rubber gloves.

We need to recognize that we live in one world, a shrinking world. We cannot store poison in one part of it without damaging all of it. We must learn to stop producing toxic waste rather than trying to bury it.

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[*Translation*]

ECCLESIASTICAL AFFAIRS

CARDINAL VACHON—FIFTIETH ANNIVERSARY IN RELIGIOUS LIFE

Mr. Gilles Bernier (Beauce): Mr. Speaker, on behalf of the people of Beauce and Quebec, I wish to pay tribute to a native son who is celebrating his fiftieth anniversary as a priest. I am referring to the illustrious prelate, His Eminence Cardinal Louis-Albert Vachon, Archbishop of Quebec.

This man, devoid of any affectation, has made his mark in the Roman Catholic Church. We admire his tireless dedication to his brothers and sisters in Christ. Cardinal Vachon has always believed that the life and dignity of every human being was worthy of respect.

Mr. Speaker, what is truly remarkable about this man is his abiding sense of justice and equity. As the Right Hon. Prime Minister (Mr. Mulroney) said: "In our modern society, the role of the priest has become immeasurably more complex, reflecting the rapid changes in our society".

Wherever there is trouble and despair, a priest is there to bring words of consolation and hope. Your Eminence, I wish you a happy fiftieth anniversary, good health and a long life!

* * *

[*English*]

THE PRIME MINISTER

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, there are many important issues facing the people of Central Nova in the next federal election, but none are as fundamentally important as the issues of honesty and credibility. When the Prime Minister (Mr. Mulroney) ran in Central Nova five years ago, he promised jobs, jobs, jobs. He bragged that when it came to government largess in Central Nova, he was going to make Allan J. look like a schoolboy. Well, we all know who the real schoolboy is. It is the Prime Minister.

In August of 1983, when the Prime Minister ran in Central Nova, there were 4,200 people dependent upon unemployment insurance. Today, four years and ten months later, there are over 6,600 people dependent upon unemployment insurance benefits in this area. In April the unemployment insurance rate in Pictou County was 31 per cent. Where are the jobs?

The Prime Minister has proven to be a schoolboy who does not do his homework. He deserves a detention. Perhaps he should be made to stay after school and write "I will tell the truth" 6,000 times. Better still, since he is failing so badly, maybe he should just drop out altogether.

* * *

THE ECONOMY

WESTERN DROUGHT—INTEREST RATE INCREASE

Mr. Don Ravis (Saskatoon East): Mr. Speaker, the western economy is currently facing the strain of a drought. The federal and provincial Governments are prepared to provide whatever assistance is needed to overcome this natural disaster, yet the man-made problem of high interest rates continues to hurt the prairie economy.

Interest rates are now the single highest expense of non-farm origin faced by farmers. The rise in interest rates has been a major factor contributing to the decline of farm asset values, and what hurts the farmers hurts the whole prairie population.

• (1415)

The Bank of Canada interest rate policy is having a negative impact on new home construction, retail sales, manufacturing, and dampening the spirit of small business. This is all occurring at a time when the western economy is already in a depressed state.

I realize it is important to control inflation, but a policy which concentrates solely on inflation ignores the negative impact that high interest rates can have on important sectors in other regions of the country.

I call on the Bank of Canada to reassess its position.

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ADMINISTRATION OF JUSTICE

HARASSMENT OF VICTIM WITNESSES

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, Canada's legal system has a long way to go before a court trial can be held in which the accused, and only the accused, is placed on trial. Recent trials have demonstrated, all too often, the licence given to unscrupulous defence counsel to place the victim or victims, almost always women and/or children, on trial, rather than the defendant.

The practice of harassment and intimidation of victim witnesses in Canadian court rooms is one that must be stopped. It degrades the quality of justice in Canada, demeans victims,

derogates from their human rights, and disgraces the legal profession by turning the courts into a media backdrop and defence counsel into mercenary actors.

If the legal profession cannot rectify this situation by discipline, then we shall have to by legislation. In either case, Canada's justice system must protect victims and witnesses and not expose them to a form of trial in many ways harsher than that which the defendant undergoes.

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FISHERIES

COMPENSATION SOUGHT FOR OYSTER AND QUAHOG HARVESTERS AND SHIPPERS

Mr. George Henderson (Egmont): Mr. Speaker, Members of the House will recall the extreme bungling that surrounded the federal Government's handling of the mussel toxin case. This mismanagement reached its peak on December 11, 1987, and I quote from a press release from that day: "Health and Welfare Minister Jake Epp and Fisheries Minister Thomas Siddon announced today that an alert is in force on all shellfish from Atlantic Canada". Imagine the chaos and confusion created by that statement.

Protecting the safety and health of Canadians must come first, but surely the federal Government has to recognize that its handling of this problem only served to make a bad situation even worse. For instance, the federal Government ordered that oysters and quahogs already harvested and on their way to markets be destroyed. These producers and shippers are still looking for compensation for their products, which were totally free of toxin; no trace whatsoever was found in them either before they were harvested or in shipment.

I now urge the Ministers concerned to approve these funds as soon as possible.

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[*Translation*]

NEW DEMOCRATIC PARTY

CONSIDERATIONS CONCERNING A NEW DEMOCRAT

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, the socialist leader has spoken out against nuclear submarines, thus taking the same position as the Liberal Leader. That is their political choice.

But it's a different story when Canada's ambassador to the United Nations and ex-socialist leader of Ontario endorses his former and future boss wholeheartedly.

Whether he is elected or appointed, an NDP'er will always thumb his nose at integrity. He takes the honours and the money, the benefits and the floor, but his philosophy never changes.

When dealing with a Member of the NDP, never forget the old French saying: "Donne à manger à un cochon, il va faire sur ton perron".

ORAL QUESTION PERIOD

[*English*]

NATIONAL DEFENCE

PROPOSED ACQUISITION OF NUCLEAR POWERED SUBMARINES

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I would like to direct my questions to the Prime Minister. In the last two or three days we have been greeted with the spectacle of our Ambassador to the United Nations totally contradicting government policy in the areas of nuclear disarmament, foreign aid, and defence. We have had the spectacle of the Minister of International Trade contradicting the Secretary of State for External Affairs about what to do about the Ambassador to the UN. We have had the Minister of Finance contradicting the Minister of Defence as to what the cost of this very expensive program will be. We have had nothing but a series of confusing and contradictory statements from Ministers of the Crown concerning the silly and ludicrous defence program put forward by the Government.

Under those circumstances, is it not time for the Prime Minister to exercise his responsibility and to ask for a basic review of a program which not only threatens to bankrupt the defence treasury, but also undermines Canada's commitment to the non-proliferation treaty and the commitment we have had to verification and nuclear disarmament?

Is it not time that the Prime Minister stepped into this mess and cleared it up?

• (1420)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as usual in his allegations the Hon. Member for Winnipeg—Fort Garry is wrong on all counts.

In so far as a silly and ludicrous defence policy is concerned, no one could compete for that title with the practices of the former Liberal Government of Canada which, in effect, abandoned Canada's defence commitments not only to the North Atlantic Treaty Organization but to the principles of freedom which this country should be dedicated to maintaining.

Some Hon. Members: Hear, hear!

MINISTER'S POSITION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, since the Secretary of State for External Affairs is now trying to recover lost ground because of the statements

made by his own official, the Ambassador to the United Nations for whom he is responsible, and which have contradicted the statements and policies of the Minister himself, I would like to ask him this specific question.

It is very clear that the Government, by going ahead with its nuclear program, will be abandoning its commitments under the non-proliferation treaty, as well as its commitments to the International Atomic Energy Committee to offer full and open verification, and its commitments that it signed with the United States in 1980 which require that its own uranium be used for only peaceful purposes and not for military purposes. How in the face of all those major contradictions can the Secretary of State stand up with any kind of honour or dignity and say that he supports this policy?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, once again the Hon. Member, in the allegations that he puts before the House, is wrong on every count. I have to admire his consistency.

With regard to one of the allegations that he made, let me simply restate the facts, facts which I believe he knows, even though he will not present them this way in the House of Commons. Everything that has been proposed with regard to a nuclear propelled submarine would be entirely consistent with our obligations under the non-proliferation treaty.

Mr. Axworthy: Mr. Speaker, what the Minister should know is that that treaty only covers the peaceful use of nuclear materials. Therefore the decision by his Government breaks the spirit of the agreement by not offering to verify its use for military purposes. That is the truth, and those are the facts that the Minister should recognize.

SPEECH MADE BY FORMER CHANCELLOR OF WEST GERMANY

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I wish to address my question to the Prime Minister. For the last two weeks he has spent a good deal of time preparing for the summit. Part of his message has been the need to deal with the serious problems of Third World poverty and Third World debt. I wish to read to him the statement made by Willy Brandt, the former Chancellor of West Germany, who said: "How can you morally justify a circumstance where the cost of one nuclear submarine would pay for the full educational cost of 130 developing countries, including 150 million children?"

In those circumstances, when he is dealing with the question of the summit and trying to come to grips with it, is it not hypocritical and charlatan of the Government to pretend it is interested in that problem when it is going ahead with an expenditure of extravagant amounts of money for a weapons system that will contradict our commitment to non-proliferation, and at the same time deny the opportunity to increase our foreign aid commitments to countries which desperately need them to pay for the education of their children?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I have not read Mr. Brandt's speech. But if the Hon. Member's record is anything to go by, the Hon. Member is undoubtedly misquoting Mr. Brandt. Nonetheless I will take a look at his speech.

With regard to the opportunities for Canada to exercise real leadership in dealing with Third World debt, the initiatives that the Government has taken, particularly at international economic summits, have paved the way for very substantial action in relief of debt. That was the case with regard to Francophone Africa. It was the case with regard to African countries in the Commonwealth. Most recently, it has been as a result of a Canadian initiative that there has been a formula found among members of the Paris Club that will allow us to make even more progress with regard to the relief of debt in sub-Saharan Africa.

The Hon. Member stands in his place and talks. This Government has been acting to relieve the debt situation of countries in the Third World.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

REGIONAL ECONOMIC DEVELOPMENT

QUEBEC'S SHARE—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is directed to the Prime Minister, who knows perfectly well that the list of people who feel that Quebec is being unfairly treated by the Conservative Government as far as economic development is concerned is getting longer by the day.

On the weekend, the Premier of Quebec said that the Government was dragging its feet on the space agency and regional economic development. Yesterday, the Secretary of State, Mr. Lucien Bouchard, said that Quebec was not getting its fair share of federal research and development contracts. The Chamber of Commerce put in its two cents' worth when it said that the Government's high interest rate policy was harming economic development in Quebec. My question for the Prime Minister is this: Why is he letting this kind of situation continue, and when will he announce a firm decision with respect to the space agency, the Port of Quebec, the Port of Montreal, regional economic development and research and development contracts? When will the Government stop its unfair treatment of Quebec?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, the Chamber of Commerce may have put in its two cents' worth, but the Hon. Member for Laval-des-Rapides just about filled the piggy bank! Without

quoting any figures, I would say that as far as the Secretary of State is concerned, he is standing up for Quebec's interests, which may not be customary in the Liberal Party. And when the Hon. Member asks us when we are going to make announcements, I suggest that he read the papers. It's all quite clear. An important announcement will be made Thursday morning.

• (1425)

APPARENT CONTRADICTIONS BETWEEN TWO MINISTERS

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, we have two Ministers of the Crown contradicting each other. The Secretary of State says that Quebec is not getting its share, and the Minister who just answered my question implied that Quebec was being treated generously. I want to ask the Prime Minister, who is telling the truth, the Minister of Regional Industrial Expansion and Minister of State for Science and Technology or the Secretary of State?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, under the previous Government, outlying areas did not get their share, and that was what the Secretary of State was referring to. To correct this, we now have an economic development plan that will deal specifically with those areas.

If we look at Quebec as a whole and if we consider the allocation of DRIE funding, we see that during the past five years, 39.5 per cent of those funds were allocated to Quebec. When we look at how contracts are awarded, when we came to power 16.3 per cent of the contracts were given to Quebec. The next year, 22.5 per cent, the year after, 24.2 per cent and last year it was 32 per cent. If we consider science and technology, 40 per cent of the contracts awarded went to Quebec under the space program.

All you have to do is listen!

* * *

[*English*]

CANADA POST CORPORATION

TOPLEY, B.C.—REPORTED REDUCTION IN SERVICE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Minister responsible for the Post Office. At the very time that the Government is finding billions of dollars to spend recklessly on attack nuclear submarines, it is busy totally undermining postal service in both rural and urban Canada. The Minister has, of course, been busy denying this. Let me ask him about what has taken place in the last few weeks in Topley, British Columbia.

Is he aware that in Topley, British Columbia, in the last few weeks because Sandra Shelford refused to take a $1,100 cut per month in pay, postal service was reduced from a post office to green boxes placed in a motel parking lot? Will the Minister finally admit that this has been what he has denied has existed in rural Canada, a major reduction in service to this part of British Columbia?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, talking about accurate statements, I have here an article from the Tuesday, April 19, issue of the *Financial Post*. Its headline is "New NDP defence policy outlines costly increases". I wonder where an NDP Government would get the money from.

Some Hon. Members: Oh, oh!

Mr. Mazankowski: You cannot have it both ways.

Mr. Andre: The reality is that under the corporate plan of Canada Post the number of rural postal outlets will increase by 2,000 over the next eight years and, in fact, service will be improved. For example, last year 119 rural post offices were converted to the private sector. The hours of operation went from an average of 24 hours a week when run by Canada Post to 62 hours a week when run by the private sector. The people served by those 119 post offices are getting better service today, and that situation will continue in the future.

• (1430)

Mr. Broadbent: Mr. Speaker, the people of Canada and especially rural Canada, and more particularly that part of British Columbia, will notice that the Minister did not answer the question because he did not have an answer to the question. That is what they will notice.

REQUEST THAT SUPERMAILBOXES BE ABOLISHED

Hon. Edward Broadbent (Oshawa): Considering that supermailboxes have been put in the Minister's riding and that every Member of Parliament on the Conservative side of the House and on this side of the House has supermailboxes in his or her urban ridings, and considering that citizens pay the same taxes and the same amount for postage stamps and are entitled to fully equivalent service as citizens, will the Minister admit that he was wrong on supermailboxes, abolish them, and restore door-to-door delivery throughout urban Canada?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, first let me say that door-to-door delivery has never been the exclusive way of delivering the mail in Canada for 120 years.

Mr. Broadbent: I mean urban Canada—listen!

Mr. Andre: Not even in urban Canada. Second, when Canada Post Corporation was created by an Act of Parliament, unanimously endorsed, including by the Hon. Member himself, the object was to avoid interference in the day-to-day business of the Post Office by the Minister. Now the Leader of the New Democratic Party is asking me about a specific post

office in a specific area without giving me a warning that he will ask the question, and then expresses indignation and outrage that I do not know the answer.

Third, the fact is that any level of service is possible if we are prepared to pay for it. To extend door-to-door delivery to every place that now does not receive it—and no one has had it taken away—in the way the Hon. Member of the New Democratic Party has asked would require that we raise the price of a stamp to 60 cents. If that is the position of that Party, let it do it. The money has to come from somewhere, from some source. The Act of Parliament to which we all agreed requires that the Post Office run in the black and not in the red. That would require a raise in the price of stamps. How high is the Leader of the New Democratic Party prepared to see the price of a stamp increase?

Mr. Broadbent: Mr. Speaker, the Minister knows that other people with expertise in the field by no means agree with the 60-cent figure. Much less than that has been estimated.

Will the Minister have a chat with his colleague, the Minister of National Defence, and have him get rid of just one nuclear submarine? He would then have enough money to pay for that, and he knows that.

[*Translation*]

MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): And I come to my last question. As Minister responsible for postal services, is he pleased that the Government has found enough money to buy nuclear submarines but no money at all, or not enough, for postal services? Is he pleased with that?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I wonder about the New Democratic Party's defence policy. We heard the Party's spokesman on defence saying that the New Democratic Party, while it will not go for submarines, will spend that much money and more on other defence—

Mr. Broadbent: He's denied it. He didn't say it.

Mr. Andre: That's what he said. If they are going to spend all this extra money on other means of defence than submarines, where will it come from to extend postal service?

Incidentally, to do what the Hon. Member is talking about in terms of delivery door-to-door, and forgetting about what he is talking in terms of rural Canada, would require an additional $500 million a year. Where do members of the New Democratic Party suggest we get that—from the day care program, perhaps?

[*Translation*]

SCIENCE AND TECHNOLOGY

QUEBEC'S SHARE—PRIME MINISTER'S POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is for the Right Hon. Prime Minister. For four years, we in the Official Opposition have been saying that Quebec is unfairly treated, and the list is getting longer today. You have Pierre MacDonald, Quebec's Minister for International Trade, Mr. Garcia, President of the Montreal Chamber of Commerce, Jean Doré, Mayor of Montreal, Jacques Parizeau, Leader of the Parti Québécois, Robert Bourassa, Premier of Quebec, and then you have the Minister who is going to be defeated in Lac-Saint-Jean, Lucien Bouchard, who say that Quebec is being unfairly treated, on Quebec issues, by the Conservative Government. Since the Minister of State for Science and Technology has just lied by saying that his colleague, the Secretary of State, did not tell the truth in the televised debate, I would like the Prime Minister to answer the question; either let him come to the rescue of the Secretary of State or let him come to the rescue of the Minister of State for Science and Technology. Given the list of Quebecers who say that Quebec has not received its fair share, can the Prime Minister tell us whether or not he shares these people's opinion?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, regarding science and technology, I think that the last time we heard a storm of protest from Quebec was when Quebecers realized the fierce opposition of the Liberal Party to Bill C-22, which would have created 1,300 new jobs in Quebec and brought in $800 million of investment. That was the last time we heard such an outcry because the betrayal of Quebec was so great.

Now my colleague from Montreal—Sainte-Marie raises the matter of a four-year mandate for economic development. In a period of 55 months, in their last term, the Liberals created 40,000 jobs in Quebec. In less than four years, the Conservative Government has created 272,000 new jobs in Quebec!

REQUEST THAT PRIME MINISTER CORRECT ALLEGED INJUSTICES

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): I understand that the Prime Minister does not want to answer the question. All those people, who are honourable individuals in Quebec, from the Premier and Leader of the Opposition on down, say that the Conservative Government is dragging its feet on the following issues: Shipyards, space agency, rail transport, Montreal East, redevelopment of the Old Port of Montreal and development of the Port of Montreal. What I want to know and what these Quebecers want to know, Mr. Prime Minister, is not statistics from Statistics Canada. They want to know the truth! Will you correct the injustices now as the elections approach or will you simply maintain the status quo that we now have?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it is quite strange to hear the Hon. Member for Montreal—Sainte-Marie talk about his concern for the Premier of Quebec, considering he was in a party whose leader called Mr. Bourassa a "hot-dog eater" which is a most shameful, contemptible statement towards Quebec. That is the real attitude of the Liberal Party to the Premier of Quebec and Quebecers.

As regards the economic results, the facts, if my friend does not accept the statements of Statistics Canada, let him look again. When he was a Member of this House and was quiet as a mouse, interest rates were at 22 per cent, at 16 per cent, and Quebecers were going bankrupt. The Liberals created only 40,000 new jobs in 55 months, whereas almost 272,000 have been created by the Conservative Government. This is really a giant step for the Quebec economy, and the Hon. Member should point it out gladly instead of criticizing the Conservative Government.

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[*English*]

CANADA POST CORPORATION

RURAL DIGNITY—SURVEILLANCE BY CORPORATION OFFICIALS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister responsible for Canada Post and concerns a rather bizarre incident which took place in my riding last Saturday.

Last Saturday afternoon, at my invitation, three members of Rural Dignity, two women and one man, came to my office to collect petitions which had been signed and deposited at my office. They came at my invitation. I welcomed them to my office. As we were entering the office, they told me that there was a car in which there were two Canada Post officials which had been following them all the way from Ironbridge, and which was parked in the parking lot watching them.

I went out and spoke to both occupants of the car. They told me that they were there by the orders of Don Lander, the President of Canada Post.

I wish to put my question to the Minister responsible for Canada Post. Since this is not the Soviet Union, and since the Minister may have heard of *glastnost*, can the Minister responsible for Canada Post tell me and the Canadian people how he justifies this kind of watching, besetting, and harassing by the *DonDon macoute* of the Post Office?

• (1440)

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, it seems to me what has been happening over the last couple of weeks is the postal union, disguised as Rural Dignity, is going across the country harassing the Post Office.

Some Hon. Members: Hear, hear!

Mr. Andre: It is interesting that the Hon. Member for Nickel Belt petitioned the Post Office for a new postal outlet in one of his towns called Wanup, Ontario. The Post Office agreed and opened a new retail post office to serve the 450 people who did not have a post office there. The Hon. Member said he was delighted. This was done under the policy which the Hon. Member, along with his Leader, now stands up and condemns as shutting things down in rural Canada.

Some Hon. Members: Hear, hear!

Mr. Rodriguez: Mr. Speaker, I want to tell the Minister I am not going to be diverted from my course—

Some Hon. Members: Oh, oh!

Mr. Rodriguez: —by those kinds of shots.

MINISTER'S POSITION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I want to go back to the question because the Minister has a hot potato on his plate and he does not want to answer the question.

How does he justify, in a democracy like ours, this following all the way from British Columbia, all the way from Newfoundland, of people who are not harassing the Post Office, who are not threatening the Post Office, on a Saturday when all the post offices are in fact closed? Can the Minister tell this House and Canadians how he justifies that kind of behaviour in a democracy such as ours?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): In his first question he suggested the Post Office employees had followed Rural Dignity from Ironbridge. Now he says they have done it from Vancouver or St. John's, Newfoundland. Perhaps the Hon. Member can tell this House where the dignity is in travelling the country, passing on a bunch of misinformation, making a lot of false statements about closings, scaring people unnecessarily and so on. Perhaps he could tell the House how it can be justified that a Member of Parliament, as I understand it, comes rushing across the street and berates a couple of employees of a Crown corporation, screams and yells at them, calls them names, abuses them viciously, and then stands up and say they were misbehaving?

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AGRICULTURE

WESTERN DROUGHT—TAX DEFERRAL REQUESTED FOR LIVESTOCK PRODUCERS

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, my question is directed to the Minister of Finance. He will be aware of the very serious drought in western Canada. Temperatures reached 42 degrees this past weekend. It is a crisis situation for

livestock producers. There is no grass. Water-holes are drying up. Feed will be in very short supply. That means producers will be forced to sell up to one-half of their breeding herds.

I attended the seventy-fifth anniversary convention of the Saskatchewan Stock Growers in Moose Jaw this past weekend and many producers asked whether or not the Government would consider a deferral of income tax because of forced sales. They suggested a deferral of up to three years in order that they would have the funds to replenish their herds once the weather straightens out.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member is very well aware of the sensitivity the Government has shown to the current very serious drought problem. The Minister of Agriculture was in the west just last week announcing a direct payment. It is our view right now that direct payments are a better way of targeting the assistance more precisely.

The Hon. Member is quite correct that there are some situations that arise right now where it is quite clear there are forced sales. However, there are also situations that are much greyer in interpretation and for that reason it is more difficult to deal with these through the tax system than it would be if the assistance is directly provided through a grant program.

I understand the concern expressed and I appreciate the representation that the Hon. Member has made.

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[*Translation*]

CANADA POST CORPORATION

RURAL POST OFFICES—COST OF HOME MAIL DELIVERY—MINISTER'S POSITION

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Over the past year and a half, Mr. Speaker, I never missed an opportunity to ask questions concerning Canada Post. It was not like today when the NDP Members are rising one after another! We know this file inside out and I should like to put a very specific question to the Minister.

He stated earlier that it takes money to keep rural post offices open and provide home delivery. Considering the cost of a nuclear submarine, I wish he would tell me how many rural post offices we would be able to keep open and just how much mail we would deliver to homeowners in new residential developments. Could he tell us, for the cost of a single nuclear submarine?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the Liberal Party, the New Democratic Party, and the Progressive Conservative Party agreed unanimously, along with the unions, in 1981 when the Post Office Corporation Act was passed by this House. That Act states explicitly that the Post Office shall run on a break-even basis. It shall pay for its operations through the sale of stamps. The proper question is therefore how much should the price of stamps be raised to meet the election promises that the Liberals and NDP are making? That is the proper question. To do otherwise would require the Post Office to break the law which was unanimously passed by this Parliament.

Mr. Gagliano: Mr. Speaker, the Minister forgets that the other two objectives of the corporation set in 1981 were to improve service and have better management relations. If the Government achieved better management relations it would have achieved the break-even point without cutting service and increasing the price of stamps.

DELIVERY OF SUPPLIES TO MEDICAL DOCTORS

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, in rural Canada medical doctors receive their supplies by Canada Post. Is the new government policy, since it is turning the Post Office into a grocery store, that medical doctors will not be receiving their supplies any more through Canada Post?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I do not think I understand the question. The corporate plan calls for 2,000 additional rural post offices over the next eight years. That means that if there is a doctor in each one of these locations they will be able to receive their information and equipment, and whatever else, a little more effectively than previously. Service to rural Canada will continue to be improved under the current corporate plan.

* * *

[*Translation*]

BY-ELECTIONS

CONSTITUENCY OF LAC-SAINT-JEAN—GOVERNMENT PRIORITIES—BILL C-79—DEPUTY PRIME MINISTER'S POSITION

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is directed to my friend the Deputy Prime Minister.

According to Lac-Saint-Jean Conservative candidate Lucien Bouchard, now Quebec's heavyweight Minister in this Government, reforming the election expenses of political parties is the number one priority, the most important priority.

Yet, Mr. Speaker, the May 30 letter I got from the Government Deputy House Leader does not even list Bill C-79 among the federal Government's 30 or 40 priorities. It has been withdrawn from the priority list, Mr. Speaker.

So my question is this: Why was this Bill withdrawn? Why does the federal Government do one thing here in the House of Commons and why does Progressive Conservative Party candidate Lucien Bouchard say something different in his Lac-Saint-Jean by-election campaign?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, whenever the opposition Parties are ready to sit down and work out an agreement in an intelligent and orderly fashion, we will be prepared to do so.

[*Translation*]

QUERY WHETHER ANOTHER BILL WILL BE INTRODUCED

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, does the Minister agree that the statement made by Mr. Bouchard, in Lac-Saint-Jean, for political reasons, is in conflict with the facts as stated here in the House by the Deputy House Leader, to whom we have made this proposal three times, but to no avail? Will another bill be submitted to the Opposition Parties by June 30?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think the Deputy Prime Minister has already given an answer to the question concerning the tabling of a bill. As for the situation in Lac-Saint-Jean, I think that my friend will be interested to know that the Hon. Lucien Bouchard, the Conservative candidate in the Lac-Saint-Jean riding, is financing his election campaign in accordance with the formula accepted by the people and the Government of Quebec many years now, that is public financing. He does not accept contributions from corporations or labour unions.

The New Democrats might want to take note of that.

* * *

• (1450)

[*English*]

HEALTH

FOOD IRRADIATION REGULATIONS—REVIEW PROCESS

Mrs. Mary Collins (Capilano): Mr. Speaker, my question is for the Minister of National Health and Welfare. As the Minister knows, new regulations regarding food irradiation were gazetted this week which will provide for applications to irradiate food to be reviewed on a case by case basis.

While a few of the recommendations in the report of the Standing Committee on Consumer and Corporate Affairs were included in the regulations, many were not.

Given the real public concern and scepticism about the whole issue of food irradiation, would the Minister once again consider a major recommendation of that report that a consultative panel, including scientists and consumer representatives as well as government officials, be established to review and advise the Minister on any submissions to irradiate food, so that the public will be more confident and assured of the openness and independence of the review process?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member raised this issue in the report. We looked at it seriously when we responded to the report. The Department of National Health and Welfare, specifically the Health Protection Branch division, has within it professional chemists, nutritionists, microbiologists, toxicologists, and other professionals, including the radiation group, to deal with these issues.

We regularly get advice from outside groups. I think it is important that the regulatory process within the Department of National Health and Welfare remain intact for the Minister and for the scientific advice from the Department.

Although I know it is a repeat of the points which the Hon. Member and her committee made, at the moment I believe that we have in place a consultative process without formalizing it beyond what we now have.

* * *

PUBLIC WORKS

BRIBERY ALLEGATION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Prime Minister and concerns the administration of the Department of Public Works. Yesterday, on CJOH television here in Ottawa, a promoter of a $157 million Micott office building project in Hull, Mr. Glen Kealy, stated that "an important person in Public Works on the political side said that support for the project would only come once I give them a bribe or pay them some money."

Given the seriousness of these allegations made on television here in Ottawa yesterday, has the Prime Minister had the opportunity to familiarize himself with this case? Can he respond to the House on it?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, the person who made the allegation indicated that he had been speaking with the RCMP. The matter is under investigation.

[*Translation*]

RCMP INVESTIGATION—REQUEST FOR DETAILS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, the supplementary question I would like to ask the Government is this: Is the Government in a position to tell us what will be the mandate and the parameters of this RCMP inquiry?

[*English*]

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, it is interesting to observe that the employment of the person who made the allegation was terminated by the developers who made that proposal. We have made some

preliminary inquiries about any involvement of Public Works. No one has any knowledge of that to which the Hon. Member refers. Again, I think is better left to the RCMP.

* * *

REVENUE CANADA

REPORTED DISCLOSURE OF TAX INFORMATION CONCERNING MISSISSAUGA COMPANY

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is directed to the Minister of National Revenue. The Minister will know that Revenue Canada officials have violated a taxpayer's confidentiality by sending "requirement to pay" notices to the competitors and customers of Copy Choice Office Equipment of Mississauga.

One of these notices, dated June 2, 1988, was sent to a competitor, Doering & Brown of Scarborough, which is not even a creditor of the company.

Is it new government policy to send private tax information of businesses hither and yon? Does this situation not in fact jeopardize the future viability of Copy Choice and its 12 employees?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, we are very aware that the principle of confidentiality is absolutely fundamental to our Canadian tax system.

I thank my colleague for raising this question. I have had a preliminary look at it. I have instructed my officials to look into it very carefully, to have a meeting with the taxpayer involved to hear his concerns, and to send out a statement of facts to the taxpayer.

As my colleague across the House knows, quite properly according to law I am precluded from putting the Department's side of the issue. We are sending the Department's side of the issue, as it were, in a statement of facts to the taxpayer. If he wishes to make it public he may. In the meantime I can assure the Member that I am taking the matter very seriously.

Mr. de Jong: Mr. Speaker, I thank the Minister for that answer and the recognition that what Revenue Canada has done has certainly infringed upon the declaration of taxpayers' rights with which his Government was so concerned.

REQUEST THAT MINISTER INTERVENE

Mr. Simon de Jong (Regina East): Mr. Speaker, the other point I want to make in putting my question to the Minister is that this taxpayer tried to get the co-operation of his office, the Prime Minister's Office, and the office of his Member of Parliament, who happens to be the Minister of Finance, and was not successful, in dealing with his concerns.

I want to get the assurance of the Minister, which I think he has already given me in part, that he will co-operate, that he will apologize to the taxpayer, and that he will intervene personally to resolve this tax matter quickly and fairly, particularly given the precarious financial position in which Revenue Canada has put Copy Choice.

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I have assured my colleague that we are taking this matter seriously. However, it would be unfair to ascribe any motives to the Department until the matter is more closely checked. That is the reason I have asked my Department to send a statement of facts to the taxpayer which the taxpayer may wish to make public. In the meantime I will continue to look into it.

REASSESSMENTS OF VALUE OF FARM EQUIPMENT

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, my question directed to the Minister of National Revenue concerns the heavy equipment over-allowance special audit under which some 600 prairie farmers are in various stages of reassessment. The issue is whether Revenue Canada can substitute its opinion of fair market value of a piece of farm equipment traded in, for that freely arrived at in the market-place between the machine dealer and the farmer.

Is the Minister prepared to instruct his officials to abandon the arbitrary reassessment in these situations where the parties have acted in a bona fide, arm's length, reasonable, and equitable manner?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I thank my colleague for raising this issue. It has been raised before in this House. He knows that this special audit was cancelled over a year ago but that the Department has an obligation, indeed a duty, to check into various cases where it appears there may have been some abuse of this program.

In order to facilitate matters, I am seeking ways to have a representative case quickly brought into court so that some of the issues which the Member raises as to the acceptability of audit principles and jurisprudence can be dealt with quickly.

* * *

EXTERNAL AFFAIRS

U.S. COAST GUARD'S SEIZURE OF CANADIAN FISHING VESSEL IN LAKE SUPERIOR

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Last December 6 the United States Coastguard and Michigan Department of Natural Resources vessels illegally seized the Canadian fishing vessel *Last Time* in Lake Superior waters. The fishermen were charged with minor misdemeanors but the

vessel was seized and is still held in Sault Ste. Marie, Michigan.

Last Friday a United States court determined that this vessel had been illegally seized in Canadian waters. What action is the Government of Canada prepared to take to make full restitution to these fishermen for the loss of their vessel and for this illegal action by United States officials?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as the Hon. Member said, that court decision was rendered last Friday. It involved a finding that the vessel had in fact been in Canadian waters. This country does not accept that the United States can cross the international boundary in pursuit of alleged offenders. I have instructed my officials to protest this action—

Mr. Blackburn (Brant): So that's what you need your submarines for.

Mr. Clark (Yellowhead): I'm not sure if the Hon. Member from the NDP is interested in the answer. I have instructed my officials to protest this action by the United States.

REQUEST THAT MINISTER DEMAND RESTITUTION FROM UNITED STATES

Mr. Maurice Foster (Algoma): Mr. Speaker, would the Minister, in his protest, demand that the United States Government return the vessel immediately? It has put over six fishermen out of work for six months. Will he also ask that the United States Government drop the misdemeanor charges that have been laid against four fishermen and the captain? Will he demand that the United States Government make full financial restitution for the losses suffered by the fishermen in the last six months because of the United States' illegal action in seizing the vessel in Canadian waters?

• (1500)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I will certainly look seriously at that. I am not sure whether the best means to communicate that wish by Canada would be by way of a diplomatic protest. However, we want this matter resolved as quickly as possible. I appreciate the interest that the Hon. Member has shown both in his question and in raising the matter with my office earlier today. I want to work with him to get it resolved quickly.

* * *

EDUCATION

UNIVERSITY FUNDING—USE OF FEDERAL TRANSFER PAYMENTS

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is directed to the Prime Minister. Both the Ontario Federation of Students and the Council of Ontario Universities have documented a financial situation in the universities that is so bad that the universities are reduced to using tax scams in order to make ends meet.

My question is directed to the Prime Minister because part of the problem is the failure of the provinces to pay their fair share. When and how will the Prime Minister keep his recent promise to British Columbia high school students that he will ensure that federal transfer of payments for post-secondary education are in fact used for that purpose?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member is expressing the concern that the Right Hon. Prime Minister expressed, which is to ensure that we have a healthy and productive education system in this country.

We make available to the provinces a substantial amount of money, which has been increasing at a rate of approximately 6 per cent per annum. We are confident that the provinces will use that money effectively. These are questions that are the subject of discussions at federal-provincial meetings between those Ministers who are directly responsible.

I should point out that, as a result of the announcement made by the Prime Minister in January, there will be a significant increase in scholarships provided to students in areas of research and high technology. I think it is in the order of $80 million.

Mr. Speaker: This will be the last question.

POSITION OF PRIME MINISTER

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, the Minister of Finance seems to be operating in an unreal world. We have been hearing these promises and statements of concern for three years now.

Will this be another of those promises the Prime Minister makes because he is full of himself, or will he do something because he is full of concern? The time for him to meet the promise he has made is long past due.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member refers to promises. The Prime Minister has delivered on those promises as a result of the announcement he made back in January.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): The increases in the granting councils' funding is another indication of where we have significantly increased the funds that are available to the granting councils to provide support to research.

The Hon. Member is referring to a concern here. If there is a concern, the Prime Minister indicated in British Columbia that that concern would be raised by the appropriate Minister with provincial counterparts.

[*Translation*]

PRIVILEGE

REQUEST THAT COMMENT BE RETRACTED

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, during Oral Question Period, the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) made some comments which, in retrospect, I am sure, were very hasty. He referred to my colleague, the Minister of Regional Industrial Expansion and Minister of State for Science and Technology (Mr. de Cotret) as having lied when he made certain references.

Mr. Speaker, I have a question for the Chair. I believe the Clerk heard what was said by the Hon. Member for Montreal—Sainte-Marie. Why didn't the Chair ask the Hon. Member for Montreal—Sainte-Marie to withdraw immediately, instead of giving him a supplementary?

Mr. Speaker: Does the Hon. Member of Chambly (Mr. Grisé) have a complaint about what was said by the Hon. Member for Montreal—Sainte-Marie or does he have a complaint about the Chair?

Mr. Grisé: No, certainly not, Mr. Speaker. I ask that the Hon. Member for Montreal—Sainte-Marie withdraw what he said as soon as possible, and I am sorry he is not in the House at this time. I think he should immediately apologize to my colleague, the Minister of Regional Industrial Expansion and Minister of State for Science and Technology.

Mr. Speaker: We have a very comprehensive complaint about comments made by the Hon. Member for Montreal—Sainte-Marie. Perhaps the Hon. Member for Saint-Jacques (Mr. Guilbault) could respond.

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I was in the House when the comments in question were made. I am not sure that the words spoken by the Hon. Member for Montreal—Sainte-Marie were as harsh . . .

An Hon. Member: Oh, oh!

Mr. Guilbault (Saint-Jacques): He will be able to speak in his own defence. Here he is now!

Mr. Speaker: If the Hon. Member for Montreal—Sainte-Marie said the Minister is a liar, that is of course a very serious mistake, but I would like to hear the Hon. Member. The Hon. Member for Montreal—Sainte-Marie.

Mr. Jean-Claude Malépart (Montréal—Sainte-Marie): Mr. Speaker, that was not my intention. I certainly did not have the impression that I said the words "avoir menti". I said that the comments made by the Minister of Regional Industrial Expansion and Minister of State for Science and Technology contradicted what was said by the Secretary of State. Although I may have said the word "menti" in the heat of the debate, I know perfectly well we are not supposed to use such language in the House, and I therefore withdraw those words, Mr. Speaker, but I maintain that the Minister for Science and Technology contradicted the Secretary of State in the riding of Lac-Saint-Jean.

[*English*]

ALLEGED SURVEILLANCE OF CONSTITUENCY OFFICE

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I rise on a question of privilege which hinges on the matters that I raised this afternoon in a question to the Minister responsible for Canada Post. As you know, Mr. Speaker, the riding office of a Member of Parliament is a center where constituents come out of fear—not out of fear—

Some Hon. Members: Oh, oh!

An Hon. Member: You can't blame them.

An Hon. Member: Speak for your own office.

Mr. Speaker: I am sure the Hon. Member for Nickel Belt (Mr. Rodriguez) would want to correct any misunderstanding.

Mr. Rodriguez: —fear of the Government's policies, Mr. Speaker.

It is a place where constituents can come without fear of being watched, where they can come with anonymity in many instances. The information they relay to their Member of Parliament or his staff is in confidence.

As a matter of fact, Beauchesne's Citation 16 states that:

> Parliamentary privilege is the sum of the peculiar rights enjoyed by each House collectively as a constituent part of the High Court of Parliament, and by Members of each House individually, without which they could not discharge their function and which exceed those possessed by other bodies or individuals.

Last Saturday there was an unmarked car with two individuals whom, by my going over and harassing them—

• (1510)

Mr. Lewis: You were harassing them?

Mr. Rodriguez: Yes, I did. I questioned them and discovered in fact that they were under orders from Canada Post. They were employees of Canada Post who had been instructed, they told me, to follow those who were my guests, those who had been invited into my office to collect petitions about rural post offices. These two gentlemen in this car were watching my office and, of course, they would be watching anyone who came into my office. In fact, one person who came to my office came in disguise.

Mr. Lewis: If I were going to your office, I would go in disguise too.

Mr. Rodriguez: I would suggest that this is a democratic society, an open society. It is one which clearly recognizes that its citizens protest through petitions in a peaceful fashion.

These visitors were not harassing the post office. They were visiting an MP's office. In fact they came at my invitation to collect petitions which I had personally collected and which were sitting in my office, 2,000 of them.

I would suggest, Mr. Speaker, that the Minister, if he was really concerned, should look at Section 381.1 of the Criminal Code with respect to following people with intent to intimidate. When people come to an MP's office in disguise, fearful that the office is being watched, I would suggest that it is a breach of privilege of a Member of Parliament. By extension, it intimidates those whom the Member of Parliament serves in that community.

Mr. Speaker: The Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) on the same point.

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Yes, Mr. Speaker, I rise on the same question of privilege. There is no question that there is long standing precedent that nothing should be put between a Member of Parliament and his constituents, or no action should be taken that in anyway prohibits a Member of Parliament from carrying out his or her responsibilities, particularly any action which may be seen to originate directly or indirectly from a government decision.

While Members may choose today to find humour in the example brought to our attention by my colleague who has just spoken, the fact is that the kind of complaint the Member has brought to the attention of the House, affecting his privileges or the privileges of any Member, be it a Member on the government side or on the opposition side, is serious and ought to be treated seriously by all Members of the House of Commons. I know it will be treated seriously, as is always the case, by the Speaker.

I hope your decision today, Mr. Speaker, will be to investigate the facts to see if it can be established that there has been a systematic following of visitors or a systematic note-taking of visits or activities of any group of Canadians. Whether the Opposition agrees with that group or whether the Government agrees with that group, whether they espouse the views of some people in Parliament or the views of no one in Parliament, or if everyone in Parliament disagreed with the views of a particular group in this society who wanted to communicate with their Member of Parliament, we could still not condone anyone secretly watching this group, in effect providing an intimidation tactic which may dissuade that group from seeking to communicate with their Member of Parliament.

A serious question has been raised and I beseech the Speaker to investigate the facts. If there has been a systematic following or examination of any group in our Canadian society, if any group is interfering with the communication between any Member of Parliament on the side of Government or Opposition, and a constituent, I ask the Speaker to find that there has been a breach of privilege and take appropriate action.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, in reply, I suggest it is quite obvious that there has been no interference with my hon. friend's privilege. There has been no interference with his ability to do his duties. If people were going to my hon. friend's office in disguise, we on this side can understand that. I think probably most people would prefer that. However, the real point of privilege here is a question that we on this side are asking ourselves, why has the Hon. Member for Winnipeg North Centre (Mr. Keeper) not been included in the argument on the question of privilege? He is the Canada Post critic for the New Democratic Party. We are all wondering whether he has been replaced.

Mr. Benjamin: It was not his office.

Mr. Rodriguez: Whose office was watched?

Mr. Lewis: Why has the Hon. Member for Winnipeg North Centre not been included? Has he been thrown out of office by the New Democratic Party? Perhaps we can find out exactly who the postal critic is.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, this is a very serious point. What we have here is a question of privilege raised by the Hon. Member for Nickel Belt (Mr. Rodriguez). He is a Member of Parliament whose office was under surveillance, and I stress "under surveillance" by employees of the federal Government whose salaries are paid and whose expenses, I assume, are paid by the taxpayers of Canada. I ask you, Mr. Speaker, to take a very serious look at whether or not is an infringement of the privileges of a Member of Parliament if one's office is under surveillance, a fact which can intimidate people from going to that office in a free and open manner. I think that is the point.

Mr. Speaker: Before I hear from other Members, the Hon. Member for Nickel Belt (Mr. Rodriguez) has made the suggestion that certain employees of the Post Office who wished to see him were at least followed, or under some kind of surveillance, by other employees of the Post Office. The Hon. Member for Nickel Belt says this is an interference with his privileges because this makes it more difficult for him to do his duty as a Member of the House of Commons. That is the point at issue.

Obviously, the Speaker, at least at this moment, has no means whatsoever of determining what the facts are except to accept with obvious generosity, at least, the side of the story the Hon. Member for Nickel Belt brings to the Speaker. Unless other Hon. Members in this Chamber also happened to be clustered around the Hon. Member's riding office at that particular moment, I do not need any more suggestions as to what happened. I certainly am prepared to hear the Hon. Member for Hamilton East (Ms. Copps) for a few minutes on the issue of privilege.

[*Translation*]

Ms. Copps: Mr. Speaker, I wanted to intervene on this point of order because the case of the Hon. Member for Nickel Belt (Mr. Rodriguez), who has been under Canada Post surveillance, is not an isolated occurrence. I should like to draw the attention of the Chair to the fact that the Hon. Member for Algoma (Mr. Foster) held a pro-Rural Dignity meeting in his riding, and that the Hon. Member for Saint-Léonard—Anjou (Mr. Gagliano) made a speech in Vancouver where, as it happened, Post Canada employees had been sent to take notes and thus have an opportunity to intimidate people. I do not think the case of the Hon. Member for Nickel Belt is an isolated case, for the established policy—with the Minister's blessing, of course—is to create problems for people who are prepared to express their views at open meetings or in the offices of Hon. Members.

If Mr. Speaker would examine this case—and not only the case of the Hon. Member for Nickel Belt but that of the Hon. Member for Saint-Léonard—Anjou and of other Members—I think he will see that the privileges of each Member of the House are affected because of the fact that people who have genuine grievances concerning superboxes, including Rural Dignity representatives, will be afraid to visit their own Members lest they be reported to Canada Post by employees or other people. This kind of policy must not be endorsed by the Minister nor by Canada Post.

I would not want the Speaker of the House to handle this as an isolated case, because this policy has been established by the Canada Post president and endorsed by the Minister, a policy of harassment against people who do not like superboxes any more than the closing of rural post offices.

• (1520)

[*English*]

Mr. Riis: The point raised by my hon. colleague for Nickel Belt has become a serious matter as of today when it became a public issue. People across Canada will now be aware of the fact that, on certain occasions, certain government employees, under the direction of their employer, are asked to spy or conduct surveillance tactics on various members of the public.

In this case it is an isolated situation that happened in the office of the Member of Parliament for Nickel Belt (Mr. Rodriguez). It means that people across Canada will wonder if, when they go to visit their Member of Parliament, and many do it with some concern, by visiting the Member of Parliament they may be penalized, as my hon. colleague indicates. We want to take every precaution to ensure that a Canadian, no matter where he or she may live, would always feel free to visit the office of his or her duly elected Member of Parliament. With the reality of the situation, at least in one Member's office, where members of a Crown corporation, in this case the postal corporation, were conducting surveillance on people entering the office of the Member of Parliament, this has become an extremely serious issue in a country that prides itself on being free and democratic.

Mr. Rodriguez: Mr. Speaker, I forgot to add the precedent, and I wish to do so now, when Warren Hart was hired by the RCMP to conduct surveillance on Mr. Rosie Douglas who was involved in the destruction of the centre at the University of Montreal. In Mr. Douglas' approach to the Solicitor General of the day, the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand), and myself, Warren Hart ended up gathering information and watching that Hon. Member and me. At that time I raised the question of privilege. Speaker Jerome said there was *prima facie* evidence of privilege, that while I was not the subject of surveillance, and the Hon. Member for Notre-Dame-de-Grâce—Lachine East) was not the subject of surveillance, the fact of the matter is that we were caught in that web. Therefore, in his view, that constituted *prima facie* evidence of a breach of privilege. The question was put to the House that day, but unfortunately the Government of the day voted against the matter going to the appropriate committee.

If Your Honour would look at that precedent and find that there is a *prima facie* evidence of a breach of privilege, I would be prepared to move the appropriate motion, or Your Honour might direct it to the Committee on Elections, Privileges and Procedures.

Mr. Speaker: I recognize that the Hon. Member for Algoma (Mr. Foster) may well have something to contribute, and I will give him an opportunity to do so on another occasion.

Under the circumstances, the Chair would be assisted if time were given as a consequence of what has been said here for a response from the Hon. Minister who is responsible for Canada Post, but who does not run it on a day-to-day basis. I think I understood clearly from the Hon. Member for Nickel Belt that he was not saying, even if all these allegations are substantially accurate, that the Minister ordered this surveillance. I want that clearly on the record. I did not take it that the Hon. Member for Nickel Belt had stated that.

In fairness, I am going to adjourn the discussion at this point. I am not going to hear anybody else at the moment.

Mr. Prud'homme: That is wise.

Mr. Speaker: The Hon. Member for Saint-Denis (Mr. Prud'homme).

Mr. Prud'homme: My proposal was to suggest to Your Honour to do exactly that, that is, to take it under advisement and take all the time necessary. I am highly interested in this question, and I am sure Your Honour would prefer to have some time to reflect, and in due time to return to the House.

Mr. Speaker: I thank the Hon. Member for Saint-Denis.

Perhaps the Hon. Member for Algoma could collect whatever it is he wishes to let me know about and bring it back a little later when I bring this matter back to the House.

In the meantime, the Chair is concerned about perhaps hearing too much of one side of the story without the opportunity of the other side of the story being heard. I do not want to leave anyone with the impression that only one side is being heard in this matter.

Perhaps the Hon. Member for Algoma has a comment.

Mr. Foster: Mr. Speaker, I would like to comment on this matter and support the Hon. Member for Nickel Belt (Mr. Rodriguez) and his representations concerning his point of privilege. On the same day that the Rural Dignity group called at his office, earlier that day I met with Rural Dignity people and a large number of my constituents, some 60 or 70. I had thought that this was just a general public meeting of people from up and down the north shore of Lake Huron and all those communities because they were concerned.

As we left the meeting, we were told that officials from Canada Post were sitting across the road in their vehicle conducting surveillance on the group and keeping track of who was there and, I believe, intimidating many people who were associated with Canada Post from even attending—

Mr. Speaker: The difficulty the Chair is in is that it is one thing to say that they were intimidating. I do not know all the evidence. It seems to me that the Hon. Member for Saint-Denis is putting forth a very sensible suggestion that this matter be adjourned, at least for now. I will bring it back to the Chamber. If there is hard evidence of the allegations that have been made, I want to know what that evidence is.

Hon. Members will know that there is a difference between attending a public meeting and some surreptitious exercise of surveillance, which may well go beyond just surveillance and become intimidation. Surveillance within itself could become intimidation.

The appropriate thing to do at the moment is to adjourn this matter. I have no doubt the Hon. Minister responsible for the Post Office (Mr. Andre) will hear about this discussion. I will bring it back to the Chamber in due course, and Hon. Members will have every chance to put to the Chair, as fully as they can, the story as they know it. That is the appropriate thing to do at the moment.

I see Hon. Members indicating some support for that. The Hon. Member for Kamloops—Shuswap (Mr. Riis).

Point of Order—Mr. Riis

POINT OF ORDER

APPROPRIATE LISTING OF MOTION ON ORDER PAPER

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I rise on a point of order unrelated to this matter to bring to your attention what I consider to be a serious breach of the rules, the customs and practices of this House.

You will recall, Mr. Speaker, that yesterday my colleague, the House Leader for the Official Opposition (Mr. Gray), rose on a point of order to challenge the procedural acceptability of the motion currently standing on the notice paper in the name of the Government Deputy House Leader. You indicated yesterday that you would hear this point of order if and when the motion was called for debate.

I wish to raise a somewhat different point relating to the same motion. In yesterday's notice paper the motion to which I have referred was listed under Government Notices of Motion. As it was submitted last Friday, it has since been transferred to Government Orders pursuant to Standing Order 24(1). It is my contention that this motion, which deals with extending the sittings of the House past the normal date for summer adjournment, should be listed under Motions, not Government Notices of Motion. Because my point deals with the proper notice procedure and not the substance of the motion itself, I believe, Mr. Speaker, that you should hear my point at this time rather than waiting until a later date when the motion is actually called.

It is my position that Government Notices of Motion are those that deal exclusively—

Mr. Speaker: I hesitate to interrupt the Hon. Member. The Hon. Member may have a very serious and legitimate point, but again the Speaker is in the same situation that the Speaker was in earlier, and that is whether or not the point that the Hon. Member is making or wishes to make is premature. If it is, then it seems that it is not appropriate for the Chair to use up the time of the House in hearing this matter at this time. I certainly want to let the Hon. Member know that when it is appropriate to hear it the Hon. Member will have every chance to express his concerns, as will other Hon. Members. Perhaps the Hon. Member would like to respond to my concern.

• (1530)

Mr. Riis: Mr. Speaker, I anticipated your intervention. I would simply like to make the case that if Your Honour permits me just a few moments to proceed into the case that I wish to make, you will see that to hear my point of order at the time when you call for the motion would be inappropriate. The argument I want to put forward now is simply to indicate that the listing of the particular motion put forward by the Deputy House Leader is inappropriate in its particular positioning. Therefore it would be critical now, if you would, Mr. Speaker, at least be prepared to hear a few points. I will assure you—

Mr. Speaker: Perhaps I could hear a few points, as perhaps a caveat, on behalf of the Hon. Member so that I am somewhat prepared for what may or may not come. In any event, I will hear the Hon. Member briefly.

Mr. Riis: Mr. Speaker, I simply want to repeat once again that my point that I wish to raise at this stage deals with the proper notice of procedure and not the substance of the motion itself. Therefore I believe that it is appropriate that I put my point at this stage.

It is my position that Government Notices of Motions are those that deal exclusively with government business or government orders. I would submit that the motion standing in the name of the Government Deputy House Leader falls beyond these limits.

I would like to begin by drawing to your attention, Mr. Speaker, Citation 270(1) of Beauchesne's Fifth Edition which reads as follows:

> Motions respecting changes in the time of meetings or adjournments deal with the business of the House rather than government affairs and are moved by the Government House Leader who is responsible for the arrangements of the business of the session and the order in which ministerial measures are introduced and debated.

This citation is listed in Beauchesne's under the rubric "Motions". Of course, there will be those who insist that Citation 268 of Beauchesne's Fifth Edition clearly permits what the Government has done. It states:

> The Government may, from time to time, put on the *Notice Paper* notices of motions concerning the business of the House.

First, I would like to point out that Citation 270(1), which I have cited to support my case, is corroborated by a series of precedents whereas Citation 268 appears as a statement only. I want to emphasize that it appears as a statement only. The point that I wish to argue is not that Citation 268 and Citation 270(1) are in conflict but that the language of Citation 268 is insufficiently clear as to reveal its true meaning.

Both citations use the same phrase "the business of the House". Yet Citation 270(1) specifically states: "Motions respecting changes in the time of meetings or adjournments deal with the business of the House rather than government affairs . . . " Here we have an explicit recognition that the phrase "the business of the House" should be seen as comprising two elements. The first is those matters that affect the entire scope of the proceedings of the House, such as the time of meetings or adjournments. The second is those matters that deal exclusively with government affairs or government orders.

Citation 268 does not make this distinction but Citation 270(1) does. This is why I believe that the language of Citation 268 is imprecise. I am sure that Your Honour is aware that it has not always been the case that motions regulating the time of meetings or adjournments of the House have been moved under "Motions".

Prior to 1955 the Government regularly gave notice of such motions under Government Notices of Motions. However, in many rulings on the procedural acceptability of this type of notice the Speaker implicitly recognized that these motions were not government motions in the sense of dealing exclusively with what Citation 270(1) of Beauchesne's refers to as "government affairs".

I draw to your attention, Mr. Speaker, *Journals* for December 10, 1951. On that day the Right Hon. Louis St. Laurent moved a motion to change the sitting hours of the House. At page 290 of *Journals* for that day the following entry is made:

> A point of order was raised by Mr. Drew as to whether the said proposed motion was in order under 'Routine Proceedings' as it appeared on the Order Paper under 'Government Notices of Motions'.

On the same page, *Journals* records the decision of the Speaker on this point of order. It states:

> The Speaker ruled that as the proposed Motion dealt with the Business of the House and was not a Government Notice of Motion in the usual sense, it was in order at this time . . .

Here we have a Speaker's ruling that implicitly recognizes the distinctions between regular Government Notices of Motions and those motions dealing with the business of the House. Again, to emphasize, the ruling states:

> —the proposed motion dealt with the Business of the House and was not a Government Notice of Motion in the usual sense . . .

Speaker Lamoureux in a ruling on June 18, 1970, provides further support for my argument that motions to regulate the time of meetings and adjournments of the House are not government business in the strict sense. On this day the Government House Leader at the time, the Hon. Donald Macdonald, moved a motion to change the hours of sitting and daily adjournment of the House. I might add parenthetically that this motion was moved during Routine Proceedings under Motions and not Government Notices of Motions.

June 18, 1970, also happened to be an Opposition Day. When the Government House Leader moved this motion, the then Leader of the Official Opposition, the Hon. Robert Stanfield, objected stating that such a motion could not be moved on an allotted day. In his ruling Speaker Lamoureux stated in part, and I quote from page 1030 of *Journals* for that day:

> It seems to me that the motion should be put and honourable Members have brought argument against it to the effect that in their view this motion should not be put and that they would like to vote against it.

Speaker Lamoureux then continued on to make a point that is relevant to my argument today. He said:

> Honourable Members suggest that this is Government Business. Obviously it is not government business.

That is my point. It is obviously not government business.

Here again we have a ruling suggesting that there is indeed a significant difference between a motion that deals with the business of the whole House, such as the times of its sittings, and a motion that deals simply with a government order.

Let me now come to a ruling that you will undoubtedly wish to consult before rendering your decision on my point of order. On May 15, 1985, my colleague, the House Leader for the Official Opposition, rose on a point of order to argue that a government notice of time allocation was not in order as it had been listed under Government Notices of Motions and not Motions, where it had been the usual practice to move this motion orally and without notice. In his ruling, contained on pages 4821 and 4822 of *Hansard* for that day, Speaker Bosley made several comments that may influence your decision on my point of order, Mr. Speaker.

However, at the outset I want to state categorically that it is my view that a time allocation motion can indeed be listed under Government Notices of Motions because in most instances it deals exclusively with a government order which is strictly the business or affair of the Government. This position is logically consistent with the argument that I have advanced today.

As reported at page 4822 of *Hansard*, Speaker Bosley makes several points that I would like to deal with in order. First, Speaker Bosley begins by referring to Citation 268 of Beauchesne's Fifth Edition which states, as I noted earlier, that the Government may put on the *Notice Paper* notices of motions dealing with the business of the House. I addressed that argument earlier when I indicated that if one considers Citation 270(1) of Beauchesne's, in addition to the precedents that I have cited, it becomes clear that Citation 268 is imprecise and that the phrase "business of the house" can be broken down into two quite different types of motions.

Speaker Bosley then quoted Erskine May, Twentieth Edition, at page 296 which attempts to define the types of motions that are considered to be government motions. It states:

> Also classified under this heading are the motions regularly brought forward by the government for regulating the length of the Christmas, Easter, spring and summer adjournments of the House—another important example is that of allocation of time or 'guillotine' orders, which the government moves in order to hasten progress on one or more of its Bills . . .

I would like to suggest that taken out of context this excerpt may be very misleading. If we refer back to Citation 270(1) of the Canadian authority, Beauchesne, a new or different interpretation can be attached to this excerpt from Erskine May. Again, Citation 270(1) reads in part:

> Motions respecting changes in the time of meeting or adjournments deal with the business of the House rather than government affairs—

• (1540)

The important part is this:

> —and are moved by the Government House Leader who is responsible for the arrangements of the business of the session—

The point I wish to stress here is that Beauchesne clearly indicates that even though a motion deals with the business of the House, as distinguished from government business, only the Government House Leader can move this motion because only he or she is responsible for the arrangements of the business for the session, not simply government business for the session, but all of the business. Thus, when Erskine May seems to suggest that a motion to change the ordinary days of adjournment is a government motion, it fails to recognize the distinction that our Canadian procedural authority, Beauchesne, makes clear. It is not, as the rulings that I have cited, a government notice of motion in the usual sense, but because only the Government House Leader can move it, it gets lumped in with everything else, like a motion for time allocation. A time allocation motion is almost invariably moved to limit debate on a government order. Surely we cannot lump such a motion together with a motion to change the date of adjournment. It is like comparing procedural apples with procedural oranges.

Speaker Bosley went on to state, as recorded on page 4822:

> Once again, review of our recent practice relating to motions dealing with the sittings of the House and its adjournments show that they have been appearing under Motions on the Order Paper, but a review of the order papers of the 1940s, 1950s and 1960s shows that such motions have most often appeared under Government Notices of Motions.

This is, indeed, correct but only in part. As I indicated earlier, prior to 1955 many such motions appeared on the Notice Paper under Government Notices of Motions. However, as you are aware, Mr. Speaker, the Standing Orders underwent a revision in 1955. The Standing Committee on Procedure, in its second report to the House on June 14, 1955, which was subsequently adopted unanimously by all Parties, recommended a number of changes to the Standing Orders and practices of the House as they then existed. These proposals are contained in *Journals* for that day.

One of the changes that the committee recommended, which was adopted when the report was concurred in, dealt with motions for changing the days or times of the sittings of the House. On page 746 of *Journals* for June 14, 1955 it states under "Other Proposals Relating to Procedures" at Section 2:

> That motions for concurrence in reports of any standing or special committee, for the suspension of any Standing Order, or such other motions as may be required for the observances of the proprieties of the House, the maintenance of its authority, the appointment or conduct of its officers, the management of its business, the arrangement of its proceedings, the correctness of its records, the fixing of its sitting days or the times of its meeting or adjournment shall be listed, where notice is required, called and disposed of under "Motions".

Therein lies the critical decision that what we have done ought to be called and disposed of under Motions. This was in 1955. Yet, if we return to Speaker Bosley's ruling on May 16, 1985, on the point of order of the Hon. Member for Windsor West (Mr. Gray), he states:

> —a review of the Order Paper for the 1940s, 1950s and 1960s shows that such motions have most often appeared under Government Notices of Motions.

As I indicated earlier, I will concede that prior to 1955 this was the practice. However, I have had a chance in the last number of days to review some of the Order Papers for the late 1950s and 1960s on those days when such adjournment motions were moved—and I have them right here—but I could

not find a single example of when such a motion was not moved under Motions as opposed to Government Notices of Motions. Not a single example was uncovered.

On Thursday, October 17, 1973, the then Secretary of State moved, under Motions, a motion to extend the hours of sitting on a number of days. Similarly, the Order Paper for Monday, August 4, 1958, shows that the Prime Minister moved a motion to change the hours of sitting. Again this motion was moved during Routine Proceedings under Motions as had been ordered when the procedure committee's report on the Standing Orders was concurred in by the House in 1955. I have others, Mr. Speaker. I have the Order Paper for Monday, July 14, 1958; the Order Paper for Monday, February 20, 1956 and so on. At page 15723 of *Hansard* for May 24, 1988, you said:

> I am reminded of Dean Swift when he said that lawyers are a race of men among us who believe that anything that has been done before may legally be done again. I think that it is always important not to get caught up in that adage too closely . . . However, the difficulty of the Chair in a case such as this is that if a practice has so fallen into disuse that it is not in the minds and in the contemplation of Members on either side of the House when the particular form—and that is of course what Beauchesne says it is—is followed, then the question is whether it is a better course of wisdom for the Speaker to reach back too far to pick something out of the mists of time to say that suddenly without any particular expectation, it applies.
>
> I must say that this is practice that I would not want to take part in unless I had some very clear direction from all sides of the House that, indeed, some ancient practice ought to be reinstituted and ought to be part of the consideration of the House at all times.

I would suggest that the principle you applied in your ruling of several weeks ago be applied here today. What the Government has done has not been done since the early 1950s. In 1955 there was a committee report adopted unanimously by the House of Commons specifying that motions which regulate the times of sitting or the date of adjournment had to be moved during Routine Proceedings under Motions. As I have said, I can find no precedent since the adoption of that committee report that would show that this motion has to be moved at any time except under Motions.

I suspect that some may argue that in extending the House past the normal date of adjournment, the Government if allowing for extra days to debate Government Orders or government affairs, as it is referred to in Citation 270(1) of Beauchesne, would not eliminate Question Period or Private Members' Hour. Are these two items government business? Of course not. Private Members' Hour, as you are well aware has, since parliamentary reform of the last several years, come to belong more than ever to the private Members on all sides of the House. In other words, it is ideally free from interference in any way by the Cabinet or executive. In no way could this valuable time be construed as belonging to the Government or being in any way government business.

What of Routine Proceedings, Mr. Speaker? I can refer back to Speaker Lamoureux's decision in 1970 that I quoted earlier to indicate that he clearly stated that Routine Proceedings were not government business. Routine Proceedings are when, for example, Members can present petitions, and belong to the whole House. Therefore, it is my view that to argue that the Government can extend the sittings of the House for the purpose of dealing with Government Orders does not take into account that this House deals on a daily basis with items that are not government business. Any motion to extend the sittings of the House can, therefore, affect the initiatives of any Member of the House and must, therefore, be seen as affecting the whole House and not simply Government Orders.

In conclusion, I would like to say that I was disturbed, to say the least, when I saw the Government's motion on the *Notice Paper* yesterday. It is a testament to the legislative mismanagement of this Government that it has some 40 or so government initiatives that it wants passed before the summer adjournment. I hope you will consider the arguments that I have made here today to indicate the Government has shown a disturbing tendency in recent months to disregard the rules and practices of this place even when those rules are explicit and those practices longstanding. I hope, Mr. Speaker, that you will rule that even a Government with an overwhelming parliamentary majority must respect the customs, traditions and practices of this place.

I thank you for your patience, Sir.

Mr. Speaker: The Hon. Member for Windsor West (Mr. Gray) may want to make a few remarks.

Hon. Herb Gray (Windsor West): Mr. Speaker, yesterday when we saw the motion by the Government to suspend the rules and, as a result, to force the House to continue sitting through the summer with the additional requirement to sit without a break from two o'clock in the afternoon until ten o'clock at night, I raised the point of order that this was not a motion that could be made on a number of grounds, including the breach by this motion of the traditional practices of the House as well as various factors pertaining to the Standing Orders themselves. At that time, in view of what you said when I made a similar argument with respect to the motion by the Government to suspend the rules of the House when it attempted to table a motion contrary to our normal Standing Orders on abortion, I noted you said that such an argument should be made if and when the motion was called.

Yesterday I reserved my right to make an argument at some length about the impropriety of the action of the Government in attempting to suspend the rules, not just simply to help itself get out of a tight corner on one issue, namely, abortion, but to help itself get out of a tight corner with respect to the total mismanagement of its entire program.

• (1550)

I said yesterday and I repeat now that I have some arguments which I believe are well founded as to why the Government's motion to suspend the rules of the House should not be accepted by you, Mr. Speaker. However, I do not intend to offer these arguments at this time. I just want to make sure that the record shows that I have these points to make and that I also have points to make about whether the Government's

motion to suspend the rules with respect to the adjournment of the House on June 30 should be listed under Motions or under Government Orders.

I intend to argue that the Government erred in listing the motion in question under Government Orders, but I would offer that argument only if you should rule that the motion is receivable in the first place. If I am saying at this time that the motion should be listed under Motions rather than Government Orders, I am not in any way thereby admitting or agreeing that it is proper for the Government to present a motion which would have the effect of throwing the rules of this House out the window just because the Government finds itself unwilling or unable to work within our current rules, even though the Government has taken great credit and continues to take great credit for these rules as being an important achievement in parliamentary reform.

I would hope it would be noted that I intend to argue both these points in some detail and to present arguments which I think are well founded. However, I want to stress that I think it is very wrong for the Government to say that it cannot live or work within the present rules, due in effect to the mismanagement of its program, and therefore it wants to use its majority to force the House to in effect ignore the rules completely.

Mr. Speaker: I have exercised considerable patience under the circumstances, but I think the comments of the Hon. Member for Kamloops—Shuswap (Mr. Riis) are helpful, as are those of the Hon. Member for Windsor West (Mr. Gray).

I repeat again what I said to the Hon. Member for Windsor West, which is that he will not be stopped from giving further argument at a more appropriate time. The Hon. Minister of State (Mr. Lewis) may want to make a few short comments.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I simply wish to seek direction from the Chair. I would suggest with all due respect that something cannot be half premature. If argument on a procedural basis is premature, it is premature. I do not mind for a minute taking time to argue procedure, not at all. It is healthy. However, surely the 25 minutes we have now taken from debate on Bill C-129 would have been better spent on debate on Bill C-129.

I suggest that there are other items on the Order Paper. For example, item No. 33 appears on the Order Paper. We could be proceeding now with a procedural debate on Bill C-33 which has not been proceeded with by the House.

Some two weeks ago, the abortion motion referred to by my hon. friends was put on the Order Paper by the Government and it was debated at length by opposition Members. We reserved our right to debate the procedural argument because we felt it was proper to debate the procedural argument when the Bill was called. We now have another motion placed on the Order Paper. I submit the appropriate time to argue the procedure on that, and we are fully prepared to do it, is surely on the day it is called, not now.

My hon. friend has read into the record a very learned argument which we will review and respond to, but surely the time to argue procedure on that particular motion is the day on which the Government calls it. If we find ourselves arguing procedure willy-nilly on various items on the Order Paper, as it suits the purposes of my hon. friends, we will have chaos on the Order Paper. I seek direction from the Chair. When is premature premature? When should procedural debate on a matter take place?

Mr. Speaker: I must say that the Hon. Minister of State (Mr. Lewis) raises a point which I think has some merit. As I say, the Chair has been generous in hearing the Hon. Member for Kamloops—Shuswap (Mr. Riis). It may turn out that it in fact is helpful. I hope that it will be. I hope it will be helpful to the Hon. Minister of State as well and to the Hon. Member for Windsor West (Mr. Gray).

As I indicated at the beginning of this, it is in my view probably premature. There may be some useful purpose served in having heard the very well prepared argument of the Hon. Member for Kamloops—Shuswap, and I have to say that frankly, I think it has helped the Chair. However, I think the Minister of State has a point and I think that it is appropriate now to put this matter off until such time, if it does happen at all, that the matter is called. I would ask Hon. Members to cooperate.

Mr. Riis: Mr. Speaker, I do not want to question the decision you have just made, but I want to say that the point I was attempting to make was that I do not think we should ever get to Orders of the Day when this question is being called. The point is that it is coming up in the wrong place in Routine Proceedings of the day. When we get to Government Orders one day and then you call for procedural decisions, having arrived at that point, I submit that it would be too late. That is why I am saying that it is presently in the inappropriate location as it stands in the order of business before us, and it is for that reason that I would submit that some consideration at least ought to be given to rule on this prior to the Government actually calling the Orders of the Day.

Mr. Speaker: I will consider the point the Hon. Member has made. In the meantime, I think it is appropriate to adjourn the matter. I will give that particular point careful consideration. If the procedure that has been followed by the Government is found to be incorrect, it would be difficult for me to understand how the fact that that decision was made just before Orders of the Day started or at any other time would make any difference. However, I have the Hon. Member's point and I will take it into account. I would ask Hon. Members to cooperate in this.

Mr. Tobin: Mr. Speaker, I rise on a point of order. When the House adjourned Orders of the Day for Question Period earlier today, we were dealing with Bill C-129 which, as you

well know, is now before the House under time allocation. Without commenting one way or the other on the value of the procedural matters that were just raised in the last half hour, would the Speaker advise the House, given that we are dealing with Bill C-129 under time allocation and that this time allocation was imposed on two of the three Parties in the House, the opposition Parties, whether or not the half hour just spent on procedural matters is lost under time allocation or whether it will be added on.

Mr. Speaker: I thank the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin), but I can answer that question, and I am afraid it is lost. That, of course, is just a procedural fact of life and I know Hon. Members will understand that. I thank the Hon. Member.

GOVERNMENT ORDERS

[*English*]

AIR CANADA PUBLIC PARTICIPATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-129, an Act to provide for the continuance of Air Canada under the Canada Business Corporations Act and for the issuance and sale of shares thereof to the public, be read the second time and referred to a legislative committee, and on the motion of Mr. McDermid (p. 15859).

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I am pleased to have been able to wait for half an hour of the valuable and short time left to be spent dealing with an important matter like Bill C-129. Time is limited and debate will end this afternoon. I am pleased to speak on the Bill.

In bringing in time allocation on Bill C-129, a Bill to authorize the privatization of Air Canada, the selling of a crown asset, a publicly owned asset, to the private sector, the Government has been attempting in the few remarks we have heard from Members on the government side to paint a rather over-simplified picture of the purpose of Bill C-129. We have heard government Members suggest that Air Canada should be privatized because there is no need to have the Government—that is, the taxpayers—engaged in activities that can be carried out by the private sector.

• (1600)

There is no question that most sensible-minded, reasonable Members of Parliament would agree that anything the private sector can do efficiently and properly ought to be done by the private sector. There is no compelling philosophical reason to have Government do something that the private sector can do. However, that is not the issue with Air Canada. The question is not: Are you for private sector activity versus public sector activity? The question is: Should Air Canada be privatized at this time and in the manner the Government proposes?

Canadians should know, first, that they have a Prime Minister (Mr. Mulroney) who, after he was elected, when questioned about the privatization of Air Canada, said on January 15, 1985, in *The Globe and Mail*:

> Air Canada is not for sale.

He made a commitment that Air Canada would not be sold. Air Canada would remain public property to serve the public good. Yet in this Bill now being debated in Parliament before the nation we have another major contradiction by the Prime Minister.

What kind of privatization is it? We are in a deregulated transportation environment which only began a year ago in Canada. There are no more regulations governing operations of airlines. The Government's continued ownership of Air Canada in that new environment, emulating what is happening in the U.S., gives us a window on the industry. It gives us an opportunity, without using regulations, to exercise a measure of control by having at least one of the players in the industry owned and controlled by the Government. That is why I am opposed to privatization of Air Canada for now.

I am also opposed to it because I want to see at least one airline continue to provide in this vast country, with a mere 25 million people, a level of service to Canadians no matter where they live. In a purely private sector industry, no carrier will provide that kind of commitment to Canadians living in rural Canada. It will not be there for people who live in rural ridings such as your own, Mr. Speaker, rural but nevertheless an important and dynamic part of Canada. It is purely the bottom line which decides where service should be provided.

What is wrong with this privatization measure the Government has proposed? I say that if you are going to privatize something, be it Air Canada or something else, then do it properly. If you are going to sell Air Canada off, then sell it off, lock, stock and barrel. Sell 100 per cent of the shares and be done with it. As bad a decision as that would be, selling it totally is a better decision than selling it partially.

What is the Government doing? The public does not realize what is happening. When they hear "privatization" they assume Air Canada is going to be sold. Yet the Government is making only 45 per cent of the shares of Air Canada available to the private sector. It is going to retain 55 per cent of the shares on behalf of the Canadian people. The people of Canada will continue to be majority shareholders. Then the Government says it is going to tell the official, the bureaucrat, the government employee who holds that 55 per cent to vote those shares on any question before the board with the majority of private shareholders. Basic arithmetic. With 45 per cent in private hands, that means that if 23 per cent of the shares of Air Canada, which represents more than half of the 45 per cent, were to get together and make a decision, they will control Air Canada. The Government, which continues to hold

55 per cent of the shares, is going to vote with the majority of the minority shareholders.

What do you then have? You have the taxpayers paying the bill and maintaining an equity position in an airline that is going to be run by 23 per cent of the shareholders. That is the reality. It is like saying the House of Commons is going to be run by 23 per cent of the Members. Some 23 per cent of all the shares vested in one group that acts in concert will control Air Canada. They will take decisions contrary, if they want, to the public interest. They will be making decisions which reflect private interests, bigger dividends for shareholders, even though they are in a tiny minority position. The taxpayers, who retain 55 per cent of the shares, may be the recipients of decisions that are not in their best interests.

What kind of cooked-up scheme has the Government evolved? It is one thing to say you are going to offer 100 per cent of the shares, as bad a decision as that would be, to the private sector, and then tell the private sector that if they want to run Canada's biggest airline they are going to pay for it. Before you get to a position to make decisions to benefit your own pockets, you are going to pay for it. You are going to give the taxpayers of Canada their equity back before you sock them in the teeth. It is quite another to take this airline with 22,000 employees and 50 years of history as a nation builder and put it in the hands of a few private individuals. That is what is fundamentally wrong. The Government is preaching a private sector philosophy, that the private sector can do it best, expressing total confidence in the private sector to run a national airline, and giving it to the private sector for a minority position, yet having the taxpayers continue to hold 55 per cent of the shares. That is not privatization, that is a farce.

If you go to the market-place and ask someone if they would like to own Air Canada because we are privatizing it, but by the way we are going to retain 55 per cent in the hands of the Government, and everyone knows the Conservative Government is going to be defeated in the next election, which means a new Government is going to reverse this privatization trend, you have automatically driven down the value of the shares. Not only are you giving away the airline, you have depressed prices by making a minority share offering. We are getting zapped twice. We are not getting the value for our money and we are giving away the company to a minority. It is absolutely ridiculous.

We have heard Members opposite say this is necessary because the company has to renew its fleet. They do not know what they are talking about. They have no interest in Air Canada. They have no knowledge of Air Canada. They do not know its history or the kind of service it provides. They know nothing about its fleet structure. They are merely on their hands and knees before the altar of private enterprise at all costs, not before the altar of common sense and an intelligent mixed economy.

Air Canada is going to replace its fleet of Boeing 727s which is on average nine years old. They will probably be replaced by the Airbus and they are only halfway through their useful life. Air Canada is going to keep the DC-9 which is 19 years old on average. It is not replacing its oldest aircraft. The DC-9 was built to fly 40,000 cycles. The DC-9s in that fleet, nearly 30 of them, have already flown 60,000 cycles and over the next 10 years they will fly 85,000 to 90,000 cycles. The 727s, which are only halfway through their useful life, are being sold off. Why? Because Frank Moores wants to sell the Airbus to Air Canada and they have to have the cash to buy it. This is a cooked-up scheme to put money in the pockets of those with Tory connections representing the Airbus consortium, and not a sale that makes sense for the people of Canada. It ought to be stopped in the name of fundamental justice and common sense and decency.

[*Translation*]

Mr. Pierre H. Vincent (parliamentary Secretary to Minister of Finance): Mr. Speaker, I just heard what the Opposition had to say, and incidently, for the past four years we have been hearing the same old speeches, without rhyme or reason. The same speeches that don't mean a thing. All they do is attack this Government's policies.

Mr. Speaker, the Hon. Member was right to leave after he said the Conservative Government would not be in power after the next election. I might as well tell him right away that the Conservative Government will win the next election and will continue what it was doing about interest rates, inflation, reducing unemployment, creating jobs and privatization.

If we consider Air Canada, privatization will give this Crown corporation easier access to new capital. It will enable Air Canada to go and get the funds it needs to be competitive within the provinces, at the national level and internationally. Mr. Speaker, perhaps I may quote what Canadians generally think about the privatization of Air Canada, not the clouded perspective of the Opposition Parties. Canadians are in favour of privatizing Air Canada.

Last night I was in Montreal, and I was talking to an Air Canada employee who said: " Yes, I can't wait. I want to buy shares in the company". His position was based on the fact that it was a profitable company that over the years had acquired a national and international reputation.

His opinion was also based on the fact that many national and international investment dealers were prepared to sell and organize the sale of 45 per cent of Air Canada shares to the private sector. The same employee told me: "That's a good thing—everybody wants to buy. That's good, and I'm glad the Tories took this position. I'm glad the Government is sticking to what it said in 1984". In 1984, the Government said: We intend to put this country on a sound management basis, and this is one example of sound management. We could have taken the Opposition's position and made promises, with at the end of the line, an enormous annual deficit and national debt. Mr. Speaker, since 1984 the annual deficit has gone down. Since 1984 this country has been managed as it ought to be, and Canadians know that.

The polls asked the question: Do you think the Government is right to sell part of Air Canada's shares? Eleven per cent of Canadians firmly support the idea and 58 per cent are in favour. This adds up to 69 per cent of respondents in favour of this approach, Mr. Speaker. Twenty-one per cent are opposed and 10 per cent don't know.

And I look . . . Do you think that this plan of the Conservative Government will hurt Air Canada's chances to grow and be more competitive? Eight per cent think it will have a very positive effect, 64 per cent think it will have a positive effect and 20 per cent, a negative effect. Mr. Speaker, look at the reaction of Canadians!

And on the subject of the quality of service provided by Air Canada as a result of the Government's decision to privatize it, 9 per cent think that service will improve, 65 per cent also think it will have a positive effect. And, Mr. Speaker, 19 per cent think that it will have a negative effect.

Canadians are favorable to this idea of owning Air Canada and being able as Canadians, as citizens, to buy shares in this company, to use this company . . . The majority of Canadians are in favour.

Most business people, companies, stockbrokers are interested and think that it is good for their customers and most employees of Air Canada are in favour.

As usual, we notice one thing: That the opposition Parties are again the only ones opposed; they are out of step. That reminds me, if you will allow me, Mr. Speaker, of someone in my riding who watched an army march past. There were 1000 soldiers and he said to his neighbour, "It is too bad; there are 999 who are out of step and only my son is in step!"

So that is the way the opposition works now. Everyone is on one side and they, as usual, are on the other. In four years, not one policy of the Conservative Government was accepted by, or acceptable to, these two Opposition parties. After four years, let us look at the results from the other side. The economy has grown, unemployment has gone down, jobs have been created, inflation has stabilized, the deficit has been reduced four years in a row. In every way, the quality of life has improved for our fellow Canadians. Quality of life is important! We talk about it in terms of the environment; we also must talk about it in terms of the economy and social programs. In every way, the quality of life has improved since 1984 and every time, the Opposition was against it.

So, Mr. Speaker, my fondest wish, and I see that you are indicating to me that my time is up, is that the Opposition will continue to be against the Government; every time that it is, it is good for Canadians!

In closing, Mr. Speaker, I think it is essential to pass this Bill as quickly as possible so that Canadians can express themselves not only in polls but in reality by buying the shares of Air Canada that will be put on sale.

• (1610)

[*English*]

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I am glad to have a few minutes to make some comments on Bill C-129. We are not surprised, but very disappointed and angry, that the Government has seen fit to bring in closure on this Bill. This is the type of behaviour that I recall Members on the government side objecting to very strongly when they were in opposition. They seem to have forgotten that, and the rights of Members on this side to put forward our position on a Bill about which we feel very strongly and on the policy of privatization of the people's airline, as Stanley Knowles used to call it, with which we disagree profoundly.

It is not necessary to sell off Air Canada from a financial and economic point of view. There are other ways of financing the capital costs of this airline which has been making a profit and has been run efficiently. I will come back to that point later on. The privatization of Air Canada is symbolic of the Prime Minister's broken promises and a feeling that Canadians cannot trust his leadership.

• (1620)

In 1985 the Prime Minister (Mr. Mulroney) said that Canada needs a national airline. He said that he would not privatize Air Canada or the CBC. Air Canada is being privatized and I am sure the CBC will be next. It is another example of what happens to the sacred trust philosophy of the Prime Minister. It is no wonder that that Party is going down in the polls. It is led by a Prime Minister who says one thing but does the opposite. Not only is it unethical, the Government completely loses credibility.

Let us review some of the broken promises. The House will recall that the Prime Minister said the universality of social programs was a sacred trust. The first thing he tried to do was deindex old age pensions. Fortunately, grey power organized and older people fought back and won. The Government realized that pensioners would not stand for having the old age pension deindexed.

Despite having said that universality was a sacred trust, the Prime Minister decided to chop the family allowance and child tax credit. They are the only programs that provide family benefits in recognition of the next generation of Canadians and the expense that parents have in raising children, as well as giving an extra tax credit to low income Canadians who could certainly use an increase in that child tax credit.

He has not treated children the same. Of course, children do not vote or have the same political clout as pensioners, therefore, the Prime Minister proceeded to deindex the family allowance and child tax credit. Every year the value of those combined family benefits are declining, which means, in the case of the child tax credit, fewer people on marginal incomes are eligible for it.

The Prime Minister promised that the basic social policy of the Government would be to help those in greatest need. He said that while the Government may have to trim costs in the interests of the deficit, it would protect those in the greatest needed. He then proceeded to slap a sales tax on the poor in successive Budgets. A great number of people in the lower income bracket are still paying income tax.

The combined impact of these policies on low income people certainly did not help those in greatest need, it penalized them. The increase in taxes for low income people and families with children far exceed the token child tax credit which the Government deigned to give in its second Budget. Poverty among young families has increased and single families, particularly mothers raising children, are in a very bad situation. One in six children across Canada is poor.

Recently, I raised the question of the AIDS epidemic and the importance of having more resources to help toward education and the treatment of this dread disease. The Prime Minister told me in the House about a month ago: "We view this as a most important societal problem and one deserving of urgent action and urgent devotion of national resources". That sounds like a promise to do something immediately and urgently, with considerable investment of money to help the victims of AIDS and to help prevent the epidemic from spreading. However, one month later the funding that already exists in the Budget, much less increased funding, has not been provided.

The Prime Minister promised to help the women of Canada, 60 per cent of whom are working and have children at home who need child care. Four years later, he has yet to introduce a child care program. Free trade is another example. In 1983 the Prime Minister said that he was against free trade.

The Government's proposal to privatize Air Canada is as much a question of ideology as anything. It is not sound planning, it is not economically feasible, and it is certainly against the Canadian tradition of owning our national airline and national railway. These national institutions are fundamental to our geography and dispersed population.

Of course, the Government believes in the ideological trilogy of private enterprise policies: Deregulation, privatization, and free trade. One leads to the other. I remind my friends in the Liberal Party that they initiated deregulation. Shame on them for allowing it to get to this stage. The Government's policy follows the ideologies of Thatcher, Reagan and Vander Zalm. I know that in British Columbia the Fraser Institute only has to lay down the policies and the Premier will sell everything he can, with no regard to the real functions of national services.

Air Canada has been a profitable and well run airline. Why should it be privatized when it is working very well as a national airline of which we are proud? This airline is needed to service all areas of Canada, particularly rural and remote northern regions. Private enterprise will not be as concerned with the needs of all of Canada. As my colleague, the Member for Ottawa—Centre (Mr. Cassidy), pointed out, it would have been quite simple to obtain the required equity Air Canada needs for its new fleet. The Government could have followed other options.

We are extremely disappointed with this Bill and disagree profoundly both philosophically and from the point of view of economic feasibility.

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, you will allow me, as representative of downtown Montreal or of the riding of Saint-Jacques, to make my contribution to this debate on Bill C-129 which, as we all know very well, is aimed at partially privatizing Air Canada.

Mr. Speaker, as spokesman for a Montreal riding where the Air Canada head offices are located I am very concerned, as are a number of my fellow Canadians, because the Bill before us will in fact signal the end of a national symbol which is dear to all Canadians.

As Hon. Members would know, this country came into being from east to west as a result of the construction of a great railroad, Canadian National. Other communication networks were added later on. One of them, air transport which featured Air Canada, is indeed the mainstay of Canada's transport system, a source of unifying strenght to all Canadians. I think it is regrettable that the Governement has chosen to break one of the solemn promises made by the Prime Minister of Canada (Mr. Mulroney) who once said: Air Canada is not for sale. We are beginning to get used to promises made by the Government on the other side, promises made one day and utterly violated or broken a few months later. We on this side of the House did expect the Government to live up to its commitment not to sell our national air carrier, in part or in whole.

Mr. Speaker, one of the dangers threatening us, and one of the reasons why my Party and I are opposed to the privatization of Air Canada is that we are going to lose a regional development mechanism. The Government before us is so fully intent on privatizing a number of Crown corporations that our national Government will eventually find itself unable to even attempt to boost regional development in certain regions of our country, remote regions that need assistance. That has to be one of the distinctive characteristics of the Conservative Government for whom the only and best way to intervene in the economy is not to intervene at all and, on the contrary, to withdraw from those fields where the Government has the tools to intervene.

With maintenance bases in cities like Montreal, Winnipeg or Toronto, Air Canada is in a good position to buy local goods and services. That is one way the Government can get involved in the economic development of various regions of the country. By selling or turning over the control to the private sector, the Government is withdrawing from this field of activity, which is also something to be concerned about. I would be quite worried if I lived in a remote or outlying region of this country which are often served by Air Canada. The House is aware

that our Crown corporation is making money on the major East-West routes. Air Canada finds the flights between Montreal, Toronto, Winnipeg and Vancouver most rewarding financially. If the Corporation is now to be managed in a business like fashion, meaning that management decisions from now on will be profit-oriented, it will not be long before the new management decide to abandon regional air transport routes which are losing propositions but nevertheless necessary for some communities wich are only served now by Air Canada.

Of course, a profit-oriented corporation will say: We are going to drop this route where we are losing money. We are going to keep only those where we are making money. The end result is clear. After a while, several remote and outlying communities of this country will be deprived of services. We cannot hope for other private corporations filling the gap and providing services to areas where customers are few and far between and on routes which are clearly not profitable. Those are services which the private sector cannot provide, which is one of the major arguments against the adoption by the House of Bill C-29. Yet, Mr. Speaker, there are also a great many other reasons.

What about Air Canada employees who are rightly concerned about their jobs?

The House will recall that shortly after British Airways was privatized by Margaret Thatcher's Tory Government, over 20,000 employees were laid off in Great Britain. So, whoever is now working for Air Canada, for our national airline, is concerned and worried about what will happen to his or her job, a concern I can understand. Being my party's labour critic, I took the time to meet with three of the major union leaders representing 12,000 of the 22,000 Air Canada employees, something I am not sure other Members of the House did, and I can speak for them about their concerns. Take for instance the case of Mr. Val Udvarhley. He stated the views of the flight attendants.

• (1630)

[*English*]

Mr. Udvarhley was giving me the point of view of flight attendants who are now working for Air Canada. They are afraid that the flying will be restructered down from the present six bases Air Canada operates from. They fear that Air Canada, in trying to operate by the bottom line only, will rationalize and downsize the number of people working there. They are afraid in the Montreal area that this area in particular is more likely to be scaled down. I have been told they would not be surprised if the present strength of 900 in the Montreal area would be scaled down to 500.

They have pointed out to me, and they are right, that although Clause 6 of the Bill guarantees that, first, there will be maintenance in the Montreal area, that it will stay there, and that the headquarters of Air Canada will stay there, there are no specifics guaranteeing a number of jobs and, to use his own words: "We may end up with a maintenance base staffed with three persons and a wrench". What good is the headquarters of a large national company if it is only an empty shell?

[*Translation*]

Mr. Speaker, I understand very well these employees who are concerned about their jobs, afraid that small communities now served by Air Canada will be deprived of all air services, that flight attendants for instance will be without job security, and who fear that Air Canada, once privatized, will tend increasingly to sub-contract part of the work to outside corporations. These are some of the reasons why I will personally vote against Bill C-129 and I will do everything I can to make the Government change its mind and abandon its decision to privatize part of our national transportation airline.

[*English*]

Mr. Bill Attewell (Don Valley East): Mr. Speaker, just before beginning my remarks on Bill C-129, I would like to read some comments made by the Hon. Member for Vancouver East (Ms. Mitchell). On May 1, 1984, she said:

> I think there should be a way of making evaluations. Most institutions are self-perpetuating, that is the nature of large institutions, but there should be times when some Crown corporations are terminated. What we would be most concerned about is whether they are of a value to the people of Canada, whether tax dollars are justified from that point of view—

May I just add, Mr. Speaker, that it is interesting to hear members of the New Democratic Party talking about tax dollars. They usually ignore that particular fact.

> —and whether they are run efficiently. I think that would be the criteria at which we would look.

• (1640)

Therefore, the Member for Vancouver East has stated an approach or a concept with which we agree. The Hon. Member begins her remarks by breaking that promise of how she might look at things.

This Bill is a good one. Air Canada was a great idea. It was visionary when it was started some 50 years ago. Canada did indeed need the links to all the corners of this great country. But the world has changed. We should not accept the *status quo* as the other two opposition Parties would like to do, whether that concerns trade or any other issue. The world is changing and the Government and the Conservative Party recognize that.

The executive and the employees of Air Canada are 100 per cent behind this move. They realize what is out there in the market-place.

Ms. Dewar: One hundred per cent? That's not true.

Mr. Attewell: First, we think that Air Canada should be sold because it does not serve a public policy purpose. Second, we do care about the deficit in spending. This company should be on its own and free to go to the capital markets.

Ms. Mitchell: It makes a profit. What's the matter with you?

Mr. Attewell: The Hon. Member says Air Canada is making profits. That is good, it is. When does one sell a corporation? When it is on the ropes? No, when it is doing well and one receives a better price. In that manner, the taxpayers' money is not being given away.

Ms. Mitchell: When it is doing what it is supposed to be doing for the people of Canada, you sell it.

Mr. Attewell: The third reason we opt for this particular approach is our sense of the market-place.

An Hon. Member: That's the number one and only reason.

Mr. Attewell: Wardair is doing very well. Canadian Airlines International is doing very well. Air Canada is doing very well. We submit that they should all be on the same footing. Yes, we do differ with the other two Parties on our philosophy. I would remind them of the whining and wailing they did when we proposed to sell de Havilland. What a disaster that was supposed to be. There would be thousands of jobs lost. The Hon. Member for York Centre (Mr. Kaplan)—

The Acting Speaker (Mr. McKinnon): The Hon. Member is doing his best to deliver a speech in the very few minutes that he has available, and I would very much appreciate it if I could hear him.

Mr. Attewell: This whining and wailing is at the heart of the issue. The facts prove that a situation like de Havilland was a stroke of genius. The jobs are secure. As a matter of fact, more than 1,000 new jobs have been added. The marketing fit with Boeing was absolutely perfect. That company is on the rise. Let the record show what the two opposition Parties said about that.

In conclusion, I wish to read some quotes from an independent source. In an article by Dian Cohen she states:

> It took Transport Minister Don Mazankowski 40 minutes to subdue a rowdy Opposition in order to put on the House of Commons table the Bill which will ultimately allow Air Canada to be sold to the private sector. Why the Opposition opposes the question I can't answer, and I suspect they can't answer either.

What a telling tale that is.

The world has changed. The Government has opted to let Air Canada become private and bid for money the same way Canadian and Wardair do. It has opted for this because it does not want to have to choose between farmers, day care, other issues, and Air Canada. It recognizes that the world has changed in the last 50 years, and that the need for a state run airline has diminished. All the airlines have shown their own understanding of the need to develop feeder lines running out from the hub airports. The Government can, and has, put restrictions in place regarding the maintenance of maintenance bases across the country.

I consider almost insulting the insinuation from the previous speaker, the Hon. Member for Drummond (Mr. Guilbault), that the present executive and management of Air Canada would reduce their caution and care for safety. That is an insult to their professional competence.

In closing, this Party is for privatization when it does not serve a public policy purpose. We will continue to do that. Canadians want that. We said that during the election and we will stand by that. I am here in a very strong way to support this proposal. The airline will not be diminished in any way. As a matter of fact, I predict that it will be strengthened and jobs will grow. Air Canada is a class act, and it knows how it can get on in an even better way by increasing market share, and Canadians across the country, by and large, are for this. They will ignore the rhetoric, whining, complaining, and emotional pleas of both Parties to my right.

The Acting Speaker (Mr. McKinnon): It being four forty-five o'clock p.m., pursuant to order made earlier this day the putting of the question now before the House is deferred until 5.45 p.m. later this day.

It being 4.45 p.m., pursuant to order made earlier this day, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS--BILLS

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

Mr. John Nunziata (York South—Weston) moved that Bill C-261, an Act to amend the Criminal Code (abortion), be read the second time and referred to a legislative committee.

He said: Mr. Speaker, I appreciate the opportunity to introduce this Bill at second reading stage. Bill C-261 was introduced and given first reading on June 22, 1987, almost one year ago. The purpose of the Bill would have been to close the loophole in the law that allows an abortion when the mother's life or health was, or was likely to be in danger.

On January 28, 1988, the Supreme Court of Canada ruled that the particular section in the Criminal Code of Canada was unconstitutional. In a five-two decision the court held that Section 251 of the Criminal Code of Canada was contrary to the Canadian Charter of Rights and Freedoms.

Here we are some four months later and we still have not dealt with the issue of abortion here in the House. To my understanding, this is the first time since the decision of the Supreme Court of Canada in late January that the House of Commons is considering the merits with regard to abortion. There have been procedural concerns raised about the issue and the introduction of a motion in the House, but this is the first time the issue is being considered on its merits.

I would like to explain why over one year ago I introduced this particular piece of legislation. It may not technically be permitted to proceed in that it intends to amend a law that was declared unconstitutional by the Supreme Court of Canada. Nonetheless, I wish to take this opportunity to express my point of view and explain the reasons why I introduced this legislation.

At the conclusion of this particular debate, I hope that the House will consider referring the subject matter, the issue of abortion, to a legislative committee in order that that committee can consider the issue. My good friend and colleague, the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) when given the opportunity to speak will move a motion accordingly.

I introduced this legislation because I believe very fundamentally that it is wrong to take human life. Abortion is the taking of human life. I oppose the taking of human life whether it is through capital punishment, through the authority of the state, of the Government of Canada, or through the taking of a life before birth.

On January 28, 1988, the Supreme Court of Canada decided that the abortion law in Canada was unconstitutional. I do not mean to be overly critical of the Supreme Court of Canada, but it seems to me that the decision of the Supreme Court of Canada was a cop-out. Based on certain legal principles the Supreme Court of Canada decided that Section 251 of the Criminal Code was in breach of Section 7 of the Charter of Rights and Freedoms. It states: "Everyone has the right to life, liberty and the security of the person . . . " Based on its interpretation of "security of the person" it suggested that abortion was permissible in the early stages of pregnancy. The majority held that Section 251 was unconstitutional.

• (1650)

How can one decide on whether a law contravenes the Charter of Rights and Freedoms before deciding when life begins? It seems logical that the first step one must take in this particular debate is to decide when human life begins. Once that decision is made, then one can look at the Charter of Rights and Freedoms. One would be required to conclude, depending on what one decides when human life begins, that everyone has the right to life.

The right to life is the only absolute right we have as Canadians. It is indivisible. Every other right that exists in the Charter of Rights and Freedoms must be balanced, in my view, against other rights. For example, one's right to freedom of speech is limited by the laws on slander. One's freedom to assemble is limited by certain municipal by-laws. Every right that exists in the Charter of Rights and Freedoms is limited. The only absolute right is the right to life.

When one considers this particular question one has to keep in mind that the right to life is paramount. Thus the Supreme Court of Canada decided it was not going to decide when it was deciding on the Morgentaler case. It was not going to rule upon the question of when life begins. That was an abdication of the court's responsibility in my view.

When does life begin? In my view, and I challenge others in the House, to prove otherwise, human life begins at conception. If one concludes that human life begins at conception then, of course, that right has to be protected from that moment onward. For anyone to suggest that human life begins at some other point, I do not believe that that is an intellectually honest position to take. It cannot be justified by logic, law or medical evidence that life begins at some other point in time. It may be convenient for some who believe in free-standing abortion clinics or abortion on demand that life begins at some other point in time, but that cannot be established by logic, reason, medical evidence, laws or whatever.

Those who believe in abortion on demand refuse to answer that question because they know that they cannot in a reasonable way conclude when life begins, and then also argue that there should be abortion on demand.

Human life is sacred from the moment of conception to natural death. No person, no one individual, no state, no legislature, no House of Commons, ought to have the right to diminish life, to determine when human life should be taken and when and if human life should be given the opportunity to continue to live until natural death.

In my respectful submission, the issue is one of human rights and the balancing of human rights. As I indicated, the paramount human right that we have is the right to life. Any other right, whether it is the right to liberty or the right to the security of a person as indicated in Section 7 of the Charter of Rights and Freedoms, has to be balanced against the right to life; and the right to life must always be paramount.

There are those who argue that there should be no abortion law, that there should be free-standing abortion clinics, wherever, that the decision to terminate life, to terminate a pregnancy should be a decision of the woman in consultation with her doctor.

For a country, for any society, not to have a law to regulate abortion would be a society that is totally and absolutely morally corrupt. To put that price on human life, and very few civilized western nations have, is to diminish our very existence, the very integrity of life. Today, in Canada, with every passing moment pregnancies are terminated. Human life is being terminated. Just to put the matter into perspective as you know, Mr. Speaker, today there are over 60,000 abortions per year—60,000 per year. Let us put that into perspective. Over the last 16 years, from 1970 until 1986, there were a total of 907,351 abortions in Canada. That amounts to approximately the size of the population of the Province of Nova Scotia.

Just as a matter of interest, in 80 years of warfare, in the Boer War, World War I, World War II and the Korean War, a total of 99,449 people died. In 36 years of automobile accidents in Canada, from 1950 to 1986, a total of 173,620

Canadians died. In 36 years of drownings, from 1958 to 1986, 47,892 Canadians died as a result of accidental drowning. Yet in 16 years of abortions close to one million people, individuals, lost their lives, as a result of a law which has now been declared unconstitutional.

If one examines the statistics one can see that in 1985 there were 60,956 abortions. Abortions are on the rise, if one examines the statistics for 1970 to 1985. What is most disturbing is the statistics showing repeat abortions from 1974 to 1982. In 1982 there were 400 women in Canada who had their fourth or more abortion. There were 1,600 women in Canada who had their third abortion in 1982. There were 9,544 women who had their second abortion in 1982. If one examines the statistics from 1974 to 1982, one will find that the situation has not changed dramatically.

We have a situation in Canada today in which over 60,000 human lives are taken on an annual basis. It is incumbent upon Parliament to deal with this issue in an expeditious way at the earliest opportunity. I regret very much that the Government has chosen the method by which it has decided to bring this Bill forward.

Canadians want this Parliament to deal with the issue of abortion on the merits at a very early stage. Each and every Canadian of voting age will be asking candidates regardless of their political affiliation what their views are on this particular matter.

• (1700)

No longer can individual Members of Parliament or candidates in the next federal election campaign hide behind existing legislation. They must say in an unequivocal fashion where they stand on this fundamental and crucial issue, the most important issue which this Parliament will decide. Set aside the issue of Meech Lake, free trade and pornography. This is the most important issue because it is an issue dealing with life itself. We hear Members talk about apartheid in South Africa or abuses of human rights in Israel, South America, Nicaragua. We hear about the starving in Ethiopia. But here we have a situation in Canada in which 60,000 lives are taken on an annual basis. Yet at times this Parliament shies away from dealing with it.

I note that I have but a few minutes to conclude my remarks on the legislation I am introducing. I urge Hon. Members to recognize that we are dealing with an issue affecting life itself and to agree to a motion to refer the subject matter to a legislative committee. I do not know the timetable of the Government concerning the abortion issue. We have been told on occasion that the Government would like to see the issue dealt with before the next general election. This House at this moment in time can decide through the Private Members' procedure to allow the subject matter of this Bill to be referred to a committee in order for the legislative committee to begin consideration and to hear arguments on its merits. I am prepared to discuss and debate this issue with anyone at any time at any place in Canada.

Abortion is wrong. It is fundamentally and basically wrong for this Parliament, for the Government of Canada to take away human life. What about life out of the womb? We do not say because you are white, black, European, South American, handicapped, blind, crippled or deaf that your rights as a human being are somewhat less. No one can tell you that your life is any less important. Who are we as parliamentarians to tell anybody that the unborn foetus has rights less than we as breathing, walking, living human beings?

I urge Members to support the motion that will be presented by the Hon. Member for Glengarry—Prescott—Russell to refer the subject matter to committee at the earliest opportunity.

The Acting Speaker (Mr. McKinnon): We are now at the stage of having 10-minute speeches. The Hon. Member for Kitchener (Mr. Reimer).

Mr. John Reimer (Kitchener): Mr. Speaker, I thank the Hon. Member for York South—Weston (Mr. Nunziata) for the opportunity to second this motion and debate the issue. I am pleased to second the motion in that I agree with the Hon. Member that we have to close the loopholes that were contained in Section 251 of the Criminal Code. The Member knows that the offending sections of Section 251 were struck down by the Supreme Court ruling in the Morgentaler case. We are debating a motion put to us to amend the Criminal Code before the Supreme Court acted on January 28 with regard to Section 251.

As private Members we bring forward Bills and motions and put them into a hat, so to speak. They are then drawn and put in order of debate. We are now debating the Bill proposed by the Hon. Member for York South—Weston.

I said I am pleased to support the Hon. Member's motion to the degree that what it seeks to do is really face the question of abortion as I think it should be, namely, that it deals with the rights of at least two people. In fact, I believe there is a third and an obligation of a fourth group. There is the right of the woman to life and health. There is the right of the unborn child to life and health. There is also the right of the father. Then there is the fourth group, that of society to protect the life of both the mother and the child, in fact, to protect that child and to protect all life. To that degree, I think the intent of this Bill is a good one and I support it.

Because the Supreme Court decision has in a sense superseded what the Hon. Member wanted to do by striking down the offending parts of Section 251, Parliament now has to face this whole question of what to do with the issue of abortion. The Hon. Member said that this is the first time we have debated the topic of abortion since January 28. To the degree that we are committing one hour of House time to it is correct. By implication, the Hon. Member was expressing some frustration with the lack of action in coming to grips with

what are we going to do with the question of abortion. We are now in Private Members' Hour and I know the Hon. Member does not want to be excessively partisan. There is time to look at the merits but we should not become excessively partisan on every issue.

The Government sought the co-operation of all Members of the House by going to each of the three Party Leaders to seek unanimous consent to bring forward four different options for debate. The House could grapple with the issue and give a sense of the direction of the House to the Government so it could bring in a Bill. The Government requested the setting aside of the rules which would not permit the bringing in of different substantive motions. Through unanimous consent it would seek the consent of the House to deal with the different positions which Members hold. To that degree I think the Government was doing exactly what it should be doing. Our Party has always said during elections that if we ever got into a debate on the abortion issue, it would be a free vote as far as we were concerned. What the other two Parties do is up to them.

On this side of the House both on capital punishment and on abortion we have always said—I have said it during the three elections in which I have run and I know the Party platform is the same—that there would be a free vote on issues of conscience. We had an excellent debate on capital punishment and had a truly free vote on it. The first time I am aware of in recent history of Canadian politics that a true free vote was held and the respect for the conscience of each individual Member was in that debate. Every Member had the freedom to speak his mind and stand in his place either for or against. Now we have the same situation on the abortion issue. This is the second issue which this side of the House calls an issue of conscience and, therefore, requires a free vote.

When we get into this debate on abortion, the Government has clearly spelled out the desire to allow Members to express their will in at least three different directions. One is a pro-life direction, though perhaps a moderate pro-life direction from my personal point of view, and I think the Hon. Member for York South—Weston would agree that it is not a pure pro-life option. Then there is a middle or gestational option and then there is a pro-choice option. As I indicated, I think there was a fourth option which was a pure pro-life option. The Government presented these options to the Opposition and asked for the unanimous consent that would allow us to set aside the rules to have these four options before us.

• (1710)

The Hon. Member for York South—Weston expresses some frustration with the delay. I wish he would have succeeded with his Party and within the NDP in convincing them to follow the Government's suggestion so that we could truly have had unanimous consent. We would not have to go through the two stages that are now before us, first bringing in a notice of motion to get to the stage of debating the different positions. That would have saved a lot of the time of the House and it would have permitted us to get at this issue sooner.

Although I agree with the thrust and intent of the Hon. Member's Bill, and to that degree I am pleased to second it, I do not agree that he should express so much frustration with the Government for not dealing with it. The Government gave that Hon. Member, his Party and the other Party a clear choice, through unanimous consent, to begin this debate on abortion. In fact, such a debate would have given us an excellent opportunity to deal with a pure pro-life option at one end to a pure pro-choice option at the other, with a moderate pro-life and a middle ground. I think the Hon. Member should calm down his partisanship and just deal with the issue at hand.

Further, the Hon. Member quoted some statistics. He is correct that the statistics he quoted are readily available to everyone. Statistics are very important in this debate so that we know exactly what we are talking about. One statistic shows that most abortions, 89 per cent of them, are carried out by the thirteenth week of pregnancy. We also find that in the last year for which complete statistics are available, 20.4 per cent of that 89 per cent were repeat abortions.

Some of my colleagues have said to me that as we get into this debate, they hope we can end up with a law that does at least two things: First, a law that is more restrictive than the old Section 251 was, and second, a law that does not allow abortion to be used for birth control purposes.

Let us look at those two points for a moment. If we want a law that is more restrictive than Section 251, then surely we have to start to have fewer than 89 per cent of abortions done by the thirteenth week. We have to move to abortions closer to conception. If my colleagues do not want the same rate of abortion, does that mean that they are willing to move abortion closer to conception?

They then ask how much closer it should be, and I tell them to look at the statistics. By what stage do we wish to cut it off, and what is our objective criteria for doing so? I notice that the objective criteria are lacking. Then I say that around the seventh week, one can at least measure brainwave activity. We use that as the sign of the cessation of life in the case of organ donors and the like. Why do we not use the beginning of brainwave activity as a sign of the beginning of life?

Some say then that seven weeks is far too early. I say that it is not too early. We should really be looking at all the facts involved in foetal development. We really should go right back to conception, because at conception, we are dealing with a human being that is unique and will never be like any other. Its physical capacities are all there, all that is required is growth and development. All of the DNA and characteristics of a person exist at conception. The genetic code has already been determined. To that degree, we need not go past that into other stages because we are dealing with a life right from the beginning.

The other point that is often made is that abortion should not be used as birth control. We know that 20.4 per cent of abortions were repeat abortions in 1985. That figure is far too high. Therefore, I think the thrust of what the Hon. Member is trying to do is a good one—

Ms. Mitchell: What is going to stop that? How do you stop it?

Mr. Reimer: When we get into the debate on the different options—the NDP Member is going on with the Party line and trying to interrupt. I wish Members of the NDP would simply let a person finish his comments. When they speak, I will be quiet.

In conclusion, let me simply say that the thrust of the Hon. Member's motion is a good one. The Government has provided a means of dealing with this issue, and I hope that the other Parties will give us the consent to move quickly so that we may have a real debate that looks at protecting the child, something which we have not been doing, and also looks at protecting the life of the mother if necessary. All these side issues that used to exist in Section 251 must be done away with, and I think that if the Hon. Member were to look at amendment (a), he would see that it comes very close to that.

The Acting Speaker (Mr. McKinnon): I intend to call on the speakers in the following order: the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) followed by the Hon. Member for Hochelaga—Maisonneuve (Mr. Desrosiers) followed by the Hon. Member for Hamilton Mountain (Ms. Dewar).

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am pleased to have an opportunity to participate in this debate today. I believe that I am the only Member who has changed his mind on this issue since the repeal of Section 251 of the Criminal Code earlier this year. At least I think I am the only one who has admitted to doing so.

In speaking in favour of this private Member's Bill this afternoon, I should explain to the House the reasons that provoked me to change my mind on such a fundamental and important issue. I suppose the first reason is the fact that the previous position I had taken was wrong and, naturally, having taken a position that was wrong, I needed to correct it. The reason I am of the opinion and sincere belief that the previous position I had taken was wrong is what I would like to express to the House now.

Since last January, a number of Members of Parliament have been lobbied, and so have I, by people in favour of more restrictive laws, by people in favour of no laws at all and by people in favour of a so-called middle-of-the-road approach. One of the useful things about this lobby is the fact that it has provoked or at least encouraged me to obtain more information. When I say more information, I do not necessarily mean information that was provided to me by the various people who were lobbying. Of course, they too provided useful and valuable information, but I took it upon myself to obtain more and more of what I felt could be useful information for me.

Sometimes I wondered why I was doing this, because I thought I had made up my mind on the issue already. Nevertheless, I continued to accumulate and read various documents. For me, one of the things that provoked me into changing my mind, above many others, was the fact that I reread my own speech on capital punishment. I was the first Liberal Member to speak on capital punishment, aside from my Leader (Mr. Turner). I had indicated that life, all life, was worth preserving and that no life should be destroyed for any reason.

I am not saying that everyone who is against abortion should be against capital punishment. I would hope that to be the case, but it is not necessarily so. They are two different issues. For me, however, there was a parallel which was important in my own mind and in my own conscience in assisting me to make up my mind.

It got to a point at which I had difficulty living with myself with the position I had taken. I do not think I changed my position because of intense pressure from my electorate, although of course they too had a lot to say. I think I changed my mind because of that crisis of conscience when I came to realize that I had taken a position which was so much at odds with what I actually believed.

• (1720)

Some of the information I obtained does not necessarily come from pro-life groups. I have here a copy of *The New England Journal of Medicine*, hardly a pro-life propaganda tool, dated November 19, 1987. It contains an article "Pain and Its Effects in the Human Neonate and Fetus". Written by two doctors, it says that the foetus can indeed feel pain as early as seven weeks in the pregnancy. It says:

> Cutaneous sensory receptors appear in the perioral area of the human fetus in the 7th week of gestation; they spread to the rest of the face, the palms of the hands, and the soles of the feet by the 11th week—

There is sensation in those parts of the body by the 11th week of the pregnancy. If there is such a thing as a feeling of pain at the 7th week on the part of the foetus, if there is a heartbeat as we know there is, if there is all the other development of that foetus which we know there is because of ultrasound and other electronic equipment which provides us with that information, then one has to conclude that there is life, at least at that point.

Does life begin at conception? Several theologians contemplated that issue many years ago. I do not know the answer anymore than anyone else. However, for the purposes of our discussion today, given what we know now medically and otherwise, I have to assume that life does begin at conception. If someone has a differing view, I am willing to listen to it and to the proof that it is otherwise. I do not think I should be proving that life begins at conception but I think the onus rests

on those who believe otherwise to demonstrate to me that it does not, if that is their belief.

Philosophers and theologians have recognized for many years the sanctity of life. Hippocrates, a philosopher and physician who lived from 460 to 367 B.C. wrote what is now referred to as the Hippocratic Oath. It says:

> I will give no deadly medicine to anyone even upon request, nor suggest any such counsel, and in like manner I will not give to a woman a pessary to produce an abortion.

That was right 2,400 years ago, it is still right today.

Ms. Mitchell: In your view.

Mr. Boudria: I know some will disagree and that is their prerogative.

We as a nation have to face this issue and it is difficult. This Bill obviously will not be able to proceed because of the fact that the Criminal Code section it deals with has been overturned. Therefore, I move, seconded by the Hon. Member for Egmont (Mr. Henderson):

> That the motion be amended by deleting all the words after the word "that" and substitute the following therefor:
>
> That Bill C-261, an Act to amend the Criminal Code (abortion) be not now read a second time, but that the order be discharged, the Bill withdrawn and the subject matter be therefore referred to the Standing Committee on Justice and Solicitor General.

I move that motion with the full co-operation of the Hon. Member for York South—Weston who proposed this Bill.

The Acting Speaker (Mr. McKinnon): The debate is now on the amendment.

[*Translation*]

Mrs. Marion Dewar (Hamilton Mountain): Mr. Speaker, I should like to deal with Bill C-261. I think that in this House and throughout the world including Canada, many individuals do not understand the very difficult problem of abortion. The problem is very difficult from a moral point of view and to my knowledge, no woman wants to be aborted but the problem lies with our society and not with women and men.

Abortion has always existed and, before 1969 in Canada, abortions were performed in unhygenic premises resulting in the death of many women and children. Those are not very pleasant conditions.

However, Mr. Speaker, if we want to reduce the number of abortions, our society will have to be fairer and more honest than at present Our society must love children, provide daycare services and also services for women. Moreover it should uphold values which do not consider women as sexual objects. It strikes me as really ironic that I am the only woman speaking this evening on this issue and the only one, I think, which is against the bill under consideration.

[*English*]

It is not because I think that anyone at any time ever wants to have an abortion. I know people who have made that decision but they did not want to. I hear constantly in this Chamber that we have to protect the unborn. I agree, but I think we have to protect the born. The same people who talk about those conditions laugh about making women sexual objects. Yesterday I raised in this House the fact that advertising such as with Diet 7-Up makes a sexual object of women for the amusement of their male partners who impregnate them and then leave them in their anxiety and tension and frustration. To suggest that we are talking about using abortion as a form of birth control is a scandal. We must ask ourselves why this is happening. We must ask ourselves why the country of Brazil has millions of abortions. It has laws like this and is not reducing them.

• (1730)

The Province of Quebec, which has refused to implement the Criminal Code on this, is the only province in Canada which has been able to reduce the number of abortions. However, we have not been able to increase the birth rate in Québec. In Sweden, however, where services are given, they have reduced the number of abortions and increased the birth rate.

The real question is whether we are willing to build a society which loves children. Will we sacrifice ourselves to show that children are the ones we really love? Will we give services to those children? Will we ensure that there are not children getting their meals in soup kitchens before they go to school? Everyone who is talking about this should go down to the soup kitchens and guarantee that these children have a life of dignity.

I am not even asking them to look after the women who have been so badly treated over the years. I am asking them to look after the children who are sexually abused today in our society. They are not sexually abused by women. Women have not declared war. Women are not the ones who have killed other human beings throughout history. And women will not have abortions if they have true choices because they will be able to build a society that loves.

I suggest to everyone who says that our society has no law that that is not true. We have laws, we have medical practitioner laws and medical ethics. It is in that area that we must deliver the necessary services to women. We do not want to go back to the back streets.

I am a public health nurse. I trained in a Catholic hospital and worked in a Catholic hospital. In the emergency room we saw some of the carnage which the butchers perpetrated on these youngsters, and sometimes on older women. When you see what that does to your society and values you ask yourself whether you treasure life or not. I treasure life very deeply. I treasure life so deeply that I believe we must look at the continuum of what is happening.

We are not doing that by implementing this kind of legislation. By implementing such legislation we are making the black market rich again. We are not putting in place

services to help people understand their own physiology, their own bodies, and what contraception is all about.

I can get into a heavy theological debate about when life begins. I think we all know that at the connection of two cells, whether vegetable, animal, or human, the potential for life is there. However, we also know that there is absolutely no dogma which sets out when human life begins.

One hundred years ago the Catholic church said that it was okay to abort a male baby after 40 days, but a female baby after 80 days. That shows how long we have been struggling with this. We have also struggled over the years with how many angels would fit on the head of a pin. However, the real issue is to reduce the number of abortions in our society. That is the one thread of consistency that I have heard in this House. We then ask how we are going to do that.

Please, Mr. Speaker, do not allow us to take the attitude and approach that we are going to do that by penalizing the victim as is so often done. That is being done within a patriarchal society. There was only one woman in this House in 1969 when that first law was passed. It was not a good law. I think everyone agrees with that. It was only the beginning of trying to ensure that there were good medical procedures in place. The Supreme Court has said that the committees did not make any sense. In practice they made no sense. I saw how they worked and they were totally nonsensical.

If Members of Parliament really want to build a compassionate, loving society, they have to start treating men and women with dignity, with a sense of a quality of life that is important. They must say that children in total are important and valuable to us and put services in place which count.

That is how we can reduce the number of abortions. That is how women can start to feel that they are not being looked down on by males as a result of some of the dreadful expressions which are being directed at them. I ask the people who are supporting this kind of law to consider what kind of value they are supporting.

[*Translation*]

Mr. Edouard Desrosiers (Hochelaga—Maisonneuve): Mr. Speaker, Bill C-261, introduced by the Hon. Member, deals with a very important and delicate subject. I cannot say I have no views on abortion. In fact, like so many fellow citizens, I was led by recent events such as the Morgentaler trial to think about the abortion issue. All Canadians know what my feelings are and what my position is, Mr. Speaker. I am not against anything. I am not against abortion. I am for the right to life.

Not long ago, on the Plains of Abraham, where a number of Members were invited to attend a meeting but many were afraid to go and talk to the thousands of people who organized this assembly... Mr. Speaker, since I am not afraid to say what I think, I told them I was not a fence sitter like most Members who are reluctant to get involved. It's a difficult issue politically, and sometimes they would rather not hurt the feelings of some of their constituents.

Mr. Speaker, there is a morality to the way we live, I think we all should be concerned about that morality. I come from a family of fifteen children, and I have said this before, and I will say it again: There were fifteen children at home and I can assure you that if my mother had decided to have an abortion, you would not have the honour and the pleasure to see me in this Chamber today.

Mr. Speaker, I would like to remind the House that Section 251 of the Criminal Code prohibits anyone from procuring a miscarriage. In fact, section 251 is very specific—listen to this "... to procure the miscarriage of a female person". As far as I know, I never heard of a male person having or getting an abortion. But it's all there in Section 251, Mr. Speaker. It does sound rather bizarre, but what can you do?

The section provided for one exception, when the abortion is carried out by a qualified medical practitioner, other than a member of a therapeutic abortion committee from any hospital, in a hospital accredited by the Canadian Council on Hospital Accreditation, or in a hospital approved for the purposes of Section 251 by the Minister of Health of that province.

The hospital's therapeutic abortion committee had to consist of at least three members, all of whom are qualified medical practitioners, appointed by the hospital to examine and decide on requests for termination of pregnancy.

The majority of the members of the therapeutic abortion committee, at a meeting of the committee at which the case was examined, was to state by certificate, in writing, that in its opinion the continuation of the pregnancy would or would be likely to endanger the life or health of the woman. We must remember that "health " meant both the physical and mental health of the woman. The therapeutic abortion committee had to submit a copy of the certificate to the qualified physician performing this abortion.

As you see, Mr. Speaker, in the Morgentaler case, the main question before the Supreme Court of Canada was whether the provisions of the Criminal Code relating to abortion, namely Section 251, infringed on the right to life and liberty and security of the person except in conformity with the principles of fundamental justice.

The three judges who rendered the majority decision agreed that Section 251 infringed on security of the person and violated the principles of fundamental justice under Section 7 of the Canadian Charter of Rights and Freedoms and could not be safeguarded within the reasonable limits specified in Section 1 of the Charter.

Furthermore, Mr. Speaker, the judges in the majority agreed that the expression "security of the person" found in Section 7 of the Charter includes both security and physical and mental health.

So, Mr. Speaker, you will see that the Bill proposed by our distinguished colleague not only seeks to change a law that no

longer exists, or that at least is inoperative, but would also make an unconstitutional amendment.

Since abortion can become an explosive problem, it seems to me that the public has chosen to ignore it. It has not sought effective, direct solutions for these deep divergences. One of the attitudes taken has been, "Ignore it—it will go away eventually." Other people, with different points of view, have replied, "This is what goes on. This is what must be done."

Between these two positions, there is a range of deeply held opinions, not always easily expressed, found among people of every region, religion, political persuasion, language or other social category. These opinions range from an insistence on the preservation of the life and physical health of the mother to a concern for the woman's whole social environment and her family situation.

Each of these two attitudes is shared by many Canadians and is based on a different concept of the family and the changing role of women in Canadian society.

The abortion issue is a major challenge to normal principles and professional ethics and is therefore emotionally charged. Things will go on like this because, as in other life and death matters, there is no easy solution. Abortion disturbs many people who would have preferred to avoid it. It is one of those delicate choices which all women capable of bearing children may have to face.

The many women who have resorted to abortion have been ostracized and the subject of pressures which have left them permanently scarred. They worry about the long term effects of the surgical procedure on their health and still fear that their anonymity will not be respected.

I recognize, Mr. Speaker, the merits of the bill moved by my hon. colleague, but I am convinced that the matter is too important to be settled in the course of this debate.

Therefore, Mr. Speaker, in conclusion, I think that my time has expired, I see that you are sending me desperate signals . . . I only wanted to say that I am very proud to stand up for the pro-life option and I think that it is my moral duty to fight for this cause and our fellow Canadians, and I do it with fairness and equity.

• (1740)

[*English*]

Mr. Reimer: Mr. Speaker, I rise on a point of order. In view of the Notice of Motion on the Order Paper and the Government's clear commitment to have a clear and thorough debate on this topic, I think this amendment is both mischievous and unnecessary—

The Acting Speaker (Mr. McKinnon): Order. I do not consider that to be a point of order.

The time provided for consideration of Private Members' Business has now expired. Pursuant to Standing Order 42(1), the Order is dropped from the Order Paper.

GOVERNMENT ORDERS

[*English*]

AIR CANADA PUBLIC PARTICIPATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-129, an Act to provide for the continuance of Air Canada under the Canada Business Corporations Act and for the issuance and sale of shares thereof to the public, be read the second time and referred to a legislative committee; and the motion of Mr. McDermid (p. 15859).

The Acting Speaker (Mr. McKinnon): It being 5.45 p.m., pursuant to order made earlier this day, it is my duty to put the question on the motion for the previous question to the motion for second reading of Bill C-129, an Act to provide for the continuance of Air Canada under the Canada Business Corporations Act and for the issuance and sale of shares thereof to the public.

Accordingly, the question is the following one: Mr. Mazankowski moved:

> That Bill C-129, an Act to provide for the Continuance of Air Canada under the Canada Business Corporations Act and for the issuance and sale of shares thereof to the public, be read the second time and referred to a legislative committee.

Mr. McDermid moved:

> That this question be now put.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. McKinnon): All those in favour of the motion please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. McKinnon): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. McKinnon): In my opinion, the yeas have it.

And more than five Members having risen:

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

● (1750)

(Division No. 376)

YEAS

Members

Andre
Attewell
Belsher
Bernier
Bertrand
Blackburn
(Jonquière)
Blenkarn
Bosley
Bourgault
Boyer
Bradley
Cardiff
Clark
(Brandon—Souris)
Clinch
Cochrane
Collins
Cooper
Corbett
Cossitt
Crofton
Crosby
(Halifax West)
Dantzer
de Cotret
Desjardins
Desrosiers
Dorin
Edwards
Epp
(Provencher)
Fennell
Fontaine
Forrestall
Fraleigh
Fretz
Friesen
Gagnon
Girard
Gormley
Gottselig
Graham
Gray
(Bonaventure—Îles-de-la-Madeleine)
Greenaway
Grisé
Gustafson
Halliday
Hamilton
Hardey
Hicks
Holtmann
Horner
Hudon
James
Jardine
Jelinek
Johnson
(Bonavista—Trinity—Conception)
Joncas
Kilgour
Ladouceur
Layton
Leblanc
Lesick
Lewis
Lopez
Marin
Mazankowski
McDermid
McKenzie
McKinnon
McMillan
Merrithew
Minaker
Mitges
Nickerson
Nowlan
Oostrom
Pennock
Peterson
Pietz
Plamondon
Ravis
Redway
Reid
Reimer
Schellenberger
(Wetaskiwin)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Sparrow
Stewart
Tardif
(Charlesbourg)
Taylor
Thacker
Towers
Tremblay
(Québec-Est)
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa—Carleton)
Valcourt
Van De Walle
Vankoughnet
Vincent
Wilson
(Swift Current—Maple Creek)
Wilson
(Etobicoke Centre)
Witer—103

NAYS

Members

Allmand
Althouse
Baker
Benjamin
Boudria
Copps
de Jong
Dewar
Dingwall
Epp
(Thunder Bay—Nipigon)
Foster
Gagliano
Garneau
Gauthier
Gray
(Windsor West)
Guilbault
(Saint-Jacques)
Heap
Henderson
Hopkins
Isabelle
Langdon
MacLellan
Manly
Marchi
McLaughlin
Mitchell
Nunziata
Nystrom
Orlikow
Parry
Penner
Pépin
Prud'homme
Riis
Rodriguez
Rossi
Skelly
Tobin—38

● (1800)

Mr. Deputy Speaker: I declare the motion carried.

[*Translation*]

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

The Acting Speaker: The Hon. Member from Ottawa—Vanier (Mr. Gauthier) has a point of order.

Mr. Gauthier: Mr. Speaker, I think that, if you sought unanimous consent, you could apply the results of this vote to the next in the same way, with the exception of a few latecomers, if there are any amongst us.

[*English*]

Mr. Hawkes: Mr. Speaker, I rise on a point of order. I would like to be counted on the government side on this subsequent motion.

Mr. Deputy Speaker: Is there unanimous consent to apply the vote that we have just taken on the main motion?

Some Hon. Members: Agreed.

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

(Division No. 377)

YEAS

Members

Andre
Attewell
Belsher
Bernier
Bertrand
Blackburn
(Jonquière)
Blenkarn
Bosley
Bourgault
Boyer
Bradley
Cardiff
Clark
(Brandon—Souris)
Clinch
Cochrane
Collins
Cooper
Corbett
Cossitt
Crofton
Crosby
(Halifax West)
Dantzer
de Cotret
Desjardins
Desrosiers
Dorin
Edwards
Epp
(Provencher)
Fennell
Fontaine
Forrestall
Fraleigh
Fretz
Friesen
Gagnon
Girard
Gormley
Gottselig
Graham
Gray
(Bonaventure—Îles-de-la-Madeleine)
Greenaway
Grisé
Gustafson
Halliday
Hamilton
Hardey
Hawkes
Hicks
Holtmann
Horner
Hudon
James
Jardine
Jelinek
Johnson
(Bonavista—Trinity—Conception)
Joncas
Kilgour
Ladouceur
Layton
Leblanc
Lesick
Lewis
Lopez
Marin
Mazankowski
McDermid
McKenzie
McKinnon
McMillan
Merrithew
Minaker
Mitges
Nickerson
Nowlan
Oostrom
Pennock
Peterson
Pietz
Plamondon
Ravis
Redway
Reid
Reimer
Schellenberger
(Wetaskiwin)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Sparrow
Stewart
Tardif
(Charlesbourg)
Taylor
Thacker
Towers
Tremblay
(Québec-Est)
Tremblay
(Lotbinière)
Tupper

Turner (Ottawa—Carleton)	Wilson (Swift Current —Maple Creek)	Witer—104
Valcourt	Wilson (Etobicoke Centre)	
Van De Walle		
Vankoughnet		
Vincent		

NAYS

Members

Allmand	Dewar	Garneau
Althouse	Dingwall	Gauthier
Baker	Epp (Thunder Bay—Nipigon)	Gray (Windsor West)
Benjamin		Guilbault (Saint-Jacques)
Boudria	Foster	
Copps	Gagliano	Heap
de Jong		

Henderson	McLaughlin	Pépin
Hopkins	Mitchell	Prud'homme
Isabelle	Nunziata	Riis
Langdon	Nystrom	Rodriguez
MacLellan	Orlikow	Rossi
Manly	Parry	Skelly
Marchi	Penner	Tobin—38

Mr. Deputy Speaker: I declare the main motion carried.

Bill read the second time and referred to a legislative committee.

It being 6.10 p.m., the House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6.10 p.m.

HOUSE OF COMMONS

Wednesday, June 8, 1988

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 21

[*English*]

WOMEN

SEXUAL HARASSMENT

Mrs. Lucie Pépin (Outremont): Mr. Speaker, last May the results of a Rhode Island survey conducted among 1,700 teenagers shocked Canadians and Americans alike when nearly a quarter of the boys and a sixth of the girls said that it was all right for a man to force a woman to have sex if he has spent money on her. It was also revealed in the U.S. study that 50 per cent of those young people believe a woman who walks alone at night is asking to be raped.

• (1405)

[*Translation*]

These results did not surprise Joan Steer who was aware of another study done in Toronto, which suggests that many adults do not consider "date rape" or sexual harassment in the workplace as real crimes.

Despite all the recent efforts to change attitudes to sexual assault and harassment, lack of information and ignorance remain the most crucial problem among young people. Mr. Speaker, we absolutely must inform teen-age boys and girls in order to change their attitudes towards violence and end rampant sexism for generations to come.

[*English*]

Yesterday the Minister of National Health and Welfare (Mr. Epp) promised more studies on the causes of wife battering and family abuse. There are many studies available. Why not speak out now through the media to teach and to offer hope to women looking for help by giving them the numbers of people to contact? I call on the Government to honour the recommendation of many of the studies and to awaken public awareness to avoid the perpetuation of sexual assault and family violence.

[*Translation*]

ENTREPRENEURS

TRIBUTE TO JEAN-GUY COTNOIR AND ROB METKA

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, on Sunday, June 5, the Rouyn-Noranda Regional Chamber of Commerce held its first Prisma gala to highlight the strength of our enterprising spirit.

Jean-Guy Cotnoir, a well-known personality in the region, won the award in the "builder" category. His name is synonymous with success, determination and fighting spirit. The head of a large, flourishing transport company that he built himself over the last few decades, Jean-Guy Cotnoir has been deeply involved over the years in the social and economic development of our community and in many charitable works.

In the "prospective" category, Rob Metka of Noranda Minerals won the grand prize. Originally from Saskatchewan, this young engineer now heads the construction of one of the largest technological challenges in the world, a sulfuric acid plant to be built in Rouyn-Noranda at an estimated cost of $125 million.

Messrs. Cotnoir and Metka, thank you for your generous contribution to our community and congratulations to the Rouyn-Noranda Regional Chamber of Commerce for this good initiative!

* * *

EMPLOYMENT

EMPLOYMENT PLANNING PROJECTS INSPECTION POLICY

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, the federal Government recently decided to take a more flexible approach to the monitoring of Canadian Jobs Strategy projects. This decision will undoubtedly add to the abuse that already exists under this system.

[*English*]

The focus of the Canadian Jobs Strategy, the provision of training through private-sector training programs, creates an urgent need for a comprehensive monitoring policy. Private-sector training courses often provide job-specific, non-portable skills. Without effective and comprehensive monitoring, it is unrealistic to expect that employees will receive broad, basic skills training.

S. O. 21

In his 1987 audit the Auditor General found that 40 per cent of the job development training agreements were incomplete. Yet, despite the lack of documentation ensuring eligibility, and the lack of specific training plans, these projects were approved and funded. Regular on-site inspections are absolutely essential to ensure that the training taking place is the training that is approved when the projects are funded.

The Canadian Jobs Strategy is supposed to be a training strategy for Canadians. Without an effective and comprehensive monitoring policy, it is merely a wage subsidy program for the private sector.

* * *

IMMIGRATION

UNSCRUPULOUS CONSULTANTS

Mr. John Oostrom (Willowdale): Mr. Speaker, unscrupulous individuals using the misnomer of immigration consultants are tarring the immigrant communities of Canada. These traders of human flesh who prey on the unfortunate cause irreparable human sufferings to individuals and families who succumb to their promises.

One individual who brings this issue into sharp focus is Joe Rafael, who plies his trade on the Portuguese community. This individual had his name added to the security handbook by the Immigration Minister under the previous Government. Last year the RCMP laid charges and his case is still pending. However, he continues to ply his trade in human beings.

This individual continues to give others the perception that he is untouchable, and the Liberal controlled other place is encouraging the rest of them since it is refusing to pass Bills C-55 and C-84. Therefore, while the country waits for our laws, the Minister should use Section 95(M) of the Immigration Act to rid Canada of these vermin.

* * *

[*Translation*]

AEROSPACE

SPACE AGENCY—MONTREAL—SECRETARY OF STATE'S POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I am glad to see that Mr. Lucien Bouchard, who is running in the riding of Lac-Saint-Jean, has decided to look after the Montreal region instead. I was delighted to hear Mr. Bouchard say that he would use all his political clout to get the space agency and that we could count on his friend.

However, Mr. Speaker, as the saying goes, we are known by the company we keep. The fact that Mr. Bouchard is a friend of the Prime Minister (Mr. Mulroney) bothers me, because the Prime Minister has deceived senior citizens with false promises, has deceived our families, the sick and Canadians in general, and now Mr. Bouchard, who is running in Lac-Saint-Jean, thinks the people of Montreal are going to believe that!

Mr. Speaker, I think we should tell Mr. Bouchard to mind his own business and deal with the problems in Lac-Saint-Jean before making any promises he won't be able to keep.

* * *

• (1410)

KAHNAWAKE

ILLEGAL CIGARETTE TRADE—MOHAWKS' NEGOTIATIONS WITH GOVERNMENT AUTHORITIES

Mr. Guy St-Julien (Abitibi): Mr. Speaker, the problem with cigarette sales in Kahnawake goes back a number of years. Negotiations started several months ago between the Government of Quebec and Mohawk representatives, but Quebec is still waiting for a proposal from the Mohawks.

The approach taken by the Quebec Minister, Mr. Savoie, when the road blocks were set up, and his role in subsequent negotiations was most welcome. Thanks to the Minister, there were no unfortunate incidents and there was no violence in Kahnawake.

However, the problem with the Mohawks has yet to be settled, and we cannot tolerate unlawful sales on their territory. Today, the governments of Canada and Quebec are to negotiate with them to reach an agreement.

Mr. Speaker, we all know that these negotiations are difficult and complex, but they are necessary.

* * *

[*English*]

INTERNATIONAL LABOUR ORGANIZATION

FINDING ON BRITISH COLUMBIA BILL 19

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, now that the International Labour Organization has ruled that Bill 19, passed by the British Columbia Government, is overtly restrictive and unacceptable in a free and democratic society, it is incumbent upon the Prime Minister (Mr. Mulroney) to meet with Premier Vander Zalm to have the Bill withdrawn as soon as possible.

The Bill severely tips the balance in contract negotiations towards employers and robs trade unions of the right to collective bargaining without government interference. It virtually eliminates any opportunity of developing an atmosphere of positive and healthy relations between labour and management in the Province of British Columbia.

Since the federal Government interacts with the ILO on behalf of the provinces, it is now appropriate and necessary for it to intervene with the British Columbia Government to ensure that the spirit and substance of the ILO decision are implemented in full. The future of progressive labour-management relations in British Columbia now lies with our Prime Minister and I urge him to act expeditiously.

* * *

ENVIRONMENTAL AFFAIRS

NIAGARA RIVER POLLUTION

Mr. Joe Reid (St. Catharines): Mr. Speaker, national press comment of last week was to the effect that dioxin levels are 10 times worse at the Niagara site. This increase occurred over the past two years alone, according to the latest of many studies. Niagara residents and the millions who use the Niagara/Great Lakes for drinking water are concerned and upset. They are looking to the Government for action, solutions, and money.

Last week the Government announced a massive $100 million plus for the lower St. Lawrence River clean-up. It is well needed and well done. Great for that region. The Minister of the Environment (Mr. McMillan) said in Montreal that the St. Lawrence River has been the subject of countless studies and it was time to act. I agree. It is exactly the same for the Niagara. There have been countless studies, and unacceptable pollution has been well identified. Action and federal money are needed now.

* * *

HEALTH

AIDS DISEASE—FEDERAL FUNDING

Ms. Sheila Copps (Hamilton East): Mr. Speaker, it is a real shame that people have to burn a Minister in effigy before they get action on an issue as serious as AIDS. However, the pleas and entreaties of the Opposition and thousands of people across the country have finally borne fruit. We are expecting the Minister to announce today a $129 million grant over five years, including $48 million for public education, $35 million for research, $20 million for innovative community projects, $10 million for training in health, and $6 million for international activities.

However, I ask why the Minister is afraid to make this announcement in the House. Why is he, as we say in the jargon, low-balling it? Is it because he has no problem talking to Canadians about health concerns like smoking and family violence, but for some reason he cannot even deal with the word AIDS? He should follow the example of the Premier of Ontario who has shown some leadership in talking to our young people and our communities about this dreaded disease. He did not hide in a small group and make an announcement hoping that no one would hear about it.

Canadians should hear. We need public education if we are going to stop AIDS. I congratulate those groups who finally forced the Minister, hopefully, to wake up when he makes his announcement in about 45 minutes.

* * *

• (1415)

TRADE

AUTO PACT—POSSIBLE SCENARIO

Mr. Gordon Taylor (Bow River): Mr. Speaker, here is an interesting scenario. Assume that the Liberals and the NDP secured a slight majority after the next election—heaven forbid—and Prime Minister Turner sent Trade Minister Broadbent to Washington to tear up the trade agreement . . .

"Mr. President . . . er . . . ah . . . ooh . . . er . . . my bosses, Prime Minister Turner and Shirley Carr, told me to tear up this trade agreement . . . " RIP, RIP, RIP "Good-day Mr. President".

"Wait, hold on" said the President. The President took a copy of the Auto Pact from his desk and tore it into shreds. "Goodbye Mr. Broadbent".

The next day the Liberal-Socialist coalition was thrown out of office.

* * *

BANK OF CANADA

INTEREST RATE POLICY

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, the Government's support for Chairman John Crow and the Bank of Canada's high interest rate policy in the name of curbing inflation is strangely reminiscent of the Diefenbaker Government's support of Bank of Canada chairman James Coyne's actions in the early 1960s.

What will the future hold for this Government which is not listening to the many voices calling out for lower interest rates? Interest rates shot up twice in the last two weeks alone.

The Government's policy of pushing our interest rates up causing the value of our dollar to rise is jeopardizing the competitiveness of many of our exports, particularly paper and lumber. In terms of the forest industry alone, the 81-cent dollar will result in a 1988 sales revenue loss of around $900 million.

Given that a number of key leaders in forestry and mining, the Premiers of Alberta, Ontario, and Quebec, Canadians renewing mortgages, the New Democratic Party, and many others are calling for lower interest rates, the Government must change its present course of making the people pay, before the country is driven off the precipice into the next depression.

* * *

ENVIRONMENTAL AFFAIRS

DUMPING OF ITALIAN TOXIC WASTE IN NIGERIA

Mr. Bob Brisco (Kootenay West): Mr. Speaker, recently more than 100,000 tonnes of hot, stinking toxic waste from Italy were dumped in Nigeria in containers which were so hot that workers wearing rubber gloves burnt their hands when trying to handle them.

Nigeria is the very country which sponsored a resolution against such action. That resolution was adopted by the Organization of African Unity. Nigeria is the present recipient of these pollutants from the United States and Europe.

Canada must lead the way in bringing a halt to this practice of the poorer countries of Africa being prepared to receive the pollutants of other nations on the basis of a cash return. The returns in terms of health are going to be horrendous.

ORAL QUESTION PERIOD

[*English*]

DISASTERS

1985 GANDER AIR CRASH—FBI INVESTIGATION

Mr. George Baker (Gander—Twillingate): Mr. Speaker, I have repeatedly, in this House, asked the Government for a new investigation into the Gander air disaster of December 12, 1985, that killed 256 people. The Government has repeatedly responded that we should wait for the final report of the Canadian Aviation Safety Board.

It is becoming increasingly clear that the Canadian Aviation Safety Board has been deprived of crucial information on which to base a reliable report.

For instance, through Access to Information in the United States it has been determined that the FBI was sufficiently convinced of the possibility of an on-board explosion that it launched a world-wide investigation.

Is the Government aware that the FBI conducted this world-wide investigation and questioned pilots and ground crews everywhere this ill-fated aircraft landed? Is the Government further aware that 239 of the 289 pages of evidence ensuing from this investigation were withheld, considered too dangerous to the national security of the United States to be released?

How can the Government accept any report from the Canadian Aviation Safety Board that does not include an examination of this FBI report?

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I understand that my colleague opposite just returned from Washington with some information. We would be more than delighted to meet with him and take any information he has which will assist us in the CASB investigation.

• (1420)

REQUEST THAT ROYAL COMMISSION BE APPOINTED

Mr. George Baker (Gander—Twillingate): Mr. Speaker, it is outrageous that the Canadian Aviation Safety Board would be working on a final report when it lacks so much vital information.

The pilot activated an engine fire extinguisher before impact. That evidence is not in the report. The pilot activated the master fire warning light before impact. That evidence is not available to the Board.

The FBI, according to its own documentation, was denied access to the crash site. A Major General in the U.S. Army tried to order a bulldozing of the entire crash site the day following the crash, before any investigation could take place.

My supplementary question is directed to the Prime Minister. How can the Government contemplate accepting a report that excludes the opinions of the four aviation experts on the Board, that excludes the autopsy reports, that excludes the eye witness accounts, and that excludes any explanation why a CID inspector was on that aircraft, armed, because "he was transporting evidence to be used in a criminal trial in the United States"?

Will the Government appoint a Royal Commission with special powers to examine all of the evidence that is available?

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): With great respect to my colleague opposite, he knows that the final report has not been made. An interim report is out and all parties are making representations on that.

Mr. Boudria: Not all parties.

Mr. Thacker: A final report will then be presented and at that time the Government will make the appropriate choices.

It is also true that the Canadian Aviation Safety Board has a process with an internal separate body to investigate these accidents. We surely want that process to be respected because, after all, it was set up by the previous administration.

STATEMENTS MADE BY CANADIAN AND UNITED STATES GOVERNMENT REPRESENTATIVES

Mr. George Baker (Gander—Twillingate): Mr. Speaker, on December 12, the day of the crash, the Pentagon's chief spokesman, Robert Sims, said: "We have no indication of explosions prior to the crash or of hostile action".

On December 12, the day of the crash, White House spokesman, Larry Speakes, said: "No evidence of sabotage or an explosion in flight".

On December 12, the day of the crash, our Minister of Transport said that "we have no indication at all foul play took place".

On December 12, the day of the crash, the U.S. Defence Department said: "There was no evidence of sabotage".

The question that comes to mind in the wake of this instant wave of denials is obvious. How was it possible before there was any investigation at all for the Government of Canada and the Government of the United States to make such emphatic and identical declarations? Was it because the Government of Canada was acting in consort with the Pentagon?

Mr. Mazankowski: Nonsense.

Mr. Holtmann: Get serious.

Mr. Baker: Does the Minister not realize that unless he appoints a Royal Commission or judicial inquiry the Government will be seen to be part of a cover-up to the real cause of the crash in Gander?

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, it is clear that the Opposition, as they often do, are trying to anticipate a result to get some political benefit themselves.

We have a lawful and legitimate process that takes it out of the political realm and puts it into the hands of professional investigators, supervised by a board. I think we should respect that process that Parliament has set up and which has served us very well.

CANADIAN AVIATION SAFETY BOARD—REPORT OF DISSENSION

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, the Parliamentary Secretary just told Parliament that we should respect a professional investigation conducted by an independent board. The former Minister of Transport, the Member for St. John's West, retained one John Sopinka, recently named to the Supreme Court of Canada, to investigate the operation of the independent professional board to which the Parliamentary Secretary just referred.

In a report given to the former Minister of Transport on February 3, 1988, Mr. Sopinka referred to division and conflict within the Board, between the Board Chairman and the Executive Director of the Canadian Aviation Safety Board. He said this:

> The result of this dissension is that many members of the Board feel powerless to carry out their mandate. On occasion some of the Board members have been unable to obtain investigation of facts which they consider essential in order to carry out their function.

Given the evidence brought forward to the House by the Member for Gander—Twillingate, and given this damning indictment of the operation of the Canadian Aviation Safety Board, will the Deputy Prime Minister tell us how he can refuse today to grant a full public commission of inquiry into the tragic event that led to the loss of so many lives in Gander, Newfoundland?

• (1425)

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, it is true there has been a bit of dissension within the CASB, but it is also true, and my friend opposite knows, that the next major initiative of the Government is a Transportation Accident Investigation Board which will complete the whole reorganization of transportation. It will leave the NTA with economic regulatory reform. It will leave the Minister with the minimum safety requirements, and there will be a new Transportation Accident Investigation Board for air, rail, and marine, which will independently investigate any accidents.

It will have the appropriate powers and the appropriate division of responsibility between the board and the professional investigators.

Mr. Tobin: Mr. Speaker, what we have just heard from the Parliamentary Secretary is an admission that the Canadian Aviation Safety Board was incompetent to carry out a proper investigation, an admission that conflict existed and that the work of the Board was not being done. That is the report of Mr. Sopinka, now named to the Supreme Court of Canada.

REQUEST FOR PUBLIC INQUIRY

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): In addition to the reference to the operation of the Board and the conflict within the Board, Mr. Sopinka went on to say in his report to the former Minister of Transport this year, just a few months ago:

> Finally the view in the industry is that the competence of the investigators and the quality of their investigations and reports has deteriorated in recent years. Some feel that there is insufficient investigation of human factors and that the board lacks technical expertise . . .

Given this report by John Sopinka to the former Minister of Transport in February, and given the information and evidence brought to the House today by the Hon. Member for Gander—Twillingate, I again ask the Deputy Prime Minister, a former Minister of Transport, given his own statements in 1979, that whenever there was a question, whenever there were mysterious circumstances, whenever there was a lack of public confidence, he called for a full public inquiry, will he call a full public inquiry into this whole sorry mess and tragic loss of life?

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, our colleague opposite has shown his usual great imagination in framing his question and preamble. The answer lies in the Transportation Accident Investigation Board.

Ms. Copps: Oh, come on, that's ridiculous.

Mr. Thacker: The interesting point is whether the Opposition will stall that new board and delay and filibuster—

Some Hon. Members: Oh, oh!

Mr. Holtmann: That's what they will do.

Mr. Thacker: —or will the Opposition give us that Bill in one day, because that will solve the problems.

* * *

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—WORDING OF PROPOSED U.S. LEGISLATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. It involves his Chief of Staff, Mr. Burney, and the free trade agreement. The proposed wording of the free trade legislation, as jointly drafted by the U.S. Senate and the House of Representatives, includes a clause pertinent to the interim period during which time a working group of Canadians and Americans is to determine the issue of subsidization. The wording is:

> Any U.S. industry may petition USTR—
>
> That is the United States Trade Representative.
>
> —if it competes directly with imports subsidized by the Canadian Government and is likely to experience a deterioration of its competitive position before the working group develops more effective rules and disciplines concerning the use of Government subsidies.

Some Hon. Members: Come on!

Some Hon. Members: Order!

Mr. Broadbent: The Prime Minister is paying attention even if some of his back-benchers are not. The clause goes on to say that very specific action may be taken against Canadian exports in the interim.

Was Mr. Burney sent to Washington this morning to meet with representatives in the U.S. to discuss very specifically this proposed wording in the U.S. legislation, because it appears to single out Canada for special unfavourable action during the interim period, giving U.S. industry additional weapons to use against Canadian exports? Is that the reason Mr. Burney was dispatched?

Right Hon. Brian Mulroney (Prime Minister): No, Mr. Speaker, that is not the reason. The reason is for an opportunity for Mr. Burney, as agreed, to compare notes with the American administration with respect to our obligations to bring forward legislation before our respective Legislatures, and an undertaking to consult to ensure that, to the extent humanly possible, we avoid inadvertent incompatibilities with respect to the drafting of that legislation.

• (1430)

With respect to any specific question my hon. friend has based on that document, I would be happy to examine it. But the free trade agreement did establish a working group to develop over the next five years some effective rules for dealing with trade distorting subsidies. In the meantime we have improved our security of access through a binding bi-national dispute settlement mechanism.

I am not sure if that deals directly with the question my hon. friend raised on substance or not, but I would be happy to examine the document and respond with greater precision.

PRIME MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I would certainly not expect that it would be unreasonable to expect the Prime Minister to have before him the particular clause that I am referring to, or even conceivably the detailed knowledge of that particular clause. Since Mr. Burney is involved and he is the Prime Minister's Chief of Staff, and there is a wire story that is just now out alluding to Mr. Burney's trip being related to the question that I just asked, I want to ask the Prime Minister if he will deal with this in general terms.

Has he discussed in his office with Mr. Burney, or with the Minister who is responsible for trade, a possible interpretation of this clause that would give the United States additional powers *vis-à-vis* Canadian industry that could be used in an unfavourable way against Canadian industry during the next five-year period until the issue of subsidies is settled? That is the story that is out. The wording which I have just quoted is potentially quite alarming. Is the Government concerned about that issue?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend asks whether we discussed this matter and whether Mr. Burney was dispatched in regard to the question raised. The answer is no.

We assume that the legislation that emanates on both sides will be consistent with the free trade agreement. It is further stated that any inconsistencies at variance with the free trade agreement would be unacceptable.

I can point out to my hon. friend that Mr. Burney is down there with a group of officials pursuant to an agreement—not an unusual one—reached at the Washington Summit a few months ago when I was there. It was agreed that at a mutually acceptable time prior to the Toronto Summit both sides would meet to try to compare notes in respect of ongoing trade matters and preparations for the Toronto Summit. That is

what my Chief of Staff is doing there with a group of Canadian officials today.

POSSIBLE EFFECT ON CANADIAN EXPORTS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, if the Minister for International Trade were here I would be asking him about this matter, since he is the Minister responsible for negotiations. It has already been conceded that there are some real concerns about what has emerged from Washington in recent weeks, but the Minister has decided to hold off complaining until after the deal is finished, and then take a countervailing action if necessary.

Some Hon. Members: Oh, oh!

Mr. Broadbent: I want to ask the Minister of Finance—

Mr. McDermid: He didn't say that.

Mr. Broadbent: That is exactly what he said. So pay attention to what he said. Just try it.

Mr. Nystrom: McDermid, take a valium.

Mr. Broadbent: I would like to ask the Minister of Finance, since he is obviously interested in the trade deal, has his Department had a look at this proposed clause which has been agreed to, Article 1907, by both the U.S. Senate and the House? Is it the interpretation of the Finance Department that this gives additional weapons to U.S. industry that do not even exist now in terms of existing relations between Canada and the U.S., and if acted upon could single out Canadian exports for special targeting during the next five-year period? Has the Department of Finance expressed any concern about this?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker—

Mr. Broadbent: Thanks!

Mr. Mulroney: I understand the question is to the Minister of Finance, but it is exactly the same as the one that was addressed to me.

Mr. Broadbent: No. I asked him if his officials were looking into it.

Mr. Mulroney: The officials work for the Government of Canada. As the Leader of the Government of Canada, I have already informed the Leader of the NDP that that was not the reason why Mr. Burney was dispatched.

Some Hon. Members: Oh, oh!

Mr. Mulroney: The question was asked. I have provided the answer. I am happy to provide it again, and give my hon. friend those assurances.

CONTENT OF U.S. IMPLEMENTING LEGISLATION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I would like to ask the Prime Minister a supplementary question on this matter.

Two weeks ago we asked the same question in the House of the Minister for International Trade, considering the fact that the United States legislation implementing the Canada-U.S. trade deal was introducing a brand new system of trade action that would be used to harass Canadian exporters by defining a subsidy, monitoring, and giving the President greater discretion and freedom of action. We thought we had some satisfaction that, finally, the Government was responding by sending Mr. Burney. I now hear the Prime Minister saying that that is not the reason why Mr. Burney is there.

I want to ask the Prime Minister this. Considering that the U.S. legislation that has been accepted by both the Congress and the Senate has stated clearly that there will be a brand new process for monitoring Canadian exports, determining subsidies and taking unilateral action, why does the Prime Minister not instruct Mr. Burney this afternoon while he is in Washington to tell the U.S. officials that that is totally unacceptable, and we will not accept that kind of legislation?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, why would the Hon. Member say that I had indicated that that is not the reason why Mr. Burney is there?

Mr. Axworthy: Because you said so.

Mr. Mulroney: I said quite the contrary, that Mr. Burney was there both on trade related matters, as agreed, in answer to a question by the Leader for the NDP, and on matters relating to the Toronto Summit. Clearly, if there are matters that arise the Chief of Staff and trade officials will be dealing specifically and helpfully with them.

My hon. friend will not be surprised if, in terms of the congressional procedures, irritants and difficulties arise in such a complex undertaking. It is our responsibility to ensure that whatever they are they are consistent with the free trade agreement. Failing that, they would not be applicable.

Mr. Burney will of course be dealing with matters of that nature, and I so indicated.

CANADIAN SOVEREIGNTY AND SECURITY

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my supplementary question is for the Prime Minister.

We have the clear legislative language that will set up this new system for taking trade action against Canada. We have the U.S. administration saying that the dispute settlement mechanism is unconstitutional, unless the President has the opportunity to interfere in it, thereby politicizing that dispute settlement mechanism.

Concerning those two major points, I ask the Prime Minister this. Will he give a guarantee to the House today that he will

not force through trade legislation on the floor of the House, as the Minister says, within five days, until we have had a clear and unmistakable assurance that there is nothing in the U.S. trade Bill that will contravene that agreement or that will ask the Canadian Parliament to put at risk the sovereignty and security of this country, because the U.S. is taking major advantage without providing any kind of reaction or change by the Government? Why are you asking this Parliament to pass a blank cheque?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker—

Some Hon. Members: Oh, oh!

Mr. McDermid: The Government is not doing anything of the sort. The Hon. Member in his preamble made three points. All of them were totally incorrect and misleading. He stands there and says that we are trying to ram through this legislation in five days.

Mr. Axworthy: Five days of debate, that is ramming through.

Mr. McDermid: In our system of Government, and the Hon. Member has been around here long enough to know, there are various steps that a Bill goes through. The first step is first reading, which we have had. The second step is second reading. Then it goes into committee, and then into report stage. That is not all taking five days.

The Hon. Member knows that and he should not be spreading that garbage around the country.

* * *

CANADA POST CORPORATION

BLOOMFIELD STATION, N.B.—USE OF PROPANE TORCH TO OPEN SUPERMAILBOXES

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my question is for the Minister responsible for Canada Post. Yesterday, when my Leader asked the Minister responsible for the Post Office about the closure of the post office in Topley, British Columbia, the Minister responded by saying that the people served by these post offices are getting better service today, and that situation will continue in the future.

I want to ask the Minister today about Bloomfield Station, New Brunswick, where the post office was closed on October 31, 1987. The people of that community now have to travel 12 kilometres to another community to receive postal service. The Atlantic division of Canada Post has supplied to the contractor who delivers the mail to the superboxes a propane torch to be able to open those mailboxes when there is a north-east wind blowing.

Some Hon. Members: Oh, oh!

Mr. Keeper: I would like to ask the Minister if that is his idea of better service for rural Canada.

• (1440)

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, since I did not get any prewarning of that question of course I cannot answer it. But I can answer about Topley, British Columbia, which matter was raised by his Leader yesterday.

The Postmistress sold the store which contained the post office to her daughter. Canada Post tried to get the daughter to accept a retail post office—

Mr. Broadbent: For $1,200 a month less.

Mr. Andre: The daughter refused. On May 31, Canada Post signed to have a retail postal outlet with the Whispering Pines Motel. The service is to start July 1. In the interim the group mailbox service is being provided.

Previously in that post office it received revenues of $8,000 a year but it was costing $22,000 a year.

Some Hon. Members: Oh, oh!

Mr. Andre: That kind of thing perhaps makes sense to the New Democrats, but it does not make sense to anybody with any common sense.

[*Translation*]

REQUEST THAT RURAL POSTAL SERVICE BE IMPROVED

Mr. Cyril Keeper (Winnipeg—North Centre): Mr. Speaker, my supplementary is for the Prime Minister, and it isn't funny.

When the Government has reached the stage where it is paying for full-page adds in the media to defend a postal policy that is a disaster for rural Canada, isn't it time to take the "torch" away from Calgary East and Canada Post and give rural Canada a decent chance of having a good postal service?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I understand from press reports that the CLC has financial problems. It is having to lay off employees, something which Canada Post is not doing. In spite of that, the CLC is taking $2 million of its members' fees and using that money on a campaign opposing Canada Post.

If the Hon. Member is really concerned about equity and fairness, he ought to come to the defence of the employees, the union members of the Post Office, whose moneys are being taken and inappropriately and quite possibly illegally being spent to harass the Post Office with these protests.

I can understand the Hon. Member's frustration because there have been a couple of polls in Manitoba, one in terms of users of franchise operations which shows a 94 per cent approval rating, and another poll of rural outlets which were converted to retail postal outlets where the approval rating is

86 per cent. With that kind of an approval rating, I can understand why the Member is so frustrated at what is happening.

* * *

FAMILY VIOLENCE

OPERATING EXPENSES OF NEW SHELTERS FOR ABUSED WOMEN AND CHILDREN

Mrs. Mary Collins (Capilano): Mr. Speaker, my question is for the Minister of National Health and Welfare or his representative. We certainly welcome the Minister's $40 million initiative to fight family violence, including $22 million for new spaces for short-term emergency housing for abused women and children.

Some Hon. Members: Hear, hear!

Mrs. Collins: There already are a number of agencies across the country providing crisis housing, many of which are having difficulty meeting their ongoing operating expenditures.

What provisions have been made under this new program to ensure adequate operating moneys for these new shelter spaces, and if these funds would be dependent upon provincial cost sharing, what assurances does the Minister have that the provinces will pay their fair share to ensure the success of the program?

[*Translation*]

Mrs. Monique Tardif (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I am very glad the Hon. Member for Capilano mentioned the announcement made yesterday by the Minister of National Health and Welfare and the Minister responsible for the Status of Women.

It's good news for all Canadians. The federal Government has decided to take the lead on this issue, and the Hon. Member's question was about how the costs will be shared. As far as construction of new shelter spaces is concerned, the federal Government, through the Canada Mortgage and Housing Corporation, will be able to pay the full cost.

Maintenance costs, however, come under the Canada Assistance Plan, and the federal Government will pay its share, which is 50 per cent of the cost.

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF SOVIET AND CANADIAN MEMBERS OF THE POLAR BRIDGE EXPEDITION

Mr. Speaker: I wish to draw to the Members' attention the presence in the gallery of the nine Soviet and four Canadian members of the Polar Bridge Expedition who completed their 90-day trek from the shores of the Soviet Arctic to Ellesmere Island National Park in Canada on June 1 via the North Pole.

Some Hon. Members: Hear, hear!

* * *

FAMILY VIOLENCE

SECOND-STAGE HOUSING FOR BATTERED WOMEN

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is addressed to the Prime Minister. Yesterday we heard that the Government will not provide the money for second-stage housing for battered women and their children.

The Minister responsible for the status of women admitted yesterday that some women must escape to short-term shelters again and again after being forced to return to an abusive home by the lack of any alternatives. How can the Prime Minister justify this lack of funding for a long-term alternative to a life of pain, humiliation and fear, especially when his Government has cut 25,000 social housing units this year?

[*Translation*]

Mrs. Monique B. Tardif (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, today the Hon. Member opposite is criticizing the quite considerable efforts made by this Government. If the previous Government had done the same, Mr. Speaker, we would not have the situation we have now. At the present time, we have 1,100 units in Canada to alleviate this problem. Yesterday, the Government announced it was adding 500 new housing units to the existing "bank" and that the new units would be financed with funds currently available to the Canada Mortgage and Housing Corporation, so that construction can proceed as soon as possible.

Mrs. Pépin: Mr. Speaker, I merely wish to point out that although these new units are very welcome, this is short-term housing. The problem is with second stage housing, and there are only 12 units per province.

OPPORTUNITY FOR ABUSIVE LIVING PARTNER TO LEAVE CONJUGAL HOME

Mrs. Lucie Pépin (Outremont): My supplementary is this: I wonder why the Government doesn't introduce a policy that would oblige husbands or spouses who abuse their wives to seek shelter outside the couple's home and undergo compulsory

therapy. Why not oblige husbands to leave home instead of putting the onus on battered wives?

Mrs. Monique B. Tardif (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, in the budget announced yesterday, certain funds will be allocated to the Department of Justice, to the Solicitor General's Department, in an attempt to respond to certain other needs.

I would like to mention a few statistics, Mr. Speaker. The average number of days for shelter stays in this country is fourteen days. All things considered, we can say that with the number of housing units available at the present time, 57,000 individuals can be assisted annually. With the housing bank, we expect 25,000 additional spaces will be available and perhaps better services for all concerned.

* * *

[*English*]

FINANCIAL INSTITUTIONS

PROPOSED ESTABLISHMENT OF FINANCIAL SERVICES OMBUDSMAN POSITION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs in the absence of the Minister of State for Finance since the Minister has a direct responsibility and a legislative one for the benefit and welfare of consumers.

It is reported that the Minister of State for Finance is ready to embrace the NDP proposal in the bank service charges report—

Some Hon. Members: Hear, hear!

Mr. Rodriguez: —for a financial services ombudsman who will be accessible to all consumers through a toll free number from coast to coast.

The Minister for Consumer Affairs has responsibility for consumers and he talks to the Minister of State for Finance. Is the Minister also prepared to support, in his discussions with the Minister of State for Finance, the NDP's further proposal that a financial services ombudsman ought to be independent and autonomous, someone who would combine the functions of referee and advocate? Is he prepared to support that proposal?

• (1450)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not recall ever seeing this Government embracing the NDP. I don't know what the Member was thinking about, and I do not think my colleague, the Minister of Consumer and Corporate Affairs, did. Let's keep our distance.

Some Hon. Members: Oh, Oh!

Mr. Wilson (Etobicoke Centre): I think the Hon. Member is referring to the report in *The Toronto Star* today about an interdepartmental committee review. That interdepartmental committee review covered a number of things. It covered disclosure of fees in respect of opening accounts, the issue of pre-notification and a number of options like that, not what the Hon. Member has just referred to.

I commented on this in the House on Monday. We are in the course of looking at this committee report. We have indicated we welcome the report, but when we are ready to make announcements as to precisely what elements of the report we will be accepting, we will be advising the House.

FINANCE COMMITTEE RECOMMENDATIONS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I do not know why the Minister of Finance does not want to claim paternity for this recommendation of the NDP. He has embraced our minimum tax recommendation, and he has been known to embrace certain NDPers personally.

Some Hon. Members: Explain!

Mr. Rodriguez: Politically speaking.

It is also recorded that bureaucrats in the Minister of Finance's office are objecting to many of the good ideas, proposals and recommendations of the Finance Committee. I might point out to the Minister of Finance that those are supported by Members from all sides of the House. Will the Minister support the concept of a free vote on the Private Member's Bill put forward by the Hon. Member for York—Scarborough which incorporates the recommendations of the Finance Committee's report? I can assure him that we on this side of the House will support that kind of an initiative.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, tomorrow night is my nomination meeting and I would appreciate it if the Hon. Member would not talk about me personally embracing any New Democrats.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): I think the important thing about this committee report is that the report has been done in a non-partisan way and there are some good elements in the report which we want to study carefully before we accept or reject them. I know the Hon. Member is anxious that we move on this, but it has been only two days since the report was tabled, and I think that if he exercises his normal patience and forbearance we will be able to have a response to this report and we will advise him through the House in the ordinary course when that happens.

PUBLIC WORKS

BRIBERY ALLEGATION—RCMP INVESTIGATION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Minister of Public Works and concerns the allegations of Mr. Glen Kealey of the MICOT office tower project in Hull. Yesterday in the House the Minister said that Mr. Kealey had been speaking to the RCMP and that the matter was under investigation.

I spoke to both the RCMP and Mr. Kealey who will be giving a statement to the RCMP only next week which may then result in an investigation. Can the Minister explain the contradiction between his answer and the facts? Who is investigating? It is not the RCMP. Is it an internal investigation of Public Works, or is it simply the investigation by Mr. Jarvis of the Conservative Party referred to in today's newspapers?

Hon. Otto Jelinek (Minister of Supply and Services): Mr. Speaker, as the Hon. Member can see, the Minister of Public Works is not in the House. He is in Montreal on government business.

I would like to repeat what the Minister said yesterday and what is my understanding today which is that, whether Mr. Kealey has spoken to the RCMP or not, the RCMP in fact is investigating the situation, and as a result it would be inappropriate to make any further statements in this regard.

[*Translation*]

MICOT PROJECT—PROMOTER KEALEY—GOVERNMENT POSITION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, in his reply yesterday, the Minister also tried to discredit Mr. Kealey's testimony, saying he had been terminated as promoter of the MICOT project. Why did the Minister forget to tell the House yesterday that Mr. Kealey was a member in good standing of the Conservative Party, a member of the Conservative Party's executive in the riding of Hull-Aylmer, a member of the 500 Club, a party organizer and owner of one-third of the shares in the MICOT project . . .

Mr. Malépart: A friend of Brian!

Mr. Boudria: . . . a project worth $157 million. Was it just an oversight?

[*English*]

Hon. Otto Jelinek (Minister of Supply and Services): Mr. Speaker, neither the Minister of Public Works, myself, nor anyone on this side of the House is trying to cover up anything, as opposed to what the previous administration used to do in these instances. The main reason the Minister did not make any references in that regard yesterday is because he is respecting the review by the RCMP that is taking place at this time. I hope the Hon. Member would do likewise.

CONSUMER AFFAIRS

MAGAZINE'S TESTS OF SAMURAI JEEP-TYPE VEHICLE

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. Tests by the U.S. *Consumer Reports* magazine have determined that the Samurai, a four-wheel-drive jeep-type vehicle made by Suzuki, overturns on dry pavement at speeds of less than 40 miles per hour and it has asked the U.S. Government to order it to be taken off the market.

Since this vehicle is being marketed to young people and has already resulted in eight deaths in the United States because of rollover accidents, will the Minister take steps on behalf of Canadian consumers who are unaware of its defects to have the Suzuki taken off the road, and compensate those persons who have bought these clearly defective vehicles?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I was not aware of that study by the American consumers' union, but I hear the representation of the Hon. Member and I will certainly have it investigated by my officials.

REQUEST THAT VEHICLE BE REMOVED FROM USE

Mr. David Orlikow (Winnipeg North): Mr. Speaker, we have spoken to the Canadian Automobile Association. It has informed us that it wants all drivers of this type of jeep utility vehicle to be warned that the vehicle is inherently unsafe. Despite this risk, consumers are unknowingly buying these Samurais and despite their being the only vehicles rejected by *Consumer Reports* ratings in the past 10 years.

Will the Minister intercede on behalf of these consumers and get the Samurai off the road, and at the same time ask why Transport Canada does not have a stability testing standard for these kinds of vehicles?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, as I indicated in my first answer, I hear the representation of the Hon. Member. I could have had a more complete answer for him today if he had given me some notice that he intended to ask this kind of a detailed question. However, I hear his representation and I will refer it to officials for appropriate action.

* * *

[*Translation*]

REGIONAL ECONOMIC DEVELOPMENT

QUEBEC'S SHARE—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, in Quebec we are going back to the time of Duplessis. As you know, there will a by-election in Lac-Saint-Jean, and while the Tory candidate makes announcements in Montreal,

the Minister of Regional Industrial Expansion, according to the press release I've got here, is expecting to announce tomorrow that the federal Government will allocate $440 million to Quebec for the various regions over a five-year period. I wish the Minister would explain why the Western provinces, and I have nothing against them personally, received $1.2 billion from the federal Government and the Altantic provinces $1 billion, while Quebec is getting only $440 million?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member mentioned the riding of Lac-Saint-Jean in connection with a by-election involving Lucien Bouchard. He forgot to mention that yesterday, Premier Bourassa of Quebec said that Mr. Bouchard would be an important Quebec presence in Ottawa and that obviously, he hoped he would be elected, and I hope so too.

I agree that we have made some very important decisions in favour of regional economic development in Western Canada and the Atlantic provinces, and we will certainly do the same tomorrow, to the great satisfaction of Mr. Bourassa and, who knows, of the Hon. Member for Montreal—Sainte-Marie.

An Hon. Member: Defeated candidates don't count!

Mr. Malépart: Mr. Speaker, my friend Robert Bourassa may be right when he says that Mr. Bouchard would be a good representative for Quebec in Ottawa, but he overlooked the fact that Mr. Bouchard is running in Lac-Saint-Jean and that he would not be a good representative for Lac-Saint-Jean in Ottawa. What they need is a guy from Lac-Saint-Jean, not a guy from Meech Lake!

• (1500)

CREDITS ALLOTTED TO QUÉBEC—PRIME MINISTER'S POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my supplementary is as follows, and I hope the guy from Lac-Saint-Jean will take care of Lac-Saint-Jean . . . I would like to know, and the Prime Minister failed to answer my question, it is just that $440 million means less than $100 million annually, while under the old agreement, Quebec was to receive $300 million annually. Is that what you call a strong Minister from Lac-Saint-Jean, someone who is going to make Quebec lose $200 million annually? Those are the kind of zeros we don't need!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, for the benefit of the Hon. Member, I feel I must point out that Lucien Bouchard, a great Canadian and a great Quebecer, was born in Saint-Coeur-de-Marie in the riding of Lac-Saint-Jean. He is a valid representative of that riding here in the House, and very shortly he will be able to speak with great pride about his roots here in the House.

I think the document that will be tabled tomorrow, and the project to be announced by the Minister tomorrow in Quebec City, with the collaboration of the Government of Quebec, are important to Quebec's economic development, especially that of the outlying regions that were seriously neglected by the Liberal Government. Mr. Speaker, in concluding I would like to say . . .

[*English*]

I want to tell the Hon. Member, who showed up unannounced yesterday in my office with a sack of something, harassing my receptionist, Betty Green, this. She told the Hon. Member to stick it in his ear, which is the best advice he has received in a long time.

Some Hon. Members: Oh, oh!

* * *

SUPPLY AND SERVICES

WESTERN PROCUREMENT EXPENDITURES

Mr. Don Ravis (Saskatoon East): Mr. Speaker, my question is directed to the Minister of Supply and Services. As the Minister is well aware, his Department spends approximately $1 billion a year on procurement in the west. However, this is approximately one-third of what the west deserves on a proportionate basis.

The western directorate of the Department indicated in Calgary that the Department is eager to add to its procurement list of expenditures. Can the new Minister indicate what steps he is prepared to take to ensure that this imbalance is corrected?

Hon. Otto Jelinek (Minister of Supply and Services): Mr. Speaker, in fairness, the west was ignored by previous Governments for some 20 years and there is a lot of catching up to do.

The policy and goal backed by this Government are to bring fairness and equal opportunity to all regions of Canada. Some progress has been made. The west received a 20 per cent increase in procurement orders from last year to this year. My colleagues and I, particularly the Minister responsible for western diversification, are working on building on that success. We hope to be making some pretty good announcements in the very near future so that we can meet our goal of bringing fairness and equality to all regions of this country.

Mr. Speaker: I regret to advise that given the time we will have to close off Question Period.

I have had a request from the Hon. Member for Cumberland—Colchester to address the House very briefly on a personal point of privilege.

PRIVILEGE

SETTLEMENT OF LIBEL SUIT BETWEEN *OTTAWA CITIZEN* AND MEMBER FOR CUMBERLAND-COLCHESTER

Hon. Robert C. Coates (Cumberland—Colchester): Mr. Speaker, on Friday of this week I will celebrate my 31st anniversary as a Member of Parliament.

Some Hon. Members: Hear, hear!

Mr. Coates: It therefore pleases me that today that I have had the only blot on my reputation as a Member of Parliament removed by *The Ottawa Citizen.*

Some Hon. Members: Hear, hear!

Mr. Coates: This has never been a partisan political issue. It has been a personal battle between myself and *The Ottawa Citizen* over the offensive words contained in a February 12th, 1985, article in that paper which states that by visiting a bar in Lahr, West Germany, I had posed a risk to my security and thus the nation's security. Those statements and others relating to security caused me to resign my portfolio for, in my opinion, I could not perform my responsibilities as Minister of National Defence with that cloud, through those words, hanging over my head.

In my view, then and today, that story severely damaged my reputation and libelled me. The fact it has taken three years and four months and many thousands of dollars on my part, and over $1 million on the part of *The Ottawa Citizen* by its own admission, to remove those offensive words indicates the awesome power of the media when they determine they are not going to admit to an obvious libel. The fact they would spend over $1 million to stay out of court on the main issue of the libel makes it absolutely obvious that they knew that by going to court they would have been found guilty of that libel.

However, what it has told me, and tells all Members of this House, is that the media, playing fast and loose with the reputations of Members of Parliament, can with their great wealth and awesome power prevent justice from being done. It is often said that justice delayed is justice denied. In my case that is certainly the fact.

If it had not been for my friends I could not have seen this matter through to this satisfactory conclusion. Without friends I would not have cleared my name. *The Ottawa Citizen* was prepared to use legal tactics to prolong the case by a further two years. That is the reason for the settlement. However, with the removal of the security implications, there is and was no story to write. I must thank Gerald Doucet for his assistance in putting forward an arrangement that allowed individual Canadians to contribute to my defence fund. The Government of Canada made no contribution to that fund.

Point of Order—Mr. Wilson

The Ottawa Citizen makes a point of stating there was no payment made by them to me in the settlement. I never sought financial gain from this libel action. I sought only to have my name cleared, and this has finally happened.

I must thank the Members of all Parties in this House, for they have been both kind and supportive of my efforts to clear my name. I must thank my family for their commitment throughout this ordeal, and it was an ordeal. I also must thank the many lawyers who gave me assistance in this libel action.

What we as Members of Parliament must now face is a concern for the ordinary Canadian who is libelled by the media. If I, with my friends, could not secure my day in court, what chance is there for the ordinary Canadian, if libelled, to secure his or her day in court? There cannot be two levels of justice in this nation, one for the rich and one for the not so rich. However, that in my view is what this libel action has been all about. It is not libel chill but the chilling impact of the awesome power of the media to do what they wish and, because of their wealth, prevent justice from being done.

I would like to take this opportunity to thank Ronald Mitton, the lawyer who handled my case in Nova Scotia from the beginning to the end. I am very relieved and pleased today to be standing in this House and being able to say to you, Sir, that I have cleared my name.

Thank you very much.

Some Hon. Members: Hear, hear!

Mr. Speaker: I want to express to all Hon. Members my appreciation for their courtesy in hearing the statement. I am sure that all of us can understand that on occasions like this there is perhaps justification for some flexibility in the usual application of the rules.

* * *

• (1510)

POINT OF ORDER

CORRECTION TO MEMBER'S STATEMENT

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, yesterday in the House the Member for Regina East (Mr. de Jong) indicated that a certain taxpayer who is having some difficulties also had some difficulties with my office as his Member of Parliament. I want to make it clear in the House today that I am not his Member of Parliament, and he neither lives nor works in my riding. This person did contact my office. I believe that last Friday was the first time we heard from him, but I am not his Member of Parliament nor does he work in my riding.

Tabling of Documents

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to eight petitions numbered as follows: 332-4321, 332-4322, 332-4324, 332-4605, 332-4638, 332-4639, 332-4646 and 332-4679.

[*Editor's Note: See today's Votes and Proceedings.*]

* * *

[*English*]

CANADA-NOVA SCOTIA OFFSHORE PETROLEUM RESOURCES ACCORD IMPLEMENTATION ACT

PRESENTATION OF REPORT OF LEGISLATIVE COMMITTEE

Mr. Anthony Roman (York North): Mr. Speaker, I have the honour to present, in both official languages, the report of the legislative committee on Bill C-75, an Act to implement an agreement between the Government of Canada and the Government of Nova Scotia on offshore petroleum resource management and revenue sharing and to make related and consequential amendments.

[*Editor's Note: See today's Votes and Proceedings.*]

* * *

FILM PRODUCTS IMPORTATION ACT

MEASURE TO ENACT

Hon. Flora MacDonald (Minister of Communications) moved for leave to introduce Bill C-134, an Act respecting the importation into Canada of film and related products.

Mr. Speaker: Is it the pleasure of the House that the Hon. Minister shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

CANADA LABOUR CODE AND PUBLIC SERVICE STAFF RELATIONS ACT

MEASURE TO AMEND

Mr. Geoff Wilson (Swift Current—Maple Creek) moved for leave to introduce Bill C-293, an Act to amend the Canada Labour Code and the Public Service Staff Relations Act (essential services).

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Wilson (Swift Current—Maple Creek): Mr. Speaker, in this day and age Canadian grain producers, indeed Canadians generally, have a right to expect that facilities within the control of the Government of Canada will operate smoothly, efficiently, and without interruption. Indeed, it is not only an expectation but a necessity.

This Bill would prohibit strikes and lock-outs in Crown corporations, transportation and communication undertakings within the legislative jurisdiction of Parliament, and by designated employees and essential services under the Public Services Staff Relations Act. Binding conciliation would be substituted as the remedy in the event of labour disputes.

I urge Hon. Members to support this initiative.

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

* * *

FILM PRODUCTS IMPORTATION ACT

MEASURE TO ENACT

Mr. Ian Waddell (Vancouver—Kingsway) moved for leave to introduce Bill C-294, an Act respecting the importation into Canada of film and related products.

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Waddell: Mr. Speaker, the Bill I am introducing today with respect to film products is in fact the draft Bill produced by the Department of Communications before the trade deal. My Bill would, as would have the Government's Bill, limit foreign companies to importing films which they had either financed or to which they held world rights. This would allow Canadian film distributors to add a modest 12 per cent to their small share of our own market.

The Minister promised this licensing arrangement in her original February, 1987 announcement. The Government

abandoned this policy at the trade deal bargaining table due to pressure from the United States film lobby.

This action shows the kind of humiliation Canadians are being subjected to as a result of this trade deal. The Government should be embarrassed that it has humiliated Canadians in this way. I urge Members of the House to support this Bill, the Government's original Bill, which is now my Private Members' Bill.

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

* * *

PETITIONS

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is my honour to present a petition pursuant to Standing Order 106 on behalf of a large number of constituents who are concerned that the present Government does not have a mandate from the people of Canada to conclude a trade deal with the United States.

They believe that the trade deal negotiated by the Government threatens the very fabric of Canadian political and economic sovereignty since it removes the power of the Canadian Government to control effectively foreign ownership of our economy, to develop Canadian energy resources in the best interests of Canadians, or to equalize the opportunities between the regions of Canada.

Therefore, they are calling upon Parliament to dissolve now to enable the people of Canada an opportunity to accept or reject the proposed trade deal during a national general election.

HOUSING TAX ALLOWANCE IN YELLOWKNIFE

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I have the honour and duty to present petitions signed by the residents of Yellowknife, Northwest Territories, who are extremely concerned that pursuant to Bill C-23 with regard to the northern tax benefit, which was passed on December 19, 1986, the Town of Yellowknife and the residents of Yellowknife have been discriminated against because their housing benefit is to be valued at what is stated fair market value. However, since there is a vacancy rate of zero per cent, and has been for over a decade in Yellowknife, it is very difficult to establish a fair market value.

Therefore, whereas no viable developed rental market exists in Yellowknife and no fair market value can be calculated, these petitioners call upon Parliament to treat Yellowknife the same as the remainder of the Northwest Territories for purposes of the tax treatment of housing benefits in prescribed areas.

IMMIGRATION—SPONSORING OF RELATIVES

Mr. Dan Heap (Spadina): Mr. Speaker, it is my honour and duty to present, according to Standing Order 106, a petition from a number of residents of Spadina and nearby ridings. The petitioners make two requests, one of which the Minister has promised to act upon but has not yet set a date. There has been no action on the other request.

The first request is that unmarried sons and daughters of all ages will be considered as members of the family class of immigrants and that married children and brothers and sisters in the assisted relative class would get 15 points instead of 10 points when assessed for immigration. That is the request upon which the Minister has promised to act but has not yet set a date.

The other request is with regard to the promise of the Minister of Justice two years ago to remove the unfair distinction between Canadian citizens and permanent residents of three years or more in order that both groups would have equal right to sponsor parents of every age.

Whereas these important promises have not yet been fulfilled, the undersigned citizens and residents of Canada call upon this House of Commons to ensure that the Government fulfills its promises now.

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Dan Heap (Spadina): Mr. Speaker, the second petition is also from a number of residents of Spadina and other ridings nearby who point out that the Conservative Government, without a mandate from the Canadian people, is proposing a free trade agreement with the United States which would undermine our sovereignty, hinder the economic development of Canada, and hinder the freedom of Canadian Governments to take economic measures, and has failed to obtain secure access to the American market. Therefore, your petitioners humbly pray and call upon Parliament to dissolve to allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

• (1520)

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Gordon Taylor (Bow River): Mr. Speaker, I have great pleasure in presenting a petition on behalf of some Pentecostal assemblies. This petition contains more than 50 signatures, mostly by Canadians from the Turner Valley area.

Your petitioners humbly pray and call upon Parliament to pass into law legislation that will protect the life of the unborn child from conception and at all stages of development, with the exception of the extremely rare situation when an abortion is performed in order to save the life of the mother.

As in duty bound your petitioners will ever pray.

Motions for Papers

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I wish to advise the House that question No. 331 will be answered today.

[*Text*]

NUCLEAR WASTE DISPOSAL

Question No. 331—**Ms. McDonald (Broadview—Greenwood):**

Has the Government prepared or commissioned any studies related to the decommissioning of the proposed nuclear submarines and, if so, has the Government identified any nuclear-disposal sites or estimated the costs associated with this decommissioning?

Mr. Bud Bradley (Parliamentary Secretary to Minister of National Defence): Preliminary assessments of costs and risks associated with decommissioning and nuclear waste disposal have been initiated. Costs of decommissioning have been evolved to Class D standards (departmental planning approval stage) as required for this phase of the project by Treasury Board. Discussions have been initiated with Atomic Energy of Canada Limited on the subject which indicate that viable technical solutions are available. It is a well-known fact that Canada is in the forefront of waste disposal technology.

Differences in the French and British reactors and fuels make detailed studies of decommissionning counterproductive prior to selection of a country of origin. To put the subject into perspective, the first of the nuclear powered submarines for the Canadian Navy is scheduled for completion in 1986. Assuming a 25 year life expectancy, that first submarine would be decommissioned about 2021. The time frame is such that, once the country of origin has been selected there will be adequate time for the most detailed and complete studies to examine the various methods employed today and those in the development phase with a view to selecting the safest solution.

[*English*]

Mr. Speaker: The question enumerated by the Parliamentary Secretary has been answered.

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

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, would you be so kind as to call Motions for the Production of Papers, Nos. P-9 and P-10 in the name of the Hon. Member for Skeena (Mr. Fulton). He evidently received notice and we had indications that he would be here. If there is no agent willing to act for him, we will let the matter drop and ask that Notices of Motions for the Production of Papers be allowed to stand.

Mr. Speaker: Shall all other Notices of Motions for the Production of Papers be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADA-UNITED STATES FREE TRADE AGREEMENT IMPLEMENTATION ACT

RULING BY SPEAKER

Mr. Speaker: I am now ready to rule on the arguments given some days ago with respect to Bill C-130. In my view, they were excellent arguments.

I wish to advise Hon. Members that the Chair has reviewed all of the points of order relating to Bill C-130, an Act to implement the Free Trade Agreement between Canada and the United States of America. These points of order were raised by several Hon. Members on May 18, May 19, May 30, and again on June 1.

There has been a total of five and one half hours of procedural discussion on the various points raised and I hope that the House will bear with me, as this ruling is somewhat lengthy.

The arguments relate to five general themes: first, the acceptability of the Ways and Means motion relating to the Bill; second, the requirement for asking the House for leave to introduce a Bill based on the Ways and Means motion already adopted when a Royal Recommendation is attached to the Bill; third, the omnibus nature of the Bill; fourth, the fact that the title of the Bill does not list all the statutes to be amended by the Bill; and fifth, the issue that Bill C-130, the free trade Bill, seeks to amend certain Bills which have yet to be passed by the House or receive Royal Assent.

The Chair has decided to deal with the points of order from a thematic point of view for the sake of clarity. First, I will deal with the acceptability of the Ways and Means motion preceding the enabling legislation for the free trade agreement. The Hon. Member for Kamloops—Shuswap (Mr. Riis) and the Hon. Member for Windsor West (Mr. Gray) made their interventions regarding this interesting procedural point on May 18 and May 19, 1988.

[*Translation*]

I should remind all Hon. Members and the public that is watching that Ways and Means is the procedure by which the House of Commons uses its time-honoured constitutional role in providing the Government of the day with the authority to raise revenue to meet national expenditures and to allow it to influence the economy.

[*English*]

The definition of the term "Ways and Means" can be found on page 99 of the Second Edition of the *Précis of Procedure*. It reads:

> "Ways and Means" refers to the process by which the government obtains the resources necessary to meet its expenses, usually by changing the levels of taxation by imposing new taxes, continuing expiring taxes or extending the incidence of taxes.

Further, to quote Speaker Jerome on page 785 of the House of Commons *Journals* of May 19, 1978:

> . . . a Ways and Means motion as the basis of a tax bill is the procedural device used to protect the financial initiative of the Crown.

[*Translation*]

Beauchesne's 5th Edition, paragraph 1 of Citation 516 refers to a Ways and Means motion as:

> a necessary preliminary to the imposition of a new tax, the continuation of an expiring tax, an increase in the rate of an existing tax or an extension of the incidence of a tax so as to include persons not already payers.

[*English*]

In Erskine May, Twentieth Edition, at page 821 is found a summary of items that are covered by a charge upon the people as follows:

> . . . (1) the imposition of taxation, including the increase in rate, or extension in incidence, of existing taxation, (2) the repeal or reduction of existing alleviations of taxation such as exemptions or drawbacks, (3) the delegation of taxing power within the United Kingdom . . .

In addition, Standing Order 84(1), (2), (10) and (11) provides the House with some direction, in that a Minister may table a Ways and Means motion at any time when such a motion is adopted without debate or amendment. Then a Bill based upon the motion's provisions may be introduced.

The Hon. Member for Kamloops—Shuswap argued that the Ways and Means motion relating to Bill C-130 was unnecessary. Careful scrutiny of the Minister's tabled motion, which is appended to the *Votes and Proceedings* of Wednesday, May 18, 1988, reveals the use of such words as "impose", "authorize the imposition", and "revise the provision respecting the imposition".

In the Speaker's view, these words can only be construed as coming under the general definition of a Ways and Means motion that I enunciated earlier.

The Hon. Member also quoted from Erskine May, Twentieth Edition, page 825, saying that motions, including provisions for the alleviation of taxation, are not subject to the rules of financial procedure. This is an interesting point. However, the reference is qualified by a particular practice used in the British Parliament with respect to their financial procedures. A separate Ways and Means motion is often not necessary in the British House, as the general Ways and Means motion attached to their finance Bill is usually sufficient.

The British House has a procedure quite distinct from ours. Their Ways and Means motions are debatable and amendable, ours are not. It is difficult to compare the British practice to ours in terms of process.

Because our procedure does not provide for debate or amendment with respect to the substance of the Ways and Means motion, it is the Minister who decides whether it is sufficiently detailed and clear for Members to understand. But Members have the option of voting against it.

As the Hon. Member for Kamloops-Shuswap has correctly indicated, examples can be found of Ways and Means motions that were both very brief and very detailed. The Chair said earlier that a reading of this motion does reveal the intention of the Minister to introduce a measure to impose or revise the imposition of certain charges upon the people resulting from the free trade agreement between Canada and the United States of America. Consequently, upon reviewing the Standing Orders and the Canadian precedents and practice, I am still of the opinion I expressed last May 18 when I stated, in part, at page 15588 of *Hansard*: "the Ways and Means motion of course is not dependent on the Chair accepting it." Under the orders, clearly, the Minister has the right to act.

[*Translation*]

The minister, in the tabling of his motion and in moving it for adoption, has followed the required procedure and has respected our practice.

• (1530)

[*English*]

There was another point raised by the Hon. Member for Kamloops—Shuswap concerning the limits a Ways and Means motion imposes upon the Members at the committee stage. Erskine May, Twentieth Edition, at page 771, with further comments on pages 838 and 839, gives the general rule concerning amendments to Bills which are based upon Ways and Means motions, and it states:

> . . . bills may, of course, be amended, either by a reduction of the amount of incidence of a charge or by an increase in the stringency of the conditions or qualifications to which it is subjected.

This guideline is expanded upon further in Beauchesne's Fifth Edition, Citations 522 to 534 inclusive. Nevertheless, this rule would appear to be no more restrictive than that used for other types of Bills in that all amendments to any Bill must be relevant and within the scope of the said Bill.

[*Translation*]

Furthermore, whether a bill is based upon a Ways and Means motion or not, it would clearly be out of order to raise a charge beyond the ceiling authorized by the Crown as set out

in the Bill. I refer Hon. Members to citation 523 of Beauchesne's 5th edition.

[*English*]

I must, therefore, declare that the Ways and Means motion relating to Bill C-130 was tabled at the appropriate time and its adoption stands as the necessary prerequisite to the introduction of the said Bill. I wish again to thank the Hon. Member for Kamloops—Shuswap for raising this particular matter and for providing the opportunity to clarify the Ways and Means process.

I will now deal with the second major issue, the necessity of asking the House for leave to introduce Bill C-130 before it was first read on May 24, 1988.

[*Translation*]

On that day, the Hon. Member for Ottawa—Vanier (Mr. Gauthier) raised a point of order to question the procedural acceptability of proceeding to the first reading motion of Bill C-130, an Act to implement the Free Trade Agreement between Canada and the United States of America, before first asking the House for leave to introduce the Bill.

The Hon. Member argued that, even though Bill C-130 was based on a Ways and Means motion adopted by the House on May 19, the Government needed to ask for leave to introduce the Bill because of the Royal Recommendation accompanying it. The Hon. Member for Kamloops—Shuswap concurred with the arguments raised by the Hon. Member for Ottawa—Vanier and pointed out that the precedents indicate that the motion for leave to introduce should be put to the House before the motion for first reading.

[*English*]

At that time the Chair allowed the objections of both Hon. Members and, because of the doubt I had concerning the procedure to be followed, I allowed the motion for leave to introduce the Bill to be put prior to putting the motion for first reading. I also undertook to consider the matter at length and to come back to the House with a reasoned comment on it with the intention of clarifying the complex and little understood matter. I think it would be appropriate at this time to give a detailed explanation of the procedure for the introduction of government Bills.

Generally, a Bill is introduced after a minimum of 48 hours notice. The introduction stage consists of putting to the House the question: "Is it the pleasure of the House that the Minister shall have leave, or permission, to introduce the Bill?" No debate or amendment is permitted at this stage, but a recorded division on the motion may be demanded. Permission to introduce the Bill having been given, the question for first reading and printing is then proposed, again without debate or amendment, and a recorded division may also be demanded on this motion.

The same procedure for introduction and first reading applies to what is referred to as a money Bill. This is a Bill which involves a direct expenditure of a certain sum of public money. Such a measure may not be introduced unless and until it is accompanied by the recommendation of Her Excellency the Governor General as required by Standing Order 86(2), which reads as follows:

> The message and recommendation of the Governor General in relation to any Bill for the appropriation of any part of the public revenue or of any tax or impost shall be printed on the Notice Paper and in the Votes and Proceedings when any such measure is to be introduced and the text of such recommendation shall be printed with or annexed to every such Bill.

The Royal Recommendation has the authority of the Governor General given to her Government to spend money. As described earlier, the preliminary step in the introduction of Bills proposing an increased or extended charge upon the taxpayer, but not proposing to spend money, is the adoption of a Ways and Means motion which then becomes, as stated in Standing Order 84(11), an order to bring in a Bill or Bills based on the provisions of any such motion. No debate or amendment is permitted on the motion to concur in a Ways and Means motion, but a recorded division may be demanded. Upon concurrence with the motion, a second motion for the first reading of the related Bill may then be put to the House without leave to introduce being asked of the House.

Our practice is quite clear. There is no need to ask the permission of the House to introduce such a Bill once the Ways and Means motion has been adopted.

In summary, there is one set of rules relating to ordinary Bills, with or without Royal Recommendations, which require a motion for leave and a motion for first reading. There is a second set of rules relating to Ways and Means Bills which do not contain spending provisions. Such Bills require concurrence in the Ways and Means motion followed immediately by the motion for first reading of the Bill based thereon.

The matter becomes a little more complicated when a Bill, based on a Ways and Means motion, also contains provisions relating to certain expenditures requiring the Royal Recommendation, which is the case of Bill C-130. Such a Bill requires, on the one hand, the adoption of a Ways and Means motion in order for the House to proceed to the next step. On the other hand, because it is accompanied by a Royal Recommendation, the minimum 48 hours' notice must be given in the usual manner and leave must be granted by the House before proceeding to the first reading. Such a case triggers a double procedure, which was the source of my hesitation with respect to Bill C-130, when the House was in fact asked twice to proceed with the introduction of the Bill, once through the acceptance of a Ways and Means motion on May 19 and a second time on May 24 through the regular motion requesting leave to introduce the Bill.

[*Translation*]

The Chair has examined the precedents and the practice since the Standing Orders relating to Ways and Means were changed in 1968, and has determined that the procedure which was eventually followed on May 24, at the suggestion of the Hon. Member for Ottawa—Vanier and the Hon. Member for Kamloops—Shuswap, was indeed the correct one.

[*English*]

Faced with a similar difficulty on January 18, 1984, Speaker Francis had the following to say, which is found on page 526 of the Commons *Debates*:

> ..if a Bill based on a Ways and Means motion with spending clauses requires a recommendation by His Excellency, such Bills, as has been done in the past, should be placed on the Notice Paper with the Recommendation and later transferred to the Order Paper under Routine Proceedings when it can be introduced in the House and given first reading under our usual practice.

[*Translation*]

I must repeat that the procedure followed on May 19 and on May 24, that is the vote on the Ways and Means motion, followed by a separate second vote on the introduction of the Bill, followed by a third vote on first reading, was in accordance with Speaker Francis' ruling and the usual practice of the House.

• (1540)

[*English*]

The Chair would like to remind the House that the complexity and even the necessity of the procedure relating to Ways and Means has often been questioned in the past, for example, by the Standing Committee on Procedure and Organization in its first report presented to the House on December 19, 1985, respecting the Canadian budgetary process. Among other things the committee recommended that Ways and Means motions be abolished, and that tax changes announced at a time outside the budgetary process should be given first reading when they are announced. In its wisdom and in light of the committee's recommendations, the House may well wish to consider further the issues of Ways and Means, in particular in the case of a taxation Bill accompanied by a Royal Recommendation for certain expenditures, the necessity to go through two different procedures for introduction in the House.

These occurrences are infrequent but, unless and until the House decides to clarify this, the Chair will continue, out of an abundance of caution, to follow both procedures and seek twice the permission of the House before proceeding to the first reading stage on such Bills, as was done with Bill C-130 on May 24, even though logically leave to introduce such a Bill appears to be a redundant question.

[*Translation*]

Again, I must thank the Hon. Member for Ottawa—Vanier and the Hon. Member for Kamloops—Suswap for allowing the Chair to give this explanation which, I sincerely hope, has been helpful in better understanding the procedure related to bills based upon Ways and Means motions.

[*English*]

Next, I should like to deal with the arguments that relate to the omnibus nature of Bill C-130.

The Hon. Members for Windsor West, Winnipeg—Fort Garry (Mr. Axworthy), and Kamloops—Shuswap argued on May 30 that Bill C-130, because it seeks to amend 27 statutes, has gone, in the words of Speaker Lamoureux, "beyond what is acceptable from a strictly parliamentary standpoint".

The Hon. Member for Windsor West suggested that the ruling of Speaker Sauvé in 1982 relating to the energy security Bill should not be used as guidance because it was "so brief as to be peremptory". He also referred to the outcome of the 1982 crisis over the energy security Bill whereby the Government proposed a motion dividing the Bill into several pieces of legislation and the House concurred with that proposal. He suggested that the Chair use that decision of the House to establish a precedent of splitting a Bill by a ruling of the Speaker.

The Hon. Member for Kamloops—Shuswap argued a parallel between the decision to split a resolution during the flag debate, made by then Speaker Macnaughton on June 15, 1964, and the splitting of this Bill. He referred to Citation 415(1) of Beauchesne's Fifth Edition which clearly empowers the Speaker to divide a motion which contains "two or more distinct propositions".

In attempting to resolve the issues relating to this Bill and omnibus Bills generally, I believe it might be useful to attempt first to define such a Bill. There appears to be no specific definition in the procedural authorities. The most exact definition the Chair could find and agree with is that given by the Hon. Member for Windsor West, which is found at page 15880 of *Hansard* for May 30, 1988, where he said the following:

> The essential defence of an omnibus procedure is that the Bill in question, although it may seek to create or to amend many disparate statutes, in effect has one basic principle or purpose which ties together all the proposed enactments and thereby renders the Bill intelligible for parliamentary purposes.

The Chair is grateful to the Hon. Member for Windsor West for those words. They have indeed assisted me greatly in arriving at a decision. I believe that his definition will stand the test of time and be useful to the House and future chair occupants for years to come.

[*Translation*]

It might also be useful for the House to address the differences between the Energy Security Bill of 1982 and Bill C-130, now before the House.

[*English*]

In 1982, Bill C-94, an Act to implement the National Energy Program, was a Bill to enact, through several statutes, the policy of the then administration respecting national energy. The scope of that policy was set according to criteria and the parameters as determined by the Cabinet of the day. It met with considerable opposition because parts of the Bill or the policy were objectionable to many Members. The result of the ensuing crisis was the eventual splitting of the Bill by agreement of the House. I wish to underline that it was not by order of the Speaker.

Bill C-130, an Act to implement the free trade agreement between Canada and the United Sates of America, as was pointed out by the Minister of State and the Parliamentary Secretary to the Minister for International Trade (Mr. McDermid) is based on an international treaty between Canada and the United States already made public, and comprises enabling legislation required to make the agreement binding in law. The purpose of the Bill is to enact and implement the agreement. That is the single unifying thread that links all the apparent disparate provisions contained in the Bill and becomes its only object.

Interestingly, Bill C-130 creates no new statutes. The Canada-U.S. free trade agreement, however broad in scope it may be, clearly becomes the four corners of Bill C-130, and as such defines the content and scope of the Bill. There are no doubt many principles in the free trade agreement and some that Hon. Members may differ with, but in the opinion of the Chair the main principle of Bill C-130 is to give force of law to a treaty signed by two sovereign nations.

I believe the House would agree that it is not the role of the Speaker to play broker between two national governments and to decide how best such an agreement might be put to the House. Where would a Speaker begin to divide such a Bill? Which parts of the agreement are independent of the others? At which point does the agreement dissolve if split into too many pieces?

Your Speaker was not at the negotiation table. I would suggest to the House that the Government, which bears the responsibility for the outcome of these negotiations, must equally retain the full responsibility for the manner in which the agreement is presented to the House.

I have stressed these particular questions because I want Hon. Members to know that as your Speaker I spent many hours considering very carefully whether some of the arguments pressed upon me could practically be done.

Canada is unique in its use of omnibus Bills. Although the United Kingdom does adopt such Bills, its legislative practices are significantly different from ours, not least of all because of a much stricter control of time for debate on Bills. In Australia the practice appears to go the other way, that is, its procedures permit the grouping of related Bills for debating and voting purposes. For these reasons the Canadian House of Commons cannot readily rely on precedent elsewhere on these matters. I know that I was urged to look elsewhere. I again want to assure Hon. Members that that indeed was done.

The date when omnibus Bills were first introduced is not certain, but the practice seems to go back as far as 1888 when a private Bill was introduced to confirm two different railway agreements. The first time that a question was raised concerning the reasons why the Government chose to amend three Acts in one Bill was on April 2, 1953.

[*Translation*]

Omnibus bills are introduced by the Government for a variety of reasons. One of the most obvious is to expedite the passage of legislation. Another, is to group all the statutory amendments required for the implementation of a policy under the same bill as was the case in 1982 on Bill C-94, the Energy Security Bill.

[*English*]

In contrast to the reasons given by the Government for using omnibus legislation, the Opposition has argued against the acceptability of certain omnibus Bills. Among the objections cited were the lack of relevancy between the various parts of the Bill, the debate at second reading not addressing a single principle, and the lack of opportunity at second reading to vote in favour of some parts and against other parts of the Bill.

[*Translation*]

Canadian practice regarding omnibus bills has grown significantly over the last forty years. Rulings by Speakers on the admissibility of motions and on points of order have clarified some of the problems associated with omnibus bills.

• (1550)

[*English*]

Members have often referred, as did the Hon. Member for Kamloops—Shuswap, to their ancient privilege to vote on each separate proposition contained in a complicated question. The following passage from page 389 of May's Twentieth Edition is used to support this argument:

> The ancient rule that when a complicated question is proposed to the House, the House may order such question to be divided, has been variously interpreted at different periods . . . In 1888, however, the Speaker ruled that two propositions which were then before the House in one motion could be taken separately if any Member objected to their being taken together.
>
> Although this ruling does not appear to have been based on any previous decision, it has since remained unchallenged. A complicated question, however, can only be divided if each part is capable of standing on its own.

In Canadian practice, this concept is supported by a cornerstone ruling of Speaker Macnaughton on June 15, 1964, in which he concluded that the Canadian Speaker also has the authority to divide complicated motions. After examining precedents in Britain and Canada, he stated on pages 430 and 431 of the Journals:

> To summarize our procedure, it can be said that no clear precedent concerning the dividing of a question can be found in our annals . . . In other words, this would appear to be an unprovided case and ordinarily, under such circumstances, reference is made to current procedure in the British House.
>
> . . . Accordingly, it is my view that procedure which applies in this case is the current procedure used in the British House, one which perhaps has not been used too frequently but which nevertheless must be recognized, and if it is to be observed on this occasion it would appear that the question of the dividing of a complicated motion rests with the Chair.
>
> . . . I must come to the conclusion that the motion before the House contains two propositions and since strong objections have been made to the effect that these two propositions should not be considered together, it is my duty to divide them.

Speakers following Allan Macnaughton have made it clear that the Chair's authority to divide complicated questions only applies to substantive motions and does not apply to motions which relate to the progress of Bills. As Speaker Jerome explained on May 11, 1977, on page 5522 of *Hansard*:

> —there can be no doubt that a motion containing two or more substantive provisions is quite distinct from a procedural motion or a motion which is generally described as having only the effect of dealing with the progress of a Bill. The practice in respect of substantive motions has never been extended to those motions which relate to the progress of a Bill. The use of the omnibus amending Bill is well enshrined in our practices, and I really can find no reason to set aside my predecessor's very clear and sound reasoning, or the practice. Nor can I find any authority which would support an order of the Chair at this second reading stage that the Bill be divided.
>
> I should emphasize as well that the remedy sought by the Hon. Member is not to divide the Bill according to the separate statutes to be amended but by subject matter. Were that to be attempted, it would place before the Chair, it seems to me, questions of interpretation and responsibility for the drafting of an extremely complex order, which in my opinion the Chair ought not to attempt.

This conclusion had already been stated by Speaker Lamoureux on January 23, 1969, on page 617 of the Journals and was also echoed by Speaker Sauvé on June 20, 1983, on pages 26537-8 of *Hansard*.

In conclusion, the Canadian practice regarding the authority of the Chair to divide questions has been reserved solely for substantive motions which contain more than one proposition, where Members object to their being taken together, and the Chair has determined it is possible to divide the motion into more than one distinct proposition.

While some Members may feel that Speaker Sauvé's ruling in 1982 was too brief, one quote from that ruling seems to summarize the Chair's traditional position:

> For my part, in the present circumstances, there seems little point in offering yet another opinion on a question so well addressed by my distinguished predecessors. The matter is there for all to see. It may be that the House should accept rules or guidelines as to the form and content of omnibus Bills but in that case the House, not the Speaker, must make those rules.

The Chair therefore must rule that while Bill C-130 is an omnibus Bill, it has the single purpose of enacting an international agreement amending several statutes. As such, it conforms to our practice and should be allowed to proceed. Until the House adopts specific rules relating to omnibus Bills, the Chair's role is very limited and the Speaker should remain on the sidelines as debate proceeds and the House resolves the issue.

A further point raised by the Hon. Member for Windsor West and the Hon. Member for Kamloops—Shuswap was the insufficiency of detail in the long title of the Bill because it does not list all of the statutes being amended therein. Hon. Members might wish to consult Dreidger's *The Composition of Legislation* Legislative Forms and Precedents for information on this point. This work may not have the same weight as Beauchesne or Erskine May, but it is a respected authority in legislative drafting. On pages 153 and 154 there is an explanation of Canadian practice as it relates to long titles, which clearly demonstrates that every Act being amended need not be mentioned in the title and that the Canadian practice has evolved differently from British practice by the use of generic language. If Hon. Members feel, however, that such a course is necessary, I suggest that they should proceed by way of amendment and not by a decision of the Speaker to reject the Bill. The Chair wonders if including all of the statutes in the title of the Bill would thus make it any more acceptable to those who oppose it.

Finally, the Chair will address the last point which was raised on Wednesday, June 1, 1988, by the Hon. Member for Windsor West. The Hon. Member stated that Bill C-130 now before the House, in certain of its clauses, proposed changes to two other Bills, Bill C-60, the Copyright Act, and Bill C-110, the Canadian International Trade Tribunal Act, neither of which, to date, has received Royal Assent, one of which Bill C-110, is at report stage. In response, the Hon. Minister of State (Mr. Lewis), referring to two decisions by Speaker Lamoureux, indicated that Bill C-130 was properly before the House and that the second reading motion could be put.

[*Translation*]

To begin, I should report to the House upon the status of the two Bills mentioned earlier.

Bill C-60, the Copyright Act, has been adopted by both the Senate and the House and is awaiting Royal Assent.

Bill C-110, the Canadian International Trade Tribunal Act, is on the *Order Paper* at report stage.

[*English*]

On April 20, 1970, Mr. Speaker Lamoureux ruled on a situation somewhat related to the present one involving a Bill which appeared to be dependent upon two other Bills then before the House. Speaker Lamoureux expressed sympathy for the Members' views in part, but at page 6048 of *Hansard* his comment reads as follows:

> —the debate is an interesting one and the argument is not without merit. If it has fault, it is that it might be premature—

Speaker Lamoureux then suggested that the House proceed with consideration of the Bills in question until the third reading stage, at which time procedural arguments should be brought forward if the circumstances warranted further consideration.

Less than one year later, Speaker Lamoureux was again faced with an identical situation which he resolved by stating, in part, on February 24, 1971, at page 3712 of *Hansard*:

> There is . . . nothing procedurally wrong in having before the House, at the same time, concurrent or related Bills which might be in contradiction with one another either because of the terms of the proposed legislation itself or in relation to proposed amendments.

Mr. Speaker Lamoureux ruled that the second reading motion of the Bill could proceed as the House was not giving final approval to the Bill.

On February 5, 1973, Mr. Deputy Speaker McCleave, in deciding upon a similar conflict concerning the third reading

of the unemployment insurance Bill and an appropriation Bill, reviewed the history of events with regard to Bills amending Bills in the same session. Mr. Deputy Speaker McCleave made an interesting observation which I believe is applicable to our situation when he said, in part, on page 974 of *Hansard*:

> —(In 1958) bills to amend the Excise Tax Act and the Customs Tariff were being considered, and, while no decision was made by the Chair, it would be fair to suggest . . . that it was felt at that time that it was not a question of order but rather a matter of how best to achieve logical progression of companion or interdependent bills through the House.

Mr. Deputy Speaker McCleave ruled that the debate should proceed on the third reading motion on the unemployment insurance Bill.

• (1600)

[*Translation*]

Having now reviewed with Honourable Members the available precedents, I must declare that the practice of one bill amending another bill still before the House or not yet given Royal Assent is an acceptable one.

[*English*]

However, if at third reading, circumstances exist whereby the Bill is amending another Bill still before the House, then I would be disposed to abide by Speaker Lamoureux's decision and hear further argument at that time.

There were other issues raised during the procedural debate on Bill C-130 that I will define as side issues but worthy of comment. The Hon. Member for Essex—Windsor (Mr. Langdon) expressed concern about the administrative provisions in the Bill which are not covered in the Ways and Means motion.

Standing Order 84(11) states that "The adoption of any Ways and Means motion shall be an order to bring in a Bill or Bills based on the provisions of any such motion." Several Speakers have made it clear that the critical words are "based on" and that it does not mean "identical to". On those occasions, the Speakers have cautioned the House that "the terms of the Ways and Means motion are a carefully prepared expression of the financial initiative of the Crown and frequent departures from them can only invite deterioration of that most important power". See *Journals* of December 18, 1974, p. 224.

[*Translation*]

The Honourable Member for Ottawa—Vanier (Mr. Gauthier) referred to the opportunity to vote on the separate provisions of the Bill. I must tell him that he is anticipating both the committee and the report stage of the Bill and I am grateful to him for reminding both the House and the Minister of the Speaker's role at the Report Stage. The Honourable Member also suggested that a larger Legislative Committee ought to be appointed in relation to this Bill. That may indeed be desirable, but this is a matter clearly within the scope of the powers of the Striking Committee on which the Honourable Member sits.

[*English*]

Finally, some Hon. Members raised the issue of the constitutionality of Bill C-130. On this point, I can only refer Hon. Members to Citation 240 of Beauchesne's Fifth edition, which reads:

> The Speaker will not give a decision upon a constitutional question nor decide a question of law though the same may be raised on a point of order.

In conclusion, I wish to summarize my decision on the five major themes of procedure raised over the past several days in relation to Bill C-130:

1) the Ways and Means motion attached to the Bill is acceptable and in conformity with Canadian practice;

2) the vote on introduction of the Bill was proper but the Elections, Privileges and Procedure Committee might wish to review the whole matter of Ways and Means;

3) Bill C-130 is indeed an omnibus Bill—it meets the definition as stated by the Hon. Member for Windsor West in that it has a single purpose, while amending various statutes but without further guidance of the House and based on the practice to this day, it should be allowed to proceed without interference from the Chair;

4) the title of the Bill can be amended to be explicit or to reflect the statutes contained therein at the committee stage;

5) the matter of Bill C-130 amending Bills now before the House should be raised at third reading if the same situation still exists.

I do wish to thank all Hon. Members who contributed to the procedural discussion. No doubt, the Chair will be taxed further as this Bill makes its way through the House, but I am deeply indebted to all Members for the manner and the tone of the procedural discussion thus far. I hope Hon. Members will accept that the Chair and others have striven mightily to ensure that all of the important points that were raised have been met and dealt with in this ruling. I regret that it has taken time, but the arguments presented were taken very seriously.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I think I speak for all Hon. Members when I say thank you to the Chair. It is not something we normally say, it is normally implied, but in this case we must be explicit and say that we appreciate the reasoned and thoughtful judgment which you have just delivered.

I appreciate also, as do all of us, that you have been well served by our advisers at the Table, Mr. Speaker. I think it is fair to say that the entire legislative process in this House has been well served by the contributions of my colleagues opposite and those of my Party on this important matter. It is only as we examine issues such as this that we improve the process.

I would also like to thank you, Mr. Speaker, for your comments with respect to the tone of the debate. I compliment

my colleagues opposite. We all had a good run at the procedure, and I think we all found some precedents we did not know were there and learned things through the process. I think it has been very helpful and I do compliment you, Sir.

Hon. Herb Gray (Windsor West): Mr. Speaker, we in the Official Opposition wish to thank you for your most thoughtful and reasoned ruling which has shed light on many previously obscure corners of parliamentary law. However, having listened with interest to the comments of the Hon. Deputy Government House Leader about his commitment to the parliamentary process, I would ask him if he would act on that commitment by withdrawing the motion he has on the Order Paper to suspend the rules and the parliamentary process based on them in order to facilitate the Government's program which he has not been able to manage properly so far.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I too want to rise with my colleagues to say how much we appreciate not only the thoughtful insights you have provided us today as a result of your comments but also your willingness to hear representations from all sides of the House to such a degree that we would all feel that this particular issue has been well aired at this point. While we certainly accept your judgment, I simply say to my colleague, the Deputy House Leader for the Government, that this is simply the first hitter for the first inning.

Mr. Speaker: Perhaps the Chair can respond very briefly and again reiterate how much I appreciate the tone and the manner in which argument was given, and I want to say to some especially in this Chamber that the Chair took away those arguments knowing full well the very great importance that was placed upon them. I appreciate the comments that have been made.

THE ROYAL ASSENT

[*English*]

The Acting Speaker (Mr. McKinnon): Order. I have the honour to inform the House that a communication has been received as follows:

Government House,
Ottawa

June 8, 1988

Sir,

I have the honour to inform you that the Honourable Bertha Wilson, Puisne Judge of the Supreme Court of Canada, in her capacity as Deputy Governor General, will proceed to the Senate chamber today, the 8th day of June, 1988, at 4.45 p.m., for the purpose of giving Royal Assent to certain Bills.

Yours sincerely,
S. Orr
for Anthony P. Smyth
Deputy Secretary, Policy and Program.

GOVERNMENT ORDERS

[*English*]

IMMIGRATION ACT, 1976

MEASURE TO AMEND—CONCURRENCE IN SENATE AMENDMENTS

The House resumed from Friday, June 3, consideration of second reading of, and concurrence in, amendments made by the Senate to Bill C-55, an Act to amend the Immigration Act, 1976 and to amend other Acts in consequence thereof.

Mr. Sergio Marchi (York West): Mr. Speaker, last Friday when I had the floor on Bill C-55, I had just completed addressing what our Party feels are very significant objections we still have to the legislation as tabled in the response of the Minister of Employment and Immigration (Mrs. McDougall) on Friday morning in the House. At the time, there was concern on this side of the House that the Minister was trying to translate what were very minor modifications and amendments with which the Government agreed in the Senate report into very major amendments. She was trying to suggest that the response to Bill C-55 would make Bill C-55 a very different and radical piece of legislation. We rejected that on Friday. We take the same position today.

• (1610)

In resuming debate on Bill C-55, I want to point out that because the Minister had recently assumed the portfolio, there was an expectation that she would address the major hurdles which had faced her predecessors. The expectations on the part of non-governmental organizations were dealt a very significant blow when they heard the Government's response.

Before dealing with the Bill clause by clause or amendment by amendment, I want to place on the record some of the feelings of those non-governmental organizations. I want to point out the degree of frustration they are suffering because of the response from a Government which is obviously still very much opposed to compromising on some very fundamental objections. These objections go beyond philosophy. In fact, according to the legal experts who appeared before the committee, those objections will lie at the centre of the court challenges which may paralyze the legislation. That would really be a problem for the Government because the country was told not to worry, the Government was going to put a new system in place, only to have it tied up in the courts with a possible decision that it is in violation of the Charter or the Constitution.

The Canadian Council for Refugees said the Bill would essentially jeopardize the lives of refugees. B'nai Brith said, "You could not have come up with a Bill more open to legal challenges than if you had tried. This thing is going to be ensnarled in legal challenges for years to come under everything from the Charter of Rights, the Bill of Rights, Canadian law and international." The Coalition for A Just Refugee and Immigration Policy condemned the five amendments as

"politicization of the refugee process and basically meaningless".

Amnesty International announced that its Canadian refugee section will not sit on the proposed consultative committee on refugees which the Minister has in mind. They do not want to participate in a process that is largely window-dressing because the power will really rest with the Cabinet and Government. A Toronto immigration lawyer says, "The Minister has given us nothing at all. It is just another slick packing job by the Government to mislead us again and make it look like there were concessions. If this Bill ever passes, genuine refugees will definitely be put at risk." In a letter to the Chairman of the Senate committee, the Canadian Council on Refugees said, "The Government confirms our worst fears that they will deport refugees without concern for their fate in the country to which they are sent."

That is but a small sampling of commentary from refugee groups and organizations not months ago, when we were studying it in committee, but over the last several days after the Minister tabled her response on the floor of the House of Commons.

In the time I have I would like to deal with the three areas we objected to in my speech on Friday. The first is the prescreening stage. The second is the safe country concept and the fact that the Government and the Cabinet will decide what is safe and who is going to be safe. The third is that the appeal process is very weak at best. I want to formulate the primary objections which are at the heart of the national debate which has been waged over the last number of months. In addition, the Government turned down a number of Senate amendments and I would like to spend some time on those because, while less important than the three principal objections, they are still of deep concern.

Amendment No. 1 deals with duty counsel. The problem was that if counsel is imposed on the claimant too soon, it could mean people that will lose the right to choose their own counsel. Alternatively, counsel might not be given enough to prepare for the hearing. In effect, the Senate wanted to give the claimant some reasonable time in which to choose legal counsel.

I agree that if there are concerns that an individual would take an inappropriate amount of time to choose counsel, then obviously that would be offensive and abusive. When you consider the lengthy backlog, obviously the process cannot be abused in that way. However, neither should the Government rush to remove the ability of a claimant to select counsel. I think that is fundamental to our system of law and justice. People are presumed innocent rather than guilty and they have the right, not the privilege, to choose counsel in order to defend that right.

We also think it is all the more important to try to offer reasonable time to a claimant to obtain counsel because the trauma a legitimate refugee is facing would be very much enhanced otherwise. There might be language barriers or other problems. Therefore, we believe that the amendment to provide reasonable time to a claimant to select counsel is reasonable. We regret that the Government chose not to accept the amendment and we plead with it to see the light and accept the amendment.

Amendment No. 2 deals with the possibility that claimants who did not make their claim at the port of entry would not be allowed to make the claim later on in the process. That situation might disenfranchise them of the right to have their claim heard. The Senate amendment suggested that if there were good grounds for not making the refugee claim at the very outset, perhaps because of a language barrier or some kind of trauma, or because the person did not understand the process, the person concerned would be allowed to continue that claim in the process even though it was not made at the very outset.

• (1620)

The Senate's amendment suggests that if there was a legitimate understanding in the opinion of the adjudicator, the person would be allowed a second chance. It is very important to emphasize the words "in the opinion of the adjudicator" because there is still flexibility. Notwithstanding the approval of the Senate's amendment, the adjudicator would still be able to disallow the individual from pursuing his or her claim.

The Government, for whatever reasons, thought that the person should not be allowed to continue in the process if the individual had not, at the very outset, indicated that he or she had a refugee claim to make. I reiterate to the Government that there are instances of legitimate misunderstandings, fears, apprehensions, or language barriers occurring at a point of entry. That should not preclude a legitimate refugee claimant from making that claim very close to the beginning of the process if not at the very beginning.

The Senate amendment allows the adjudicator to refuse that person if, in his or her opinion, he or she is abusing the system. That discretion is still in the hands of the adjudicator.

We believe that the Senate amendment would have been a good compromise. It would allow the refugee claimant to continue in the process because of the legitimate misunderstanding at the beginning. If the person was in fact abusing the system, the adjudicator would have the discretion to disallow him or her from proceeding any further.

We on this side of the House thought that that particular Senate amendment was a very progressive yet very firm compromise which the Government should have agreed to. It has not. We once again urge the Parliamentary Secretary to take that back to the Minister during this debate to determine whether the Government would be in a position to live with what we think is a very safe compromising amendment for both sides of the equation.

Amendment No. 3 has to do with the safe country concept. As I mentioned on Friday and at the outset of my remarks

today, the safe country concept is a very questionable principle and foundation upon which the Government is building its entire refugee determination system. The problem is that there was no protection in Bill C-55 to ensure that safe countries would accept the people rather than send them on to other countries. The Government has made a change in this clause and is suggesting that it is enough protection for people to be returned to a so-called safe country and enjoy protection or entry into the refugee determination system there.

However, the words that the Government proposes to use say that the claimant would be allowed to return to that country if removed from Canada or would have the right to have the merits of his or her claim determined in that country. There are two problems with that amendment. The first is that the word "return" is weak in terms of ensuring the person's safety. We urged at committee stage and urge again today that rather than "return", "enter or admission" would be much much better for the safety of the claimant.

The second problem is that, in the alternative, to return to that country they would have the right to have the merits of their claims determined in that country. We believe that instead of "or" the word should be "and". If the Government is going to persist with either one, it should include an "and" if it is at all concerned about the safety of individuals rather than sending them into orbit.

We on this side of the House do not like the word "return" because it does not really say very much. In fact, many Governments in Europe have forcibly removed refugee claimants to a safe third country on the basis of the word "return". That is to say, many countries allow a person to return, but that does not mean the country will allow the person to enter the country legally or will admit the person legally. In many cases individuals who are returned to a particular country can be kept in a transit lounge until being removed.

That is why we believe that our previous amendments were correct. The word "return" is simply not good enough. It will not protect the individual from being orbited from one country to the next. We implore the Government, and in particular the Minister, to insist that the word "return" be changed to either "enter" or "admit".

At the end of my remarks on this particular aspect I will be moving an amendment to the Government's proposal to try to modify very significantly the word "return" and to suggest that the clause should be a tandem one, that it should provide for admission and entry into the refugee system in order that we do not send a person back to a country, the refugee system of which he or she does not have access to.

We would have hoped that the Government would have moved much more strongly in this area in terms of ensuring the person's return to a safe country. We on this side do not agree with the concept or principle of safe countries. However, if the Government wishes to include the safe country concept, we ask the Government, at the very least, to have a foolproof method for using the concept. The word "return" is, in our opinion, simply not good enough. We are seeking an amendment to that clause in order to ensure that a person will not be sent back and forth between countries but will have a safe country to return in which he or she will be able to enter the refugee system and receive a fair hearing.

Amendment No. 5 also deals with the concept of the safe country. The problem with Amendment 5, as reported by the Senate, is that in Bill C-55 the suggestion is made that the transit provision of a claimant in another country is only in reference to a person catching a connecting flight. That is to say, the Government has built into its legislation that we cannot consider a country to be safe if a person is only in transit there, connecting with another flight and coming to Canada. If asked which country you last came from, the country in which you changed flights would not be considered a safe country because you were simply in transit there.

The Senate objected to the fact that it only made reference to transportation via an air flight. The Senate wanted to amend that clause to indicate that any country in which you changed vehicles would not be considered a safe country. Whether you were changing planes, boats, trains, or any other form of transportation in a country, it would not be considered a safe country to which that person could be returned.

• (1630)

The Senate wanted to expand that clause not only to include connecting flights, but connections with other modes of transportation. Otherwise, there would be discrimination based on how one got to Canada. A person catching a connecting flight in West Germany could not be considered for return to that country. It should be taken into consideration that the refugee may be in a certain country temporarily to connect to other forms of transportation from that point to Canada, directly or indirectly.

We suggest that this amendment was in keeping with the original intention of the Government. Let us be very clear that if a person is only in transit and simply changing transit in a particular country, that country should not be considered as a safe country for return because that person would have no status there.

That is why we believe amendment No. 5 from the Senate was worth while. We hope the Government will change its mind and make it very clear that the question of transit and connections for transportation are not restricted to airplanes but take into account other transportation modes.

Amendment No. 7 also concerns the safe country concept and who determines that safe country list. The Senate, like Members on this side of the House, are concerned that the Cabinet is responsible for devising the safe country list. That is a flawed decision because we believe when a Cabinet is involved in the day to day domestic affairs of the country, when it must deal with such issues as free trade, day care, abortion and a multitude of other questions, it is impractical

that the Cabinet would be able to satisfactorily decide what is a safe country and what is not.

We do not believe that the Cabinet will be able to make spur of the moment decisions about safe countries when various parts of the world face destabilizing events which create new unsafe places almost weekly. A Cabinet would not be able to turn around quickly and make those decisions that would obviously account for the sensitivities that are drawn into the equation of an entire refugee process.

We believe that the individual merits of refugee claims would be very much secondary to the political and diplomatic pressures that would be brought to bear on a federal Cabinet in deciding what countries should be on that safe country list. Nothing illustrates that better than the case of Mr. Santokh Singh who received a clean bill of health from both CSIS and the RCMP, and whose refugee claim was unanimously accepted by a three member refugee advisory committee. Yet the Secretary of State for External Affairs (Mr. Clark) was able to intervene and overturn that decision based upon representations he had from the Indian Government and whatever other factors he brought into the equation. This is a test case of how the Cabinet would react in creating a safe country list.

The federal Cabinet obviously must protect our relations with our friends and allies. It would be asked to compromise itself with those countries by leaving a friendly country off the safe country list. I believe there is virtually no chance of those countries being left off a safe country list, and amendment No. 7 suggests that the refugee experts on the refugee board be allowed to create that list in an independent an impartial way, without being a target of political and diplomatic pressure. While we object to a safe country concept, if the Government is intent on having such a list we believe that it would be better to allow the refugee determination body to make the decision about safe countries and who will be safe in those countries. We regret that the Government refused to accept that amendment.

While it refuses such a suggestion on the one hand, it claims in public that it has changed the Bill to make that safe country concept workable so that a refugee returning there will be safe and will have a fair hearing. We are disturbed that the Government never attempted to define what it would regard as safe. For example, the United States of America is a friend and ally of Canada. No one disputes that fact. However, while being our friend and ally, it has a Central American policy that is at odds with ours because they will exclude and deport Central American refugees indiscriminately. Therefore, would the United States be on or off the safe country list? Would a Central American refugee who is coming from the United States be returned there, yes or no? Regretfully, we are not getting answers to those precise questions.

Another example is Great Britain. It is also a very close and honourable ally, as it should be. However, it is the immigration and refugee policy of Great Britain to deport indiscriminately individuals who we would not deport. A Tamil would be deported from Great Britain instantly. If we were to receive a refugee claimant who came from Great Britain, would that person be deported back to Britain? Yes or no?

• (1640)

For instance, if we were to receive a claimant who came from Great Britain, would that person be deported to Great Britain, yes or no? If a Tamil was deported to Great Britain, and if a Central American refugee was deported to the United States, could we as a country be satisfied to say we deported or sent those people to a "safe" country? We have sent them to gray countries. We have sent them to friendly countries. We have sent them to countries which are our allies. But are they honestly safe countries for those particular classes of refugees? If they are not, which in these two cases they are not, are we not really washing our hands as a country and placing in jeopardy these individuals who will become the ball in the pinball machine and slotted between different countries? That is the type of argument we have tried to make to this Government and to its Ministers in order to try to decipher what exactly is meant by "safe" and "unsafe" counties.

That is why we are worried and why the Senate is worried, why government Members sitting in the Senate are worried about amendment No. 7. They feel it would be better if a refugee panel of impartial experts was able to draft such a list rather than a Cabinet that is obviously politically interested and motivated in many of the decisions it undertakes on behalf of this country.

I reiterate that we have a great deal of concern about the Cabinet discharging that responsibility. We ask once again that the Government and the Minister rethink and re-evaluate the practicality and politics of having the Cabinet define what is a safe country.

If the Government is legitimately concerned with the refugee process, and with the individual merits of a particular case, it too would agree that the federal Cabinet as a forum is the wrong body with which to try to uphold the individual merits of refugee claimants. We believe quite strongly that those interests as a priority would be last on a long list of other priorities of the Prime Minister (Mr. Mulroney) sitting at the table with his closest Ministers and most important advisers. Therefore, we concur in the Senate amendment. We hope in the debate that will ensue within the next number of days that the Government will change its mind and allow amendment No. 7.

Amendment No. 10 deals with the issue of appeal. Essentially, the problem with the current appeal is that it will go to the Federal Court, which has been acknowledged to be the wrong body, a body which is not particularly knowledgeable about the intricacies of the refugee law and phenomenon, by many legal experts before our standing and legislative committees, and that the current appeal will simply be on points of law. In

other words, the appeal would not be considered if it is on points of fact or on new evidence.

Essentially, the Federal Court will only be able to rule if the previous process, namely, the refugee board, was fair from a procedural viewpoint but not from a substantive one. We on this side of the House have grave concerns with that kind of philosophy because decisions emanating from a refugee board will really be decisions that can legitimately dictate between life and death, between torture and no torture, between harassment and no harassment, between persecution and no persecution. We are not talking simply about a very trivial decision. We are talking about a decision with respect to the question of the life or death of an individual.

We are suggesting that if that is in fact what will be flowing from this decision-making process, we need an appeal structure which will be able to correct any human problems or fallacies which occur during that human process. We should err on the side of safety and caution rather than being sorry when it is too late. The amendment proposed by the Senate would have the force and authority to change the appeal system from law to points of fact and to allow new evidence to be brought at the stage of appeal.

When this Bill was before the legislative committee and at second and third reading, we offered a number of different formats in terms of whether there should be a written decision, whether there should be a one-member panel from the refugee board, or whether a group of two or three panelists would hear these appeals. We were flexible with respect to the actual structure of the appeal mechanism, but we wanted to guarantee a safeguard that the appeal mechanism, whatever its structure, would be based on points of fact and would permit new evidence in order to be as sure as possible that the individual would not be endangered by a very weak appeal system. That is what the Senate amendment tries to do, and the Government has rejected it. We were disheartened by the refusal of the Government to try to put in place the safest appeal mechanism as is humanly possible.

It should also be pointed out that currently only 2 per cent of all the cases flowing from refugee decisions which go before the Federal Court are successful. We believe there is a lesson there. When we basically have an appeal mechanism which disregards 98 per cent of the cases based on points of law, there is something wrong. I think we are not too late to try to change that trend, that kind of thinking. Our refugee determination system will only be as good, as solid and as foolproof as its appeal mechanism. Right now, with the proposals contained in Bill C-55, that appeal mechanism is very weak and many people are suggesting that it is the intention that there be less claimants allowed to go through the system. I do not want to believe that that is the case, but that is the perception. We in this country need to deal with those very real perceptions in the next several days as Parliament debates this very sensitive issue.

We ask the Government to reconsider its thinking on the appeal mechanism. I am not proposing this type of appeal on behalf of my Party simply to lengthen the process. No one in this Chamber wants to needlessly prolong or delay the procedure of refugee determination. What we are suggesting is not to lengthen the procedure, but to suggest that human mistakes will be made along the way, that these mistakes can have very serious consequences, and that we need an appeal mechanism which will act as a safety net in order to catch perhaps a few of those mistakes. I think it is better to have that kind of appeal mechanism than trying to live with a troubled conscience because our appeal system was so weak, we sent X number of people back to their original homelands only to face a fate none of us would like to face in our lifetimes. That is the rationale of the Senate's amendment. It is the rationale of our support for it. We hope that it will become the rationale of the Government and of the Minister of Immigration as well.

• (1650)

The eleventh amendment concerns the safe country concept. Essentially, the problem is that the Government is making the federal Cabinet the architect and the arbitrator of what is safe. With respect to this amendment, once again, the Senate in a different part of the Bill tried to remove from the Governor in Council the power to prescribe the safe country list. The Government did not necessarily refuse this amendment. What it did is it amended the Senate amendment. It did not necessarily agree with the principle that the Senate was putting forward. The Government response merely added the clause and the words to suggest that we are going to keep this at the federal Cabinet level but that now a country's record with respect to human rights will be taken into account.

We believe that is a very meaningless amendment. It states that these various records will be looked at, but it really does not guarantee that the political and diplomatic pressures will be removed because in the end the decision will be the Cabinet's. After everything is considered those political and diplomatic pressures in our estimation will still be so great that they will become the foremost priority, and certainly individual merits will be secondary.

That is why we disagree with the response of the Minister and the Government to the eleventh amendment. However, we realize that in the response of the Government it wishes to add a particular proviso suggesting that it will account for the human rights record of any particular country. I will also be making a further amendment to the Government's proposal at the end of my remarks today to suggest that if the Government really wants to have the Cabinet make those decisions, and if it will write in the legislation that it will account for human rights records, then the Cabinet must also consider an advisory list of safe countries as defined by the refugee board.

If the Government and the Minister want to maintain the decision-making process with respect to a safe country in Cabinet, then this amendment would not only force the Government or the Cabinet to consider the human rights

record of any particular country but they would also take into account a safe country list as prescribed by refugee experts who are impartial and independent of those political and diplomatic pressures that flow into the Government of the day. We believe that this type of amendment will improve what is a bad situation.

Given the opportunity, as I said earlier, we would not permit the safe country concept in the Bill. However, if a safe country concept was really wanted then we would allow refugee experts of the board to make a determination in that respect. If the Government continues to insist that the Cabinet must take these decisions, then what we are trying to do at the eleventh hour is to provide greater safeguards around such a decision to try to give the individual merits of the claim the best chance possible. I will be moving such an amendment even though we disagree very fundamentally and strongly with the whole question of the safe country concept.

The final amendment is with respect to the Immigration Appeal Board. There is a clause in the Bill which suggests that all the members of the present Immigration Appeal Board would essentially lose their employment and would not be able to serve on the new refugee board. That has caused a very serious problem, a problem that has been dealt with by our courts. Lawyers have brought the case to court, suggesting that that particular clause offers a bias in our current system because it is like a cloud over the head of Immigration Appeal Board members who by this clause would not be automatically appointed to the new board. Therefore, those lawyers arguing on behalf of their clients suggest that this offers an unfair bias, and that Immigration Appeal Board personnel may be encouraged to try to side or rule on the side of the Government because of the fact that their tenure is in question.

What we are suggesting is that the Government has the right to appoint individuals who have refugee related expertise on this new refugee board, but we do not want the Immigration Appeal Board to continue in the manner that it has been going because it has been paralyzed from ruling constructively on many cases because of that ruling by the courts recently. The Senate suggested that that particular clause be removed in order to avoid the paralysis of the current Immigration Appeal Board which still has to continue to work until the new system is brought into place. In light of the court ruling in terms of a particular bias, it is incumbent upon the Government to remove that particular clause or to change it. That will remove the cloud that exists over the heads of members of the Immigration Appeal Board.

That is the position of the Liberal Party of Canada. We believe that the Government ought to go further in trying to understand the problems that are at the heart of this debate. It should try to come to grips with the situation that the safe country concept, the prescreening stage, the appeal mechanism, the question concerning duty counsel, the question concerning the Immigration Appeal Board and the single chance to make a claim are very large issues that are still unresolved. We believe there is a possible compromise that can be attained by the Government.

We are asking at this stage, on those fronts, for the Government to re-evaluate those positions, not to have a Minister of Immigration parade minor changes as major changes, and to refrain from suggesting that this is a different bill of goods, a different piece of legislation from that of her predecessors. It is not.

The quotations I referred to earlier in the House are testimony to the fact that almost on a unanimous basis the constituency in our country is still at odds with these very fundamental and significant principles. The legal community is still at odds with these same principles. It will challenge these principles on these grounds in the courts.

I am not suggesting that these should be used as a threat or as blackmail. I suggest that the Government of Canada and this Parliament has as its foremost obligation the drafting of legislation that is in keeping with our Constitution and Charter. If we draft legislation that does not respect the Constitution, every legal expert says that we will have a legal minefield. I believe that the onus is on the Government and Parliament to produce legislation that does not give rise to such perceptions and statements before this law is proclaimed to be the law of the country.

• (1700)

Therefore, this piece of legislation ought to be reworded so as to remove the possibility of legal challenges. If we as a Parliament are to be challenged on this legislation and if the court agrees with the appellant, then it will essentially strike down the very system the Government is proposing as a remedy to the current law.

I hear someone wants to enter the Chamber, Mr. Speaker. I will certainly take my place and resume my final comments at a later time.

THE ROYAL ASSENT

[*Translation*]

A message was delivered by the Gentleman Usher of the Black Rod as follows:

> Mr. Speaker, the Honourable Deputy Governor General desires the immediate attendance of this honourable House in the Chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate Chamber.

• (1710)

And being returned:

Mr. Speaker: I have the honour to inform the House that when the House went up to the Senate Chamber, the Deputy

Governor General was pleased to give, in Her Majesty's name, the Royal Assent to the following bills:

Bill C-60, an Act to amend the Copyright Act and to amend other Acts in consequence thereof—Chapter No. 15.

Bill C-102, an Act to amend the Western Arctic (Inuvialuit) Claims Settlement Act—Chapter No. 16.

Bill C-113, an Act to promote the development and diversification of the economy of Western Canada, to establish the Department of Western Economic Diversification and to make consequential amendments to other Acts—Chapter No. 17.

GOVERNMENT ORDERS

[*English*]

IMMIGRATION ACT, 1976

MEASURE TO AMEND—CONCURRENCE IN SENATE AMENDMENTS

The House resumed consideration of second reading of, and concurrence in, amendments made by the Senate to Bill C-55, an Act to amend the Immigration Act, 1976 and to amend other Acts in consequence thereof.

Mr. Sergio Marchi (York West): Mr. Speaker, it is nice to have you and my colleagues back in the House. As I was explaining previously, many emotions are brought into a debate that deals with individuals who are seeking refugee status, whether here or anywhere else. Of course, many emotional arguments are brought into the equation, and we as a Parliament must deal with them. However, there are also the legal implications on which I ended my previous remarks. Those implications are very important because they deal not only with the legalities of the legislation but with a potential haemorrhaging of the confidence of all Canadians if this refugee system is to be struck down and found wanting constitutionally by one of our courts. Let us try to fathom the repercussions of such an event.

The questions of general immigration policy and refugee policy have been very much on the public mind because of what I believe has been a great deal of ineptitude on the part of this administration in trying to come to grips with the situation of a changing phenomenon. We are not castigating the Government about this because it only found out about this situation last week, last month or last year and did not have time to prepare proper legislation. For almost four years, we in the Official Opposition, my friends and colleagues in the New Democratic Party and colleagues on the government side have been urging the Government to reform the system. A parliamentary committee made a unanimous recommendation to the Government several years ago. We have raised questions and made statements. Non-governmental organizations have submitted recommendations and reports to the Government by the dozen.

When this Government took office, it received the report of Rabbi Gunther Plaut who was commissioned by the previous administration to evaluate the refugee phenomenon so that Canada could come to grips with it in a logical, fair and effective way. This Government says that it was the previous Government's fault because it did not do anything about this phenomenon, but that is false. The Government would want us to believe that we are still living with the phenomenon of the 1960s and the 1970s, but we are not.

In the 1960s and the 1970s, we sent visa officers to refugee camps to select a quota of applicants to bring back to this country. It was a clean, orderly and effective system and there were not too many problems with it. The reality of the 80s has changed dramatically. Millions upon millions of legitimate refugees are trying to find human decency on this planet of ours and are on the move. Many of them are no longer waiting in refugee camps, and are approaching various countries. Our challenge is to change the system as we go through this very significant transition from selecting refugees to trying to process them as they appear on our shores.

It is very obvious that we need a new system that is capable of meeting the challenge of the new phenomenon, not the old one. That is why for close to four years, we have tried to press the Government into action. We tried to do this before the situation was aggravated. Now we know how many are in the backlog. The multiplier effect has ensued from a course of inaction. A course of preventive remedies would certainly have helped keep the numbers to a manageable level.

That is water under the bridge. The Government did not act when we hoped it would and we are now debating this Bill. That is why we put forward the amendments we moved at second and third reading and in committee. That is why the Senators have moved amendments as well. I compliment the Senate committee composed of both Liberal and Conservative Senators who are equally concerned about the refugee phenomenon.

We have emotional arguments, we have legal arguments and we have the technical arguments of prescreening, counsel and appeal. There is a fourth argument that deals with our international reputation, what this will mean not only domestically but throughout the world. What will other countries read into this legislation and what impact will our stance have on that of the other countries of the world? That argument should not be underestimated.

We have to recognize that Canada itself cannot solve the refugee problem. Yes, we can do our part and be as progressive as possible or strive to be, but Canada should not and cannot accept the 10 million to 15 million refugees who are trying to find peace of mind and safety of body somewhere on the globe. Therefore, I am pointing to the fact that the refugee problem is an international one. Therefore, the refugee solution must be an international solution.

What are we doing to achieve an international solution through this legislation? I believe we are doing nothing, because to date, we have enjoyed a tradition among our partners on the globe, our international friends, of being a

leader, not a follower. We are a leader when it comes to trying to come to grips with the very traumatic human dilemma of persecution in whatever shape it comes.

• (1720)

The Government is saying is that the way to have an efficient system is by turning people away. Yet what will happen if the U.S., Sweden, Great Britain, France, Norway, Holland, or whatever country you choose, says Canada has been a leader in this area and if they can pass this kind of legislation, then why can't we? Or, why shouldn't we? I ask my colleagues in all honesty to ask themselves what would happen if those countries move to a safe country concept or prescreening? Every country will have a safe country list. Every one of those lists will be compromised by political and diplomatic pressure. What you will then have is every country washing its hands of the problem. One country will say go to Canada. Canada says go to Germany. Germany says go to France. France says go to Japan. The world will then be completely safe according to the safe country lists. I predict that will happen.

Canada is going to be progressive but we are saying they have to be progressive, too. Canada is going to do its share and they have to do their share as well. Canada will take a satisfactory number under a satisfactory system but others must have the same. That should be our attitude. It should not be that we are going to try and close it down and so should they. If we have an international corridor of locked doors, will that help the situation? Will that make a refugee's life less desperate or more desperate?

If you were a legitimate refugee facing persecution and one country said you cannot come in, and the next country said you cannot come in, and the third country says you cannot come in, that will give rise to the sleazy operators who profit from human misery while trying to get people in the back door rather than through the front door. That kind of restrictive, let us close the door and wash our hands of the situation mentality, will get us in greater trouble. Maybe not today. Maybe not tomorrow. However, some day we will be in trouble.

We should be saying to refugee claimants that we have a good system. We have the expertise to make sure they are legitimate. Use that opportunity well and do not try and get in our country through the back door. That is the positive, courageous message and it will encourage respect for the law.

It is with those thoughts in mind that we bring to this debate a sense of concern that hopefully will be translated into a compromise by a new Minister. We hope she will go beyond the inflexibility demonstrated by her predecessors and sit down and ask if there is a way that the Government can be assured of an orderly process and satisfy those who champion the cause of refugees that refugees will have a fair chance. Is there a way to bring these two so far irreconcilable groups together? We believe there is. We believe it is possible. We should believe it is probable. We have met much greater and more difficult challenges than that. We can overcome the gap that exists between the Government and public opinion. We need to do that because we are talking about human decency. We are talking about people who do not have a place to stand.

Do you think those people would want to be on the move if they had a choice? Do you think they would pack their bags and jump on a plane if they had a choice? Do you think they would try to abuse the compassion of a country because they want to? Of course not. If the world were perfect there would be no immigrants or refugees. However, this is the international reality and I am asking the Government to lead the march toward an international solution. I am asking it not to run from it and, more important, not to encourage a dismantling of the political will and courage to deal with it.

Therefore, in concluding my remarks because I want to hear the remarks of my friend, the Hon. Member for Spadina (Mr. Heap), I will move two amendments. The first amendment, seconded by the Hon. Member for Saint-Maurice (Mr. Grondin) is:

> That the proposed motion to amend the Senate Amendment 3 to Clause 48.01(1)b of Bill C-55 be amended as follows:
>
> "strike out lines 26 to 31 on page 14, and substitute the following:
>
> ant's habitual residence,
>
> "(i) that has been prescribed as a country that complies with Article 33 of the Convention either universally or with respect to persons of a specified class of persons of which the claimant is a member, and
>
> (ii) those laws or practices provide that all claimants or claimants of a particular class of persons of which the claimant is a member would be admitted to that country, if removed from Canada, and would have the right to have the merits of their claims determined in that country.

The second, seconded by the Hon. Member for Saint-Maurice is:

> That the proposed motion to amend the Senate Amendment 11 to Clause 98.01(1)b of Bill C-55 be amended as follows:
>
> "strike out lines 25 to 27, on page 55, and substitute the following:
>
> "tion, the country's policies and practices with respect to Convention refugee claims and the country's record with respect to human rights, and in regard to an advisory list of safe countries as drafted and defined by the Convention Refugee Determination Division;"

I submit these amendments in the hope that the Government will give them due consideration.

• (1730)

The Acting Speaker (Mr. Kempling): The Chair will reserve decision on the acceptability of these amendments. I might note that the Member is not allowed to move two amendments at the same time. We will get back to the Hon. Member at a later date.

Mr. Friesen: Mr. Speaker, I rise on a point of order. There has been agreement to grant the Member for Spadina (Mr. Heap) an extra 10 minutes, therefore, a full 30 minutes. I ask you not to see the clock at the end of 20 minutes but rather to grant him a full 30 minutes for his remarks.

I would also like to serve notice that it is our intention to ask for unanimous consent regarding five amendments to the message. The critics have received notice of that and I think it is their intention to give unanimous consent. I simply want to serve notice to you, Sir.

Mr. Riis: Mr. Speaker, we accept this as notice. We appreciate the generosity of the Parliamentary Secretary and that of the House. Just to make it clear, the request of the Hon. Member for Spadina (Mr. Heap) is to have a few minutes more than 20, up to 30 minutes, if necessary, to complete his remarks. That is the understanding.

The Acting Speaker (Mr. Kempling): Is that agreed?

Some Hon. Members: Agreed.

Mr. Dan Heap (Spadina): Mr. Speaker, I would like to thank Hon. Members of the House for their courtesy in allowing me a little extra time to speak on this, a very large and difficult subject. I would also like to ask the indulgence of the Hon. Member for York West (Mr. Marchi) to give me a copy of his amendment because I may wish to move a subamendment to it after I have seen the actual wording.

This Bill has now been before the House for 11 months. During that time there has been a surprising amount of opposition to it registered by Canadians from coast to coast. Church groups, union groups, refugee aid groups which have been working very closely with this Government and the preceding Government to help sponsor and settle refugees, and thousands of other people have registered their great dissatisfaction with Bill C-55.

Their main concern, albeit not their only concern, is that it denied the right of an oral hearing as required, not only by the sense of justice of many Canadians, but in law by the Supreme Court decision in the Singh case three years ago. It also gives almost no right of appeal. That again offends, not only the sense of justice of Canadians but the international sense of justice. It offends the convention on refugees which we signed two decades ago.

The Senate amendments made some small improvements in this matter but most of those were turned down by the Minister. I doubt that the Senate's amendments by themselves would have been enough. However, together with a little further amendment they may have made this Bill more tolerable. However, amendments on so-called safe countries, oral hearings, right to counsel, a fair chance for refugees to state their case or make their declarations at the beginning, have all been turned down by the Minister, which is very unfortunate.

I believe that Canadians, represented strongly and repeatedly by groups such as the Canadian Council of Churches, the Canadian Conference of Catholic Bishops, and so on, will continue to fight against this unjust law on the ground that it greatly weakens our policy for aiding refugees. It is said to be intended to help refugees, but that is not the way it is seen by the great majority of people in this country who have been engaged in the practical day-to-day work of helping refugees.

Part of the purpose of our Immigration Act is to carry out our international obligations for humanitarian work, such as the helping of refugees. The United Nations handbook on refugees, pursuant to the convention relating to the status of refugees which we signed 20 years ago, says:

> No Contracting State shall expel or return—

And for certainty it uses the French word *refouler*—

> —a refugee in any manner whatsoever to the frontiers of territories where his life or freedom would be threatened on account of his race, religion, nationality, membership of a particular social group, or political opinion.

The Minister's response, following the action of her predecessors denies that principle which is the heart of the convention relating to the status of refugees.

I want to take a few minutes to indicate why, in my opinion, we are in such a bind over this. The great majority of people in this country, so far as they have concerned themselves with refugees at all, mainly by helping, are opposed to the Minister and the Government being adamant in their refusal to listen to the constitutional lawyers, the Canadian Bar Association made up of lawyers in private practice whom the Government professes to respect, and many other public groups.

It seems to me that this convention on refugees arose out of the experience in the years following World War II when there were many displaced persons, as we sometimes called them, mainly in Europe. Out of that we developed principles and practices for the protection of refugees. These were mostly refugees left over from the chaos of World War II, many from Eastern or Central Europe. Over a period of five or six years after the war, a principle emerged of defending the rights of the individual refugee against his own government and giving him the right to claim protection from another government. This was done by many thousands of people, especially those coming from Eastern Europe to Western Europe or North America.

The Governments which led in establishing this convention for refugees on the basis of the rights of the individual are now denying it, as the Minister is denying it by her response here. Between the late 1940s and early 1950s and the 1980s the world has changed very considerably with regard to refugees and that affects how people see this law.

We now have growing conflict between the countries which are members of NATO, and one or two others, and the countries which were formerly colonies of the members of NATO. These colonies were used for the vast enrichment of the peoples of the countries which now make up NATO. They were sources of cheap raw materials, cheap labour, and immense debt repayment. Somehow or other the action of Francis Drake and his followers and the Spaniards and others in going to those countries and stealing gold, silver, wood, and other kinds of wealth, is now interpreted that those countries owe us hundreds of billions of dollars.

• (1740)

The governments must squeeze their people in order to repay at least the interest payments. Therefore, there is conflict. Our countries take advantage of that by selling arms to them. We are not the only ones selling arms to them, but we sure make a big business of it. Therefore, the conflicts that have been generated in these former colonies of non white people formerly belonging to the countries who are members of NATO have generated refugees, of which there are several million.

Some of these so-called refugees are not refugees in the technical sense established in Europe, refugees from persecution, some of them are refugees from famine. The famine may have been caused by natural causes or by bad farming practices introduced by the NATO countries into places like Africa, destroying the land, but it is estimated that there are about 15 million refugees of both kinds, mainly in Africa.

It is estimated that about 5 per cent, approximately 750,000 of those refugees, are interested in getting into the developed countries, whether in Europe or North America. That is to say, it amounts to 2 per cent of the population of the NATO countries. These are the countries that have benefited from the practices that created the conditions that produced those refugees. Some of them apparently would like to come and enjoy the fruits of what we took from their forbears.

The problem is not insuperable. It could be addressed. Seven hundred and fifty thousand refugees shared among 15 or 20 countries according to population, size of the country and resources, would mean perhaps an average of 40,000 or 50,000 refugees per country. It is not an insuperable problem but so far our country and other countries have been reluctant to address it. Therefore, we have the problem of the present legislation before us.

We have the problems of the response of the Minister, which is mainly aimed at keeping refugee claimants out. In fact, as is well known, many of the refugee claimants who are kept out will be genuine refugees. They will be turned away and we do not know what will happen to them. We do not even know which are the genuine refugees because we will be violating our international commitment by refusing to even examine their claim.

This is what is shown in the Minister's response to the Senate amendments. The main fault of Bill C-55 is that it denies the right of oral hearings which was nailed down three years ago by the Supreme Court in the Singh decision. The chief denial of that is in the so-called safe country clause. Again, that principle is that the individual has a certain right that even encroaches in a small way on the sovereignty of the state. That is reflected in amendment No. 3 from the Senate.

The amendment states that the person can be sent back to this other country in which he spent some time if that country is willing to receive the claimant if removed from Canada, or in which the claimant has the right to have the merits of the claim determined. The fact is that it will not work.

Even under the Senate's amendment it is not clear what quality of refugee rights determination that country will give. Furthermore, by saying that a country is willing to receive a claimant or choose to give him the right of refugee determination, it is not clear which he will have, and it is very likely that if they interpret the word "receive" in a way that allows him simply to come into the airport and be bounced out on the next plane to some other country, he will not have the option of having his refugee rights determined.

Therefore, if we send him away on those terms to Germany, or if we send a Salvadoran to the United States on those terms, we are endangering his life and freedom to the extent that the United States, which recognizes 85 per cent of Nicaraguans as refugees, recognizes only 3 per cent of Salvadorans as refugees and there would be a very great danger that a Salvadoran from Canada to the United States would be deported by the U.S. to the country from which many of them have a legitimate reason to flee.

Unfortunately, the Minister has worsened the amendment by using the term "return". The Minister's preferred wording is: "... of which the claimant would be allowed to return to that country if removed from Canada or would have the right to have the merits of his claim determined in that country". The word return in practice in Europe means, more clearly than receive, even, that they are free to bounce him out again.

We need a clause that amends it by replacing the word "return" with the word "admit", which means with the right to stay in our practice in law. We would have to apply that as a standard to whatever country to which we would send him. Not only should we replace the word "or" with "and", but also add to the clause and to the words that were moved in the amendment by the Member for York West the words "according to principles of fundamental justice". In other words, they would have the right to have the merits of their claims determined in that country according to the principles of fundamental justice. I will be offering an amendment to that effect at the end of my remarks.

This was pointed out to us a year ago by the United Nations High Commission for Refugees in an *aide memoire* that was made available to us through unknown channels, but was acknowledged to be a bona fide *aide memoire* of the United Nations High Commission.

They say that Section 48.1(1)(b), as presently drafted, does not allow the individual asylum seeker, or refugee, to invoke personal circumstances militating against return to a "safe" country, nor does it predicate return on the assurance of readmission and determination of his or her claim to refugee status.

Neither the issue of a convention travel document nor the listing of a safe country should exclude the possibility that an

individual, because of his or her particular circumstances, has good reason to fear return to another country.

The United Nations High Commission for Refugees believes that case by case determination of such issues is essential and recommends that these provisions be reconsidered in the light of the general principles stated above.

The reconsideration was unfortunately ineffectual and there is great danger that the sort of practice reflected by the Minister's decision and which is spreading among the European countries, as the Member for York West warned us, may create the situation which was pointed out by Philip Rudge last year, Secretary of the European Consultation on Refugees and Exiles, when he said: "Increasingly, refugees are presented not as people in need of help, but as people who constitute a threat to the order of things; they do not have problems, they are the problem". That is the attitude that Philip Rudge is worried is growing in his own country of Britain and in Europe. To confirm that these countries will not be willing to accept the refugees Canada rejects, without having examined their case, we have a statement from the United States Government. Its spokesman, Duke Austin, said:

> Once an illegal alien is admitted by Canada for an inquiry, he has no right to re-enter the United States. You can't return illegal aliens back to a country where they were previously illegal. You deport them to their homeland. We wouldn't take them back.

In other words, what we are finding is that the safe country system will just not work. In fact, according to a study undertaken by the Library of Parliament, authored by Margaret Young, the researcher for the Standing Committee on Labour, Employment and Immigration there is no workable basis for sending a person to another country with protection of his potential refugee status unless there are signed agreements. We were assured a year ago that agreements would be signed. I understand there have been many attempts to have agreements signed with the United States and with countries of western Europe, but there are no agreements. Therefore, as was pointed out in the study of the Library of Parliament, the system of safe country, the system of removing the majority of refugee claimants from our door to and returning them to the country they were spending some time in before, not the country they fled, the country where they had a temporary stay—perhaps they asked for refugee status, perhaps they did not. They were given permanent stay as is the case with most—is simply not going to work.

• (1750)

That is the major fault in this Bill. There are others as well. For example, the second major fault is that the right of appeal is denied almost entirely. It is denied through the rules the Senate attempted to amend somewhat. But in fact the Minister has cut out practically all of the rules the Senate tried to change, that is, all the amendments the Senate tried to make.

The Hon. Member for York West having had unlimited time to handle this matter, has gone into detail and I will not repeat the points he made. I will simply summarize by saying that no reasonable time has been given to a claimant to find a counsel of his own choice. No reasonable time has been given to a claimant to make his declaration. He has to make it at the very beginning, the first question asked, or else forever hold his peace. The irony is that that rule will not hurt the phoneys. It will not hurt the fake refugee claimants because they would have been coached on what to say.

If a person has perhaps been tortured by uniformed officers in El Salvador, and escapes through El Salvador, through Mexico, through the United States, and eventually months and even years later winds up in Canada, and meets uniformed officers who ask him that question, because he is a genuine refugee with a genuine well-founded fear of persecution, he might be afraid or confused so that he would not give the right answer the first time. This rule will throw out the baby and keep the bath water. It will exclude more refugees and allow in more phoney refugees who have been coached in giving a false answer.

A letter has been sent to the Senate, with copies to interested parties, by people representing the refugee advocacy groups including the Canadian Council for Refugees, Carter Hoppe, the Ontario Chairman of the Canadian Bar Association in his personal capacity, Michael Schelew, spokesperson on refugee affairs for the Canadian section of Amnesty International, Lorne Waldman for the Coalition of a Just Refugee and Immigration policy. The letter points out that these rejections of the Senate amendments by the Minister are unacceptable. It urges the Senate to reject the Bills as long as the Minister is unwilling to have the Bills amended in accordance with Canadian and international principles of justice.

We also have a resolution from the Canadian Council for Refugees which wholeheartedly supports the court action that will be launched by the Canadian Council of Churches. The Canadian Council of Churches has undertaken to raise $300,000 to fight this Bill because it violates the Charter principle No. 7 of Security of Person. It will support that action by providing its fund-raising mailing list to the Canadian Council of Churches, by promoting the campaign among its members, and by forming its own committee to develop and implement action. The Canadian Council for Refugees is firmly convinced that these Bills will jeopardize the lives of refugees coming to Canada. The membership of the Canadian Council for Refugees is very worried that these Bills might jeopardize the lives of refugees in Canada currently in the claims process. The Minister has made a very unfortunate decision to simply reiterate the false policy that was carried on by her predecessor.

It is a policy that already clearly is biased politically because over the last several years, Canada has brought in far more refugees, including the designated classes, from communist dominated countries than it has allowed in from countries dominated by right wing or fascist governments.

Figures from the Government's own Department clearly show that bias. This law will increase that bias because all the restrictions the Minister is placing do not hinder the people of the designated classes from eastern Europe. They only hinder the people who come to our shores seeking refugee status. Therefore, in closing, I wish to say two things. It would be practical if this Government would withdraw this Bill, at least for the purpose of allowing further consultation for amendment, because I warn, not out of any decision of mine, but as a matter of public record, that there are Canadians who have organized to oppose this Bill which they regard as fundamentally unjust.

The Bill will be paralysed by court challenges if it is proclaimed into law and attempted to be put into practice. At the very least, I would ask that one amendment be accepted, and that is the amendment about which I spoke previously. It is a subamendment to the amendment of the Hon. Member for York West. I would add to the end of his amendment the words "according to the principles of fundamental justice". I do not have it typed out because I had to find out the wording of the amendment. I am prepared to write it out and give it to the Clerk immediately because it is a very simple matter.

Therefore, I move, seconded by the Hon. Member for Regina West (Mr. Benjamin), that the last clause would read that these people would have the right to have the merits of their claims determined in that country "according to the principles of fundamental justice."

The Acting Speaker (Mr. Kempling): The Chair will reserve on the admissibility of the Hon. Member's subamendment.

When the House next engages itself on this debate, the Hon. Member will be entitled to 10 minutes of questions and comments.

It being after 6 p.m., this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, June 9, 1988

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

COMMUNICATIONS AND CULTURE

PRESENTATION OF FIFTEENTH REPORT OF STANDING COMMITTEE

Mr. John Gormley (The Battlefords—Meadow Lake): Mr. Speaker, pursuant to its order of reference dated January 29, the Standing Committee on Communications and Culture has considered the report of the Task Force on Broadcasting Policy and has the honour of presenting its fifteenth report to the House in both official languages.

This unanimous report presents the committee's findings and recommendations on a comprehensive range of broadcasting policy issues, including public and private radio and television, the distribution of broadcasting signals and such matters as the ownership of broadcasting undertakings and copyright issues in broadcasting. The report emphasizes that the broadcasting system must address the needs and interests of all regions of Canada, of French and English speaking Canadians, and of native Canadians and other groups in society. Our report stresses the importance of Canadian programming and makes recommendations for measures that are designed to encourage more and better choices for Canadians. This report builds on the committee's earlier fifth and sixth reports which dealt primarily with the legislative provisions for a new Broadcasting Act.

On behalf of the members of our committee, I wish to thank all of our witnesses for their contributions. In preparing this report, the committee held hearings in 18 cities across Canada, received 234 oral presentations and 170 briefs.

[*Translation*]

I want to take this opportunity to thank Members of all three parties for the work that went into the drafting of this unanimous report, and all those who provided invaluable assistance. The Committee requests the Government table a comprehensive response to this report, pursuant to Standing Order 99(2).

[*Editor's Note: See today's Votes and Proceedings.*]

• (1110)

[*English*]

AN ACT TO PROCLAIM RAOUL WALLENBERG TO BE AN HONORARY CITIZEN OF CANADA

Mr. Nelson A. Riis (Kamloops—Shuswap) moved for leave to introduce a Bill entitled an Act to proclaim Raoul Wallenberg to be an honorary citizen of Canada.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Speaker: Call in the Members.

The House divided on the motion, which was agreed to on the following division:

(Division No. 378)

YEAS

Members

Andre	Cook	Ferland
Benjamin	Copps	Fontaine
Bertrand	Corbett	Friesen
Blaikie	Crofton	Gauthier
Bosley	Crosby (Halifax West)	Gray (Windsor West)
Boudria	Darling	Greenaway
Boyer	Daubney	Grisé
Brightwell	de Jong	Grondin
Brisco	Della Noce	Guilbault (Saint-Jacques)
Caccia	Dingwall	Guilbault (Drummond)
Cadieux	Domm	Gustafson
Cardiff	Dorin	Halliday
Clark (Brandon—Souris)	Edwards	Hamilton
Clifford	Epp (Provencher)	Hardey
Collins	Fennell	
Comeau		

Hawkes
Heap
Henderson
Hicks
Hnatyshyn
Hopkins
Horner
Jacques
Jelinek
Jepson
Jewett
Johnson
(Bonavista—Trinity—Conception)
Keeper
Kempling
Kilgour
Killens
Landry
Langdon
Lawrence
Layton
Lesick
Lewis
Lopez
Manly
Martin
Mayer
Mazankowski
McCrossan
McCurdy
McDermid
McKenzie
McKinnon
McLaughlin
Mitchell
Moore
Murphy
Nicholson
(Trinity)
Nowlan
Nunziata
Nystrom
Orlikow
Ouellet
Parry
Pépin
Peterson
Price
Redway
Reid
Reimer
Riis
Robichaud
Rodriguez
Schellenberger
(Wetaskiwin)
Scott
(Victoria—Haliburton)
Scowen
Taylor
Thacker
Towers
Tremblay
(Québec-Est)
Tupper
Turner
(Ottawa—Carleton)
Van De Walle
Vankoughnet
Vincent
Wilson
(Swift Current—Maple Creek)
Winegard
Witer
Young—113

NAYS

Members

nil/none

• (1150)

Mr. Prud'homme: Mr. Speaker, I rise on a point of order. I did not vote.

An Hon. Member: We noticed!

Mr. Prud'homme: Yes, I know you noticed. My dear friend noticed, and others may have noticed, and the reason is very simple. We have already proclaimed Mr. Wallenberg an honorary Canadian citizen. I participated in the debate. It was a motion of my colleague, the Hon. Member for Eglinton—Lawrence (Mr. de Corneille), and of the the Hon. Member for Laval (Mr. Ricard), and it was voted by this House. It was sent to the Senate. Approval was not given the first time. The Senate was adjourned and it was called back urgently the same day to proclaim Mr. Raoul Wallenberg an honorary Canadian citizen.

This country has two honorary Canadian citizens. I say this for those who like history. I do not understand why I should vote a second time. I have already voted for it, and I do not understand why all of you voted.

Some Hon. Members: Hear, hear!

Mr. Riis: Mr. Speaker, on the same point of order, I do not want to argue against my friend, who has been here a lot longer than I have, but I want to make two points. Any Hon. Member has the right to introduce a Private Member's Bill in this House. I want to remind the House that when this came before the House in the past there were two Private Member's Bills which were both withdrawn and replaced by a motion. The motion was passed in this House and it was also passed in the other place.

As you know, Mr. Speaker, a motion itself does not have any legal effect. This Bill would have legal effect if it were to pass both the House of Commons and the other place. For that reason, I think it is appropriate on this issue. We are dealing with Raoul Wallenberg, and in order to send a very clear signal to the Soviet Union, I think it is appropriate that a standing vote in this House of Commons be taken.

Mr. Prud'homme: Mr. Speaker, on the same point of order, they say that a great man, if he wants to be recognized as such, should not hesitate to correct himself. So I stand by what I said, subject to correcting myself tomorrow and apologizing to the House if I made an error.

[*Translation*]

Mr. Speaker: Order. The Hon. Member for Saint-Denis (Mr. Prud'homme).

[*English*]

Mr. Prud'homme: You are very kind, Mr. Speaker, but I am chairing a legislative committee at the moment, and I owe that to Your Honour. I am returning there. I do not want a debate. I just said that if it were the first time, I would have voted for the Bill, but I have already voted for it. It was the subject of unbelievable debate in the Senate. So I stand to be corrected tomorrow, but I have already given my consent to making him an honorary Canadian citizen, because he was a great man. That was my speech. We tried to pass that so fast in the House that nobody knew who was Raoul Wallenberg. Would you like me to make an hour's speech on how great he was?

Mr. Lewis: Mr. Speaker, I think my hon. friend has made the point. It is very dangerous to play politics with something as serious as the efforts of Raoul Wallenberg. The actions of the New Democratic Party are completely irresponsible. The NDP House Leader's own Members denied him the right to introduce this Bill and forced a vote.

I suggest to you, Mr. Speaker, that this was done only so as to delay procedural debate on a motion to extend the sittings. It is one thing to say to Canadians, "We do not want to sit in to the summer"; it is very much another thing to say, "we do not want to sit in June".

Mr. Rodriguez: Oh, sit down!

Mr. Lewis: This is completely irresponsible. My friend should talk to his own Members and explain to them that it is the right of every Member to introduce his or her own Bill.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Speaker: May I dispense with the ringing of the bells?

Mr. Rodriguez: No.

Mr. Blaikie: No.

Mr. Speaker: I do not have consent to dispense with the bells and, as a consequence, I will have to make the usual statement and say, call in the Members.

The House divided on the motion, which was agreed to on the following division:

• (1200)

(Division No. 379)

YEAS

Members

Benjamin	Henderson	Nystrom
Blaikie	Hicks	Oberle
Cadieux	Hockin	O'Neil
Clark (Brandon—Souris)	Hopkins	Orlikow
Clifford	Isabelle	Ouellet
Comeau	Jacques	Parry
Copps	James	Peterson
Cossitt	Jelinek	Pietz
Crofton	Jepson	Reid
Darling	Jewett	Riis
Daubney	Keeper	Robichaud
Epp (Provencher)	Kempling	Rodriguez
Ferland	Killens	Siddon
Forrestall	Landry	Stevens
Friesen	Lawrence	Taylor
Gauthier	Layton	Thacker
Gray (Windsor West)	Lesick	Towers
Grondin	Lewis	Turner (Ottawa—Carleton)
Guilbault (Saint-Jacques)	Lopez	Van De Walle
Guilbault (Drummond)	Manly	Vankoughnet
Gustafson	Martin	Vincent
Hamilton	McCurdy	Witer
Hardey	McKenzie	Young—76
Heap	McKinnon	
	McLaughlin	
	Mitchell	
	Moore	
	Murphy	
	Nowlan	

NAYS

Members

nil/none

• (1230)

Mr. Speaker: I declare the motion adopted.

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

[*Translation*]

Mr. Speaker: I am sorry, but perhaps not everyone was able to hear what was said by the Hon. Member for Saint-Denis (Mr. Prud'homme). Perhaps he could now proceed.

Mr. Prud'homme: Mr. Speaker, on the same point of order. I went all over the place, to the Senate, to my office and to the House of Commons, and the fact is that on December 9, 1985, there was a big debate in the House during Private Members' Business. There was a bill and a motion by two Members, Mr. Ricard and Mr. de Corneille.

The two were merged, there was a debate, and at about 5.40 p.m., before the 6.00 p.m. deadline, we decided we would ask to have Raoul Wallenberg made an honorary citizen. The next day, on December 10, the Senate was sitting, and it received a message from the House of Commons, asking that Raoul Wallenberg be made an honorary citizen of Canada.

It seems that at the time, on December 10, 1985, one senator refused his consent, so they decided to postpone the debate on Raoul Wallenberg, and the Senate adjourned.

[*English*]

The Senate adjourned on December 10, 1985, as shown in Minutes of the Proceedings of the Senate No. 98. I do not know what happened that day, but later on that afternoon, the Speaker of the Senate was convinced that there was an urgent matter and he recalled the Senate, and that is shown in Minutes of the Proceedings of the Senate No. 99. It is known as the second distinct sitting. It is unique in the sitting of the Senate.

• (1240)

What did they discuss? A message from the House of Commons humbly requesting the Senate to proclaim Raoul Wallenberg an honorary citizen, on a motion of the Hon. Senator Nurgitz, seconded by the Hon. Senator Marsden, that the Senate do agree with the House of Commons in the said resolution by filling in the blank space, et cetera, and that the message be sent to the House of Commons to acquaint that House accordingly. Ever since then, Raoul Wallenberg, a Swedish diplomat who helped to save so many thousands of Hungarian Jews, was proclaimed an honorary citizen of this country.

I spoke on that Bill while others were trying to rush it through the House because I thought Canadians should know who Raoul Wallenberg was. If I made a mistake, it was only one. I said there are two honorary Canadian citizens. That is not true. I made a mistake. In the U.S. there are two honorary citizens, Sir Winston Churchill and Raoul Wallenberg. Why

was Raoul Wallenberg chosen in the U.S? Because a Hungarian person of Jewish faith was saved by Raoul Wallenberg. He later on became a Congressman and for years and years begged his colleagues to proclaim Raoul Wallenberg an honorary American citizen. He succeeded, and today in the U.S. you have two honorary citizens, Sir Winston Churchill and Raoul Wallenberg. This country is unique because there is only one.

I remember the debate because at that time I was asking everyone how one becomes an honorary Canadian citizen. I wanted to propose Mother Teresa, who would also qualify very well as an honorary Canadian citizen. I was not told how to do it and I am still working on it. Some day I will come to the House and ask for the indulgence of the House to accept her. I do not think technically I am wrong in saying that Raoul Wallenberg is already an honorary Canadian citizen. If this was the first time, I would vote the same way for the same reason I did on December 9, 1985.

If I may make a very personal comment, I did not very much appreciate the last comment of the Hon. NDP Member who profited from that occasion to make a little bit of what I call Soviet-bashing, and I do not like Soviet-bashing when you are talking about a very important issue like this one.

Some Hon. Members: Hear, hear!

Mr. Riis: Mr. Speaker, first I want to indicate to my hon. friend that he is correct. He described the process that the House of Commons and the Senate went through back in 1985 in a rather extraordinary session of the upper House. As he indicated, that motion on that day proclaimed Raoul Wallenberg an honorary citizen of Canada. What that means in essence is that from that point onward, if Raoul Wallenberg decided to become a Canadian citizen he would not have to go through the normal process. He would simply apply and become a citizen. The Bill that I introduced today takes that further. As a result of a new statute it makes Mr. Raoul Wallenberg a citizen of Canada. He does not have to apply. Upon passage of this Bill he becomes a citizen of Canada, an honorary citizen of Canada.

The comments made by my hon. friend were correct, but Raoul Wallenberg is not an honorary citizen of Canada today and I want to make that very clear. If he applies, he can forgo the usual process and become a citizen. This Bill is not what some Conservative Members would want us to believe. This Bill becomes a statute of Canada and makes Raoul Wallenberg a citizen of our country.

Mr. Lewis: Mr. Speaker, I want to associate myself and I think government Members with the remarks of the Hon. Member for Saint-Denis (Mr. Prud'homme). I do not think Canadians will be interested in all the technicalities but everyone realizes the great service that Raoul Wallenberg rendered for civil rights throughout the world. I would just suggest that it is a shame that the NDP has seen fit to denigrate his memory.

Some Hon. Members: Hear, hear!

Mr. Riis: Mr. Speaker, I take considerable offence at that suggestion questioning my motives. As you know, I filed this Bill on the Notice Paper some time ago. I gave ample notice to all Members of the House that at the appropriate time I would be rising to introduce the Bill for consideration. As an executive member on the Committee on Soviet Jewry I take considerable offence at the suggestion made by the Government Deputy House Leader.

Mr. Holtmann: Why did you force a vote?

Mr. Reimer: Mr. Speaker, I just want it noted that I was in the House and in my seat when the second vote was called. I did not get up to vote a second time.

I want to associate myself with the comments of the Hon. Member for Saint-Denis (Mr. Prud'homme). I think he has reminded us of something very important. I also want to say that if the intent is simply to get a Private Members' Bill forward, that is done every day and very simply. It does not call for these kinds of votes. I refused to vote, not because of the issue at hand. What we are doing now, which is why I refused to get up, is playing silly games in order to deny the Government an opportunity to get on with its business. That is why I refused to stand.

Mr. Speaker: This might go on for quite a long time and I think I might exercise some good sense here and move on to other matters.

All Hon. Members and the public ought to know that the Bill voted on this morning, dealing with a matter of importance, has been on the Order Paper for a long time. The votes which took place this morning are procedurally correct and I do not think it is for the Speaker to comment beyond that. However, I do not think it is in the interests of the House to proceed with any more points of order on this particular matter.

Mr. Riis: I have a point of order, Mr. Speaker. I need some guidance. Is it at this point that I have an opportunity to explain briefly the content of this Bill?

Mr. Deputy Speaker: No, that should have been done earlier. It could only be done now on the basis of unanimous consent.

Some Hon. Members: No!

Mr. Gray (Windsor West): Mr. Speaker, on behalf of the Official Opposition, I would be happy to give unanimous consent to allow the NDP House Leader to explain his Bill. It is clear from what has been said in the House that we consider this Bill to be very important, and I think we would be denying the importance of the matter if the House Leader for the NDP were not allowed to put on the record briefly the reason he introduced the measure.

Some Hon. Members: No!

Mr. Deputy Speaker: There is not unanimous consent.

* * *

[*Translation*]

OFFICIAL LANGUAGES

CONCURRENCE IN FOURTH REPORT OF STANDING COMMITTEE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I wish to move concurrence in the Fourth Report of the Committee on Official Languages, which, if I am not mistaken, was tabled in the House on June 25, 1987.

• (1250)

Mr. Deputy Speaker: Mr. Gauthier, seconded by Mr. Gray (Windsor West), moved that the Fourth Report of the Standing Joint Committee on Official Languages, tabled in the House on Thursday, June 25, 1987, be concurred in.

The Hon. Member for Ottawa—Vanier (Mr. Gauthier).

Mr. Gauthier: Mr. Speaker, the House is aware that the Liberal Party and Members of the Liberal Caucus have an abiding interest in official languages, and especially in the work of the Standing Joint Committee of the House and the Senate, whose Members see this as a very important issue.

The report tabled by the Committee on June 25 last year was, by a strange coincidence, tabled on the same day as Bill C-72. The Chairman of the Legislative Committee will admit this was a good omen, and I for one think the Committee is to be commended for its work on matters dealing with the application of the Official Languages Act, the old Act, as it were, the 1969 legislation, and I hope that Bill C-72, the new legislation, will soon be adopted, so that we can update and harmonize all the language policies of this Parliament and the Government, the purpose being to provide for equity, justice and fair representation of the linguistic interests of Canadians.

Mr. Speaker, on October 24, 1985, the Government responded to the Committee's second report through the then Deputy Prime Minister, Mr. Nielsen. The Government promised at the time to ensure that the equal status of both official languages would be respected, both in law and in fact. Those were the words of the former Deputy Prime Minister.

The Government also reiterated Treasury Board's responsibility for language programs. Furthermore, it promised that the President of the Treasury Board would ensure that language programs of departments and agencies were satisfactory and that existing mechanisms to monitor their implementation were effective.

Mr. Speaker, I would like to make a few comments at this point. I referred to the Deputy Prime Minister and the President of the Treasury Board. We also have the Secretary of State who, as you know, plays a very important role in this area. I do not need to tell you, Mr. Speaker, that we have had many statements lately from the Secretary of State who is running for election in Lac-Saint-Jean, and the Conservative candidate in that riding gets a kick out of making statements to the press that in our opinion are just electioneering and do not have much to do with the facts.

This morning, I was able to pick up a bunch of press clippings where we see the Secretary of State talking about official languages and Bill C-72 and saying—let me just read the headlines:

PQ accuses Rémillard of weakness on Bill C-72 English dealt another blow on language

... by William Johnson, regarding the same subject of languages.

"Official languages: Rémillard optimistic." And I could go on, Mr. Speaker, and read you an article on Lucien Bouchard "On a hard road home" by Daniel Drolet. And there is more. Regarding Bill C-72, a headline reads, "Ottawa's proposal satisfies Rémillard," Quebec's Intergovernmental Affairs Minister. In *La Presse* of June 9, 1988, "Liberals want Bouchard to explain himself." And on that point, Mr. Speaker, I am a Liberal and I want the Secretary of State to explain himself. I want him to explain himself to the Committee first and then perhaps to the House one day. Let him tell us what he wants, what he wanted to accomplish by saying that in applying Bill C-72, the provinces would first be consulted and that there would be a memorandum of agreement signed with the provinces for the implementation of Bill C-72.

You will recall that Section 42 of Bill C-72 causes some problems in Quebec. This section allows the Secretary of State to promote—that is the key!—linguistic minorities in the provinces and in particular to help them exercise their rights and survive. I consulted several organizations and I also received telephone calls this morning from representatives of minority associations because that statement bothered me a little and I wondered why the Secretary of State was using such an important issue for petty politicking in Lac-Saint-Jean. I wonder why Rémillard and Bouchard are quarreling, or if it is not a political bluff to attract the attention of journalists and get them to talk about the candidate in the riding. We know that Mr. Rémillard, like many Members of this House, knew that Section 42 was in Bill C-72. This Bill was published on June 25 1987.

At that time there was a good understanding at the provincial level, at least with respect to what was meant by clause 42, and I fail to understand why Mr. Rémillard and Mr. Bouchard all of a sudden decided to launch this kind of verbal warfare, publicly questioning guarantees and general agreements between Quebec and Ottawa, although they both know perfectly well that this type of agreement was acceptable. After all, the federal Government signed this type of agreement with New Brunswick and is in the process of doing so with Prince Edward Island. So why not have one with Quebec,

if we can have them with the other provinces? I fail to see why they want to make such a big stink about the fact that Quebec demanded a firm commitment from the Secretary of State that he would sign a general agreement with Quebec on the application of Bill C-72. I called the *Fédération des francophones hors Québec*, and I asked them whether they were against a general agreement. They said of course not, as long as it wasn't compulsory.

Otherwise, the federal Government would be restricted in its ability to intervene in a province that refused to sign the agreement. It is not compulsory under the Bill. Nothing in Bill C-72 obliges the federal Government to sign agreements, but if it is possible to reach an understanding on the implementation of a policy or on a general agreement with the provinces, I don't see why this should not be done.

As I said before, there is no legal obligation to sign an agreement. However, the law must be respected, and if Bill C-72 is passed, any agreement will have to comply with the provisions of the Act. Our conclusion: There is no problem, and the Secretary of State is trying to get political mileage out of this very important issue. It is just a lot of rhetoric, and, Mr. Speaker, I don't think it is right to take advantage of this situation to try and score political points.

Mr. Speaker, if I may continue, and I see you are signalling that my time is running out, the Committee's Fourth Report asked the Government, pursuant to Standing Order 99, to table a response. I recommend that Hon. Members read this response, because in it the Government makes a commitment to support certain recommendations made by the Committee with respect to the administration of the official languages program: Language of service, language of work, equitable participation, all those important subjects we discussed in Committee and which Committee Members would be well advised to read.

Mr. Speaker, I think the Fourth Report ought to be recommended reading. Read the Government's response as well. It is very enlightening and may be a positive contribution to the debate.

Mr. Deputy Speaker: Order. It being one o'clock, I do now leave the Chair till two o'clock this afternoon.

At 1 p.m., the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

EXTERNAL AFFAIRS

DEMOCRATIC FUTURE OF HAITI

Hon. André Ouellet (Papineau): Mr. Speaker, I would like to take a moment to remind us that for too long, unfortunately, the people of Haiti have been going through hard times. But with the departure of Presidents François and Jean-Claude Duvalier, Haitians expected much more freedom in a more democratic state.

Unfortunately, elections were held recently despite the boycott by a very large part of the population. The people did not want to take part in this travesty of democracy and they clearly showed their deep desire for democracy in that country.

A group of parliamentarians recently visited that country, began a dialogue with the present leaders and made recommendations to the Government for assistance to the Haitian people who are suffering and need help, but also for something most basic and important—the respect of individual rights and freedoms.

Now, I must regretfully observe that the Government has not yet officially followed up these recommendations made by Members of Parliament. I trust that the visit here in Ottawa by a distinguished politician from Haiti, Gérard Gourgue, one of the leaders of the *Front national de concertation* that is trying to establish democracy in that country, will open the Government's eyes and lead it to take concrete action on behalf of the Haitian people and for the establishment of true democracy in that country.

* * *

[*English*]

HISTORIC EVENTS

THE PHILIPPINES—ANNIVERSARY OF DECLARATION OF INDEPENDENCE

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, on June 12 Canadians of Filipino origin will celebrate an important turning point in the history of their homeland. It was on June 12, 1898, that General Emilio Aguinaldo, leader of the revolutionary movement, declared the independence of this former Spanish colony. While the Treaty of Paris ceded the islands to the United States and the Philippines did not become an independent republic until 1946, Aguinaldo's declaration began a process that would lead to the independence that the Philippine nation had long sought.

In the years following World War II, many Filipinos chose to immigrate to Canada in search of a better life for themselves and their families, making a tremendous contribution to the growth and development of Canada in the process.

The history of the Philippine nation has been difficult and troubled, fraught with political conflict. Through it all, the Filipino people have survived and their dream of democracy remained intact.

I urge all Members of the House to join the Filipino community in Canada and around the world in celebrating this important anniversary and in sending a strong message of support and hope for the future of the Philippines.

* * *

NUCLEAR ENERGY

MICHIGAN—STEAM LEAK AT FERMI II REACTOR

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have told the House and the Government before about the problems of the Fermi II nuclear reactor in Michigan, close to my constituency.

Now I have to tell the Government of yet another accident at that reactor, a steam leak which affected five workers, all of whom had to be decontaminated.

This is yet another argument for the Government to act and request an independent joint review of this trouble prone reactor.

Next week I will join Greenpeace, along with other Members of Parliament, in a protest news conference on their vessel, *Beluga*, at Fermi II. I urge the Government to act, and act fast, to respond to the concerns of thousands of Canadians for their safety, and to ask the Government of the United States to permit this joint review to take place. It is time for the Secretary of State for External Affairs (Mr. Clark) to show that he really cares about the safety of Canadians.

* * *

IMMIGRATION

ADMISSION OF REFUGEES FROM NICARAGUA

Mr. Alan Redway (York East): Mr. Speaker, earlier this week the political left was saying that right wing Nicaraguan Contras should not be allowed to come to Canada as refugees. Not long ago the political right was voicing the same concerns about left wing Nicaraguan Sandinistas.

The Geneva Convention on Refugees that Canada signed in 1951 does not talk about left wing or right wing refugees. It defines a refugee as a person with a well founded fear of persecution for reasons of race, religion, nationality, membership in a particular social group, or political opinion.

Are we concerned about refugees, or is our real concern their political philosophy?

• (1405)

FISHERIES

CODFISH QUOTA FOR PRINCE EDWARD ISLAND FISHERMEN

Mr. George Henderson (Egmont): Mr. Speaker, under the Atlantic Groundfish Management Plan for 1988, fishermen with vessels under 45 feet in Zone 4T received a separate quota. For instance, these fishermen were allowed to catch up to 3,450 metric tonnes of codfish between April 22 and July 31. This allocation has now been caught and today is only June 9. Fishermen now want an additional quota to hold them over for the next two months.

Prince Edward Island fishermen, especially those from western P.E.I., are very worried because they did not catch their fair share of the 3,450 metric tonnes quota due to poor weather conditions. These fishermen have made a sensible request for an extra cod quota and they are willing to accept daily trip limits and mandatory gutting at sea. I would urge the Minister of Fisheries and Oceans (Mr. Siddon) and his officials to approve this request as soon as possible.

* * *

[*Translation*]

FEDERAL—PROVINCIAL AFFAIRS

CO-OPERATION WITH QUÉBEC

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, the $1 billion agreement signed today by Prime Minister Mulroney and Premier Bourassa heralds a new era of co-operation between Canada and Quebec.

Firstly, we bring Quebec back into the Canadian fold.

Secondly, we carry out, with the dynamic Quebec team, the Free Trade Agreement.

Thirdly, we allow the various Quebec regions to reap the social and economic benefits from the Meech Lake Accord and the Free Trade Agreement.

Only the Conservative Party could have succeeded in those three endeavours.

Only the Conservative Party could do it.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

GREENHOUSE EFFECT—PARLIAMENTARIANS' CONCERN ABOUT ISSUE

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, last evening on the CBC *Journal* special attention was paid to the

problem of the greenhouse effect and the effect this may have on Canada and, indeed, the entire globe if nothing is done. One thing that disturbed me greatly about that program was the comment that it was time the greenhouse effect became a political issue.

I went back through the records of *Hansard* and I find that colleagues of mine and myself have been raising the greenhouse issue in this House for at least five years, going back to 1983, at the very least.

I am sure I speak for all Members of Parliament when I say that an issue does not just become an issue when the media discover it is an issue. An issue should become an issue when the elected Members of Parliament bring things up in Parliament, trying to call the attention of Parliament and Canadians to issues. That was something that was been done with respect to the greenhouse effect but attention was never paid to it when it was raised.

We often hear complaints that Parliament is not relevant. Parliament has been relevant on this issue for some time now. It is others who have not been paying attention. It is about time everyone paid attention to the greenhouse effect.

* * *

ADMINISTRATION OF JUSTICE

LENGTH OF SENTENCES—RESEARCH FINDINGS

Mr. Jim Jepson (London East): Mr. Speaker, now that the capital punishment debate is over, the Standing Committee on Justice and Legal Affairs, of which I am a member, has crossed the country, from Vancouver to Halifax, hearing witnesses on the most important matter of parole and sentencing. Clearly, most Canadians have expressed concern that those who have committed violent and sexual crimes are not receiving sentences that are commensurate with the crime committed, and violent criminals are being released too early on parole.

I asked the very excellent research staff of our Justice Committee to research the length of sentences for attempted murder, manslaughter, and criminal negligence causing death. I would like to share a bit of this information now.

Offenders released each year for conviction of attempted murder and manslaughter have served an average of three to four years. Those convicted of criminal negligence causing death served an average of one year to 1.3 years in penitentiary. Those convicted of rape and aggravated sexual assault served an average of two years to 3.5 years. Although each sentence has its own mitigating circumstances, this over-all record speaks for itself and is totally unacceptable.

Although the information available on parole and sentencing was limited, I still believe it confirms what myself and most Canadians believe.

NARCOTICS

DRUG ABUSE—RCMP ASSISTANT COMMISSIONER'S TESTIMONY TO PARLIAMENTARY COMMITTEE

Mr. John Nunziata (York South—Weston): Mr. Speaker, Canada needs an effective law to prohibit the production and distribution of illicit drug paraphernalia. Drug abuse is a very serious and tragic problem in our society, especially with young people. Not long ago a very young person in Toronto, a teenager, died as a result of drug abuse.

• (1410)

As Assistant Commissioner Stamler of the RCMP pointed out to a Legislative Committee today, the excessive production of illicit heroin, cocaine, cannabis derivatives, and other dangerous drugs, coupled with the ever sophisticated and diverse trafficking channels to Canada, continue to rank drug abuse and drug trafficking among the most critical problems facing the nation.

Drug trafficking is the most prosperous and widespread organized criminal activity in Canada today. I call upon the Government of Canada to introduce immediately legislation into the House to prohibit the production and distribution of drug paraphernalia. In Canada today there are over 500 head shops from one end of the country to the other that are selling this drug paraphernalia. We need a law to close down these head shops.

* * *

[*Translation*]

THE ENVIRONMENT

REHABILITATION OF URBAN MILIEU—CONGRATULATIONS TO VOLUNTARY ORGANIZATIONS IN QUÉBEC-EST

Mr. Marcel R. Tremblay (Quebec-Est): Mr. Speaker, I would like to draw your attention to a project announced a few days ago during National Environment Week, the "For healthier cities" project.

Nearly 80 percent of Canadians are city-dwellers. It is therefore very important that municipalities rehabilitate their social and physical environment to prevent disease and to improve public's health.

I am proud to say that Quebec City is one of the 16 municipalities which have decided to do something to make their urban environment healthier.

I would also like to congratulate the various volunteer organizations in Quebec-East who are working to that end.

Mr. Speaker, I will do my utmost to make all relevant information on this project available to interested groups.

[*English*]

MUNICIPAL AFFAIRS

FORTHCOMING TORONTO SUMMIT—TREATMENT OF HOMELESS

Mr. Dan Heap (Spadina): Mr. Speaker, in 1984 Toronto Police arrested and jailed homeless men during the visit of the Pope, no doubt so that His Holiness would not ask whether Toronto has beggars. Now with the Economic Summit in view Toronto Police are apparently cleaning up again.

Recently, police officers approached street kids near the Eaton Centre and said: "Be off the street soon or we will crack your heads". Homeless men and prostitutes are already being harassed for the edification of Ronald Reagan, Margaret Thatcher, and the Prime Minister's other guests.

The Prime Minister's guests will not be planning for the 10,000 homeless in Toronto, nor for the millions of homeless in Latin America, Africa, and Asia. They will not be planning for the thousands who must use Toronto's food banks, nor for the hundreds of millions around the world who go to bed hungry. They will be planning to make the wealthy countries wealthier, to collect external debt from the poorest in the world, to protect the seven wealthy summit countries from the desperate peoples of Europe's former colonies, our present debt prisoners.

Shame on all who try to hide from the poor. Inasmuch as we turn away from these poor, we turn away from God.

* * *

THE ECONOMY

CREATION OF JOBS

Mr. Allan Pietz (Welland): Mr. Speaker, the Government's free trade legislation is a milestone for Canada. It marks this country's coming of age. Some people of other political persuasions would have us believe that we are not ready for it—that is ridiculous.

Since the Foreign Investment Review Agency was disbanded and replaced by Investment Canada, the Canadian economy has outperformed all other western industrialized nations. Canadian independent businessmen have responded with enthusiasm to the Government's incentives. Canadians are investing more money in this country than anyone else. This type of enthusiasm means jobs for Canadians.

During the last federal election the promise of jobs was a cornerstone of the winning political campaign. By improving the business climate for both Canadian and foreign investors 1,223,000 jobs have been created in Canada over the last three years.

According to well respected, non-partisan sources, such as the Economic Council of Canada, 150,000 more jobs will be created once the free trade agreement comes into effect.

S. O. 21

MINERS MEMORIAL DAY

REMEMBRANCE OF HARDSHIPS AND SACRIFICE

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I rise today to bring to the attention of the House the celebration of a very special day for the people of Cape Breton—Miners Memorial Day which will be celebrated on June 11.

Miners Memorial Day is an important day. It is a day of reflection, time to remember the hardships, sacrifice, and personal danger that are part of the lifestyle of a coal miner in Cape Breton. It is a day to pay tribute to those who lost their lives in our coal mines. In addition, it is a day to salute all miners and their families for their outstanding contribution to the coal industry and to our community.

The history of Cape Breton is a history of hard work and sacrifice deep under the ground in the coal mines. Although the industry has been on the decline for the last number of years, it still remains a vitally important part of our history, both past and present.

• (1415)

On behalf of all my constituents, may I warmly congratulate and salute the miners of Cape Breton on Miners Memorial Day.

* * *

POLITICAL PARTIES

POSITION OF NEW DEMOCRATIC PARTY ON PRIVATE MEMBER'S BILL

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, the NDP have long argued that they oppose the free trade agreement in principle. That I respect. However, in registering its opposition to the FTA this morning, the NDP resorted to unprincipled measures.

On recorded vote Members unanimously supported the NDP's House Leader's Private Member's Bill to designate Raoul Wallenberg an honorary citizen of Canada. However, when the question was put orally before the recorded vote I heard only NDP Members, led by the Hon. Member for Nickel Belt (Mr. Rodriguez), shout "No". Furthermore, only NDP Members, led by the Hon. Member for Nickel Belt, stood up to demand a vote, even though they intended in the end to support the Bill.

The irony is tragic. Raoul Wallenberg was a man willing to sacrifice his freedom and even his life for principle. How would he react to this unprincipled use of his name to delay and to abuse the rights freely given by the House to private Members to introduce Bills?

Oral Questions

ENVIRONMENTAL AFFAIRS

OTTAWA-CARLETON SEWAGE TREATMENT PLANT—UPGRADING NEEDED

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, it is time for the Tory Government to put its money where its mouth is.

Over recent weeks the Minister of the Environment (Mr. McMillan) has been telling the few people who are still willing to listen to him that he wants to clean up the environment. Now we can put this empty rhetoric to the test.

The Green Creek sewage treatment plant here in Ottawa-Carleton needs major upgrading and expansion which will cost $399 million. This expenditure would result in a tax increase of 50 per cent for serviced households and businesses in the Ottawa-Carleton area.

Yesterday the Chairman of the RMOC met with the Minister of Finance (Mr. Wilson) in order to obtain federal assistance in a similar manner to other projects some time ago. Unfortunately, all he got from the Minister was "sympathetic consideration".

Sympathy is not enough. I call upon the Tory MPs from Ottawa-Carleton, especially the Associate Minister of Defence (Mr. Dick), to put their feet down and to tell the Minister of Finance that we need this money for a major environmental project. Otherwise, we will be forced to continue to believe what we already know, and that is that the Tory MPs from the Ottawa-Carleton area are as impotent as they have been in the past.

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—PENALTY PROVISIONS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in the absence of the Minister of Trade may I direct a question to the Deputy Prime Minister.

The Government with its customary arrogance intends to close down debate on the Prime Minister's trade deal at the very time that it is still being negotiated with the Americans.

Mr. Lewis: Not true.

Mr. Turner (Vancouver Quadra): I assume, in putting this question to the Deputy Prime Minister, that he and his Ministers have finally read the trade deal and the piece of legislation that they have deposited in Parliament and are prepared to answer some specific questions about the deal and the legislation.

Mr. Lewis: That's true.

Mr. Turner (Vancouver Quadra): The Deputy House Leader nods and says "That's true", and we will see how we get along.

Article 1904.2 of the agreement states that any future anti-dumping law or countervail law of the United States becomes incorporated into the agreement between Canada and the United States. Clause 8(2) of the legislation tabled here in Parliament states that any Canadian who contravenes the legislation, or contravenes the accord, is guilty of an offence.

The Interpretation Act and the Criminal Code of Canada state when there is no other fine or no other imprisonment listed, the offence is a summary offence subject to a conviction of up to six months in jail.

Does the Deputy Prime Minister seriously expect Parliament to pass legislation which subjects Canadians to prison terms, not for violating Canadian law but for breaching American law, including future American law that we have not even seen yet?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the assertion by the Right Hon. Leader of the Opposition is totally untrue. What we have put before opposition House Leaders is a proposal to deal with the trade Bill and other Bills in an orderly and co-operative fashion. The House Leaders of the other two Parties have seen fit not to accept our proposal, and our House Leader today has written another letter to the House Leader of the Liberal Party, copy to the House Leader of the New Democratic Party, opening the door for further negotiations.

• (1420)

With respect to the specific points which the right hon. gentleman has raised, if he want to make a second reading speech on the free trade Bill, C-130, he will have an opportunity next week.

Mr. Turner (Vancouver Quadra): The Deputy Prime Minister can count on it, Mr. Speaker. I will be here for second reading and I will be making a speech.

PROVISION FOR IMPOSITION OF FINES

Right Hon. John N. Turner (Leader of the Opposition): I am asking a specific question. Why is the Deputy Prime Minister ramming through this legislation, the five-day limit on debate, forcing summer sittings, when this Bill includes fines and imprisonment, not for breaching Canadian law but for breaching the accord and for breaching future American trade law which has not even been passed by the Congress?

That is an absolute invasion of Canadian sovereignty. The Member from Brampton can laugh. He ought to read the agreement. He ought to read the Criminal Code. He ought to read the Interpretation Act. What I am saying will be borne out by a reading of those documents.

I am asking the Deputy Prime Minister about prison terms and about potentially huge fines that can be imposed upon Canadians for violation of future American trade law which has not yet even been passed.

Clause 77.26 of the Canadian Government's legislation tabled in Parliament says that any person who fails to comply in Canada with a protective order made under American law is guilty of an offence and is subject to conviction on indictment of a fine up to $1 million.

Can the Deputy Prime Minister explain how he can justify ramming through Parliament legislation which subjects Canadians to fines of up to $1 million not for a violation of Canadian law but for a violation of protective order under American law? That is an outrage, and I want the Deputy Prime Minister to explain it to this House.

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, in response to the Right Hon. Leader of the Opposition, I think he is getting bad legal advice. This is a Canadian law. This is a law which has been presented to Parliament. This is a law which has been subject to debate and discussion over the course of at least two years. This is a law which will now receive intensive examination.

Mr. Kaplan: He is making a speech.

Mr. Gauthier: He is not talking about that—

Mr. Hnatyshyn: This is a trade agreement that is before the Canadian public.

Mr. Gauthier: He is not talking about—

Mr. Speaker: The Hon. Minister is attempting to answer a question that has been asked. The Hon. Minister is being interrupted by other Members who do not have the floor. I would ask that the courtesy extended to the Right Hon. Leader of the Opposition be extended also to the Minister when he gives his answer.

Mr. Hnatyshyn: Thank you for your intervention, Mr. Speaker. I was simply making the point—and I think Canadians who observe this debate will find the fairness of the proposition put forward—that what we want to do is have a full and adequate debate on this matter. There will be an opportunity to examine the legislation in detail before a committee of the House of Commons which will be allowed to examine it clause by clause.

If the Right Hon. Leader of the Opposition will look at the provisions of the Bill, these are consistent with respect to Canadian laws that have been passed by previous Liberal Governments. If the right hon. gentleman wants to look at some of the penalties that have been imposed with respect to important combines investigation legislation—

Mr. Turner (Vancouver Quadra): Canadian law.

Mr. Hnatyshyn: This is Canadian law, Mr. Speaker. We in this Government legislate on behalf of Canadians in the Parliament of Canada. We make the laws here and we want to get on with the job.

MINISTER'S POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I find that a very curious position for the Minister of Justice to take. If he would read the documents that I have been reciting, the trade agreement and the Bill before the House, he will see that by the way they are framed and drafted future American trade law is incorporated in the agreement. It is an offence to breach either the agreement or the law in the legislation that his colleague has tabled before the House.

• (1425)

What he is asking this House to do, under lengthened time allocations and under closure rules, is to impose on Canadians a potential fine of up to $1 million for one particular article, and a prison term of up to four years for another article, not for a breach of Canadian law but for a breach of American law automatically incorporated into the agreement, whether present or future American law. That is a breach of Canadian sovereignty and the Minister of Justice really ought to be protecting sovereignty.

[*Translation*]

Mr. Speaker, I ask the Minister how he can explain this Government's need to strengthen its Bill and the Agreement with the United States? Any clause... well, six months' imprisonment, another unlimited fine, a million dollars, another four-year prison term for a specific clause. How can he justify that in the tradition of Canadian law, imposing fines and prison sentences on Canadians for violating a future law that the U.S. Congress has not even passed yet?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, it is because this is not American, but Canadian law.

[*English*]

The right hon. gentleman is indulging in sophistry. He is indulging in this kind of not half-truth but untruth. He is saying that this is not Canadian law. This is Canadian law. It is an agreement which was entered into by Canada and the United States. We have it before Parliament. It is available to the right hon. gentleman and to Members of Parliament. If they feel that the provision is not adequate and that the fine should be increased, they can move to increase the fine, or if they want to decrease it, they can do so. This is a Canadian law and the right hon. gentleman, as a former Minister of Justice, should understand these things.

CONDUCT OF LEGAL PROCEEDINGS

Hon. Bob Kaplan (York Centre): Mr. Speaker, the Minister says it is Canadian law but it is written in the Congress of the

United States and it can change it. What is happening is unprecedented.

In proposed Clause 77.26, this Bill creates, for the first time in Canadian history that I can find, a Canadian offence which can be committed entirely in Canada and tried in a Canadian court for breaking an American law, present or future.

I ask the Minister of Justice, if a Canadian is charged with such an offence and tried in front of a Canadian court of violating American law, will he here in Canada have American defences? Will he be able to plead the Fifth Amendment? Will he be able to plead the U.S. Bill of Rights? If an American is charged with violating that American law in his own country, he will have those defences.

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, opposition Members, in their attempt to justify their opposition to this very worthwhile treaty which is in the interests of Canadians, are really stooping to some depths in order to make invalid points.

Mr. Kaplan: Answer the question.

Mr. Hnatyshyn: The justice critic of the Liberal Party asks me to give an answer. The answer is the question is stupid, that's the answer. There is no basis in fact. This is Canadian law, and if the hon. gentleman feels that the Charter of Rights of Canada should not apply, maybe he would want to make that a point in debate, but he has absolutely no foundation to his question and he should go back to his researchers to get a good question.

REQUEST THAT ELECTION BE HELD ON ISSUE

Hon. Bob Kaplan (York Centre): Mr. Speaker, I think that was a question that needs an answer, and I certainly did not get it. I would like to turn again to the Deputy Prime Minister and ask him this. We know that in spite of what the Government is saying, the agreement is falling apart and portions of it are being renegotiated. In light of that, will he take the advice of the Canadian people as demonstrated in the polls and take this issue to the people before renegotiating this terrible trade agreement?

• (1430)

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, again the Hon. Member's assertion is absolutely false. The latest poll I saw says most Canadians agreed with the trade initiative signed with the U.S. That is very simply because it is good for Canada, good for all Canadians, and good for the regions. It will provide progress and prosperity for the Canadian economy. The Hon. Member, rather than trying to find ways and means to kill the initiative, should be the first to support it to ensure that Canadians will have jobs and new opportunities. That is what the exercise is all about.

NATIONAL DEFENCE

PROPOSED ACQUISITION OF NUCLEAR POWERED SUBMARINES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of National Defence. He and the Prime Minister have time after time defended the costly and foolish decision to spend billions of dollars on nuclear attack submarines in order to protect Canadian sovereignty in the Arctic. The Minister was on television again this morning offering this curious argument, to understate it.

Very serious alternative proposals have been made to deal with sovereignty in the Arctic. They involve updated sonar and other equipment, and could be undertaken without any threat of violating the spirit of the non-proliferation treaty and without extending our involvement in a potentially aggressive strategy. Given that, why has the Government come down on the side of nuclear attack submarines costing billions of dollars instead of a much less costly and saner alternative?

Hon. Perrin Beatty (Minister of National Defence): Mr. Speaker, there are so many false premises to the hon. gentleman's question it is hard to know where to begin.

Mr. Broadbent: Give it a whirl.

Mr. Beatty: All right, let us start first with the premise that the reason for the submarines is simply to protect our sovereignty in the Arctic. That is false. One of the questions I put to the Navy in the Common's defence committee was if the Government had decided not to allow the Navy to go into the Arctic, what would be its recommendation with regard to protecting our Atlantic and Pacific responsibilities? The answer was to purchase nuclear-propelled submarines, a second batch of frigates, and anti-submarine helicopters.

In addition to the sovereignty issue, they will give us for the first time the ability to go into our Arctic. The NDP proposed to shut Canada's Navy out of Canada's North and leave it open to others.

Some Hon. Members: Oh, oh!

Mr. Beatty: That is exactly what it would do because no other vessel the Navy has can go there. Conventionally propelled submarines cannot do it. Frigates cannot do it.

The hon. gentleman suggests that instead of defending the North we should simply put in underwater surveillance systems. That would be similar to building the North Warning System to warn us of long-range bombers coming over the Pole, but getting rid of the CF-18 whose job it is to intercept them. It would be similar to saying we will put a burglar alarm in the bank but we will not bother with guards.

Some Hon. Members: Strike one, Ed.

MONITORING OF SOVEREIGNTY IN ARCTIC

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I ask the Minister to deal with the question. The question is this. Will he agree that not only experts in his Department but those in other countries, including the U.S., agree that there is a technologically adequate alternative? If our task is to find out what is going on in the Arctic, under the ice, there are alternative means of doing so that would cost much less and would not involve us in a potentially aggressive strategy. At precisely the time the superpowers are coming to their senses, our Government is the only one that wants to go the other way.

Why does the Government not do the sensible thing and have a strategy that would monitor our sovereignty but not get us into a potentially aggressive posture in any way whatsoever?

Hon. Perrin Beatty (Minister of National Defence): Again, Mr. Speaker, the hon. gentleman is simply confused and confusing in what he suggests. I suppose if our only goal in our defence policy was to know if someone was trespassing, without having the ability to defend ourselves, we could also scrap our CF-18s. We could wind down the responsibilities of the Army as well.

The responsibility of the Canadian Armed Forces is to defend the territorial integrity of Canada; to be prepared to ensure that if there is a trespasser in our airspace or in the maritime approaches, we are capable of doing something about it. This is consistent with the NPT. It is consistent with Article 14 of the agreement with the International Atomic Energy Agency, as the Hon. Member should know.

The time has now come for the NDP to begin to come clean with the Canadian people. This week the hon. gentleman suggested taking that money and spending it on a range of social programs and giving it to CUPW, among other things. What is his proposal for the defence of Canada? What is he proposing that we do with the Navy? Does he disavow what the Hon. Member for Brant said about buying conventional powered submarines and—

Some Hon. Members: Hear, hear!

Some Hon. Members: Strike two, Ed.

Mr. Speaker: The Hon. Member for Oshawa.

ALTERNATIVE PROPOSAL

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I want to make sure I get very clearly what the Minister is suggesting to the people of Canada, indeed everyone around the world. On the one hand there is a system that could be used to find out if there have been incursions on our sovereignty and then report back so we can take diplomatic action to deal with it.

Some Hon. Members: Oh, oh!

Mr. Broadbent: All right.

Mr. Lewis: That is great, Neville.

Mr. Andre: We will throw the book at them!

Mr. Turner (Ottawa—Carleton): What did you want to do about St. Pierre and Miquelon? Send in the gunboats!

Mr. Andre: Gunboat Broadbent.

Mr. Speaker: The Hon. Member, please.

Mr. Broadbent: Now that we have heard the intellectuals in the Tory caucus—

Mr. Nystrom: Which one?

Mr. Broadbent: —there is the other alternative, and this was the thrust of the Minister's argument, that if we should find any incursion on our sovereignty we are going to attack.

Some Hon. Members: Oh, oh!

Mr. Broadbent: Is that what the Minister is saying? They are the only two options. We proposed an alternative which could monitor and report incursions and we would then follow it up diplomatically. The other alternative is to spend billions of dollars on attack submarines. Which option are you choosing, and explain why?

Hon. Perrin Beatty (Minister of National Defence): Mr. Speaker, when I listen to the hon. gentleman I do not know whether to laugh or cry because it is so sad. He says that if Canada is attacked all we should do is stand by and protest.

Mr. Broadbent: Listen to the argument.

Mr. Beatty: The hon. gentleman asks a question but does not allow an answer. I do not blame him because the question was so fatuous.

The role of the Canadian Armed Forces is to be prepared to defend Canada. We have never occupied or coveted a square centimetre of anyone else's territory. The sole time that we use military force is to defend ourselves and protect freedom. We threaten no one. We certainly threaten no one by saying we are prepared to defend Canada. The NDP says we should not be prepared to defend Canada and they are dead wrong.

Some Hon. Members: Strike three, Ed.

* * *

CANADA POST CORPORATION

CORPORATE PLAN—RURAL POST OFFICES

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Minister responsible for Canada Post. A confidential portion of Canada Post's corporate plan obtained by Canadian Press, a copy of which I

have in my hand, states that the Government will be rationalizing—that means shut down—5,221 rural post offices by 1996. Given there are 10,000 employees in rural post offices, 83 per cent of whom are women, how does the Minister feel about firing 8,300 women, which is likely the largest firing of women in the history of Canada? What is he trying to do, outdo his boss when he shut down Schefferville?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, that document or article about which the CP story was written said that in the last fiscal year 269 rural post offices were supposed to be rationalized. In fact, last fiscal year 119 rural post offices were privatized. They were put into local general stores.

• (1440)

Incidentally, during the last fiscal year 218 new rural postmasters were hired and I understand that 80 per cent of them were women. Therefore, new postmistresses are being hired, not fired. The Hon. Member should get his facts right and not make such stupid statements.

Mr. Boudria: Mr. Speaker, the Government will be rationalized out of a job after the next election.

Some Hon. Members: Hear, hear!

[*Translation*]

REQUEST THAT MINISTER INTERVENE

Mr. Don Boudria (Glengarry—Prescott—Russell): My supplementary question deals with the shutdown of 5,221 rural post offices. The document suggests that the Government could close this year 387 post offices, an average of one a day, and if—Heaven forbids—it were returned to power, it could close next year 858 post offices, an average of two a day.

When are the Prime Minister or the Deputy Prime Minister going to assume their responsibilities and order the Minister to end this sad joke and stop once and for all this discriminatory practice? What has the Government got against Canadians living in rural areas?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, on May 12 the corporate plan for Canada Post was issued by the president. The press was there and perhaps members of the Opposition were there. I can send them the kit.

Over the period of time about which the Hon. Member is talking there will be an increase from the current 5,200 rural post offices to 7,000. There will be an increase. That means up, that doesn't mean down. That means people added, not fired. That means the Hon. Member should try to stick to the truth.

The fact of the matter is that service is going to be increased in rural Canada. The Hon. Member, as usual, knows nothing of what he speaks.

PROJECTED NUMBER OF CONVERTED POST OFFICES

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my question is for the Minister responsible for the Post Office. The Minister has just said that although the newspapers are reporting today that the conversions of post offices for 1987-88 were to be 269, in fact there were 119 conversions.

Is the Minister telling this House that the Government has been slowed down in the implementation of its corporate plan for converting rural post offices because of the protests that are being held across the country, and that the way to reduce the number of conversions included in the corporate plan is for Canadians to make their voices heard and say no to this corporate plan?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the answer is no. However, I wonder whether the Hon. Member would really like us to do that. In his Province of Manitoba a survey of people who are now being served by these converted post offices indicates that 86 per cent think the service is the same or better. Is the Member saying that his constituents should not get that better service?

Mr. Keeper: Mr. Speaker, if the Minister is simply going to continue to quote a survey which gave people the alternatives of "keep it here through a local retailer" or "move it to another town", I think he is simply trying to mislead people.

EXISTENCE OF CORPORATE PLAN

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, will the Minister confirm to this House that this confidential document, this corporate plan, exists and outlines the number of conversions which are going to take place year by year? Will he confirm those numbers and will he tell us which will be the next 300 communities to be converted?

Will it be Boat Harbour in Newfoundland, will it be Weston Shore in Nova Scotia, or will it be St. Tite in Quebec? Just which communities are on the corporate plan for conversion?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, it is often difficult to know where the NDP is coming from. The other day the Leader of the New Democratic Party talked about scrapping nuclear subs so that we can put up post offices. Yet their resolutions book, in Resolution A.4.3 says:

> An NDP government would put full employment as its primary goal . . . (would)
>
> (3) accelerate other public works, but only after re-evaluating their social usefulness. New post offices may not be nearly as important as new convalescent or nursing home beds.

Some Hon. Members: Oh, oh!

Mr. Broadbent: It says "new post offices".

Mr. Rodriguez: What's the matter with you?

Mr. Broadbent: Can you read?

Mr. de Jong: Is that all you can come up with, Harvie?

Mr. Broadbent: You're really sick.

Mr. Orlikow: You need a new researcher, Harvie.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF PRESIDENT OF LIONS INTERNATIONAL

Mr. Speaker: Mr. Speaker, I wish to draw to the attention of Members the presence in the gallery of his Honour Judge Brian Stevenson, President of Lions International.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF DEPUTY COMMISSIONER OF THE NORTHWEST TERRITORIES

Mr. Speaker: I also wish to draw to Members' attention the presence in the gallery of Mrs. Ann Hanson, Deputy Commissioner of the Northwest Territories.

Some Hon. Members: Hear, hear!

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[*Translation*]

REGIONAL INDUSTRIAL EXPANSION

QUEBEC'S SHARE—GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Minister of Finance who is certainly aware that over the past five years, direct federal spending in the various Quebec regions amounted to nearly $1 billion. The Minister of Finance is aware that the federal Government invested $453 million under the Industrial and Regional Development Program, $264 million under the Eastern Quebec Plan, and over $200 million under the Canadian Industrial Renewal Board. Could the Minister of Finance explain why, for the next five years, federal spending in the various Quebec regions will be cut by nearly 50 per cent or over $500 million? Why this reduction from $1 billion to $500 million in these five Quebec regions?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not understand the figures to which the Hon. Member has just referred. There was an announcement today, I believe, which provides for a substantial increase in regional development spending.

If the Hon. Member looks at the record of the Government over the last little while he will see that there has been a significant increase in regional development spending, not only in the Province of Quebec but in other parts of the country which we want to ensure have access to funds for regional development.

That which the Hon. Member just said is quite contrary to my understanding of the situation.

[*Translation*]

Mr. Lapierre: Mr. Speaker, I certainly challenge the Minister of Finance to check the figures I have just quoted. He will have the clear demonstration that direct federal spending in Quebec will be cut by at least 50 per cent as a result of the grandstanding announcement which the Prime Minister is making today in Quebec.

REQUEST FOR EXPLANATIONS

Hon. Jean Lapierre (Shefford): Mr. Speaker, I should like to ask the Minister of Finance how he can justify that 50 per cent reduction when we know that the Prime Minister is only bragging and that in fact, $1.2 billion were injected in Western Canada, that Atlantic Canada will get $1 billion while Quebec will only obtain half a billion of federal funds when it got $1 billion during the past five years? Why such a reduction and why resort to deceitful propaganda?

Hon. Bernard Valcourt (Minister of State (Small Business and Tourism) and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, some do bragg and others got an awful cropper. If the Hon. Member looked at the figures, and I have them in hand, Mr. Speaker, he would realize that the commitments made by the federal Government in Quebec under its regional development programs are comparable. I would be embarrassed if I were a Liberal to rise today in this House to say that this Government has done less in Quebec. With those commitments, Quebec will get under regional development and other departmental programs 28 per cent more than what was previously spent. Those are the facts.

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INDIAN AFFAIRS

LANDS ADJOINING KAHNAWAKE INDIAN RESERVE—INDIAN CLAIMS—MINISTER'S POSITION

Mr. Ricardo Lopez (Châteauguay): Mr. Speaker, my question is directed to the Minister of State (Indian Affairs and Northern Development).

Mr. Speaker, after the unfortunate events last week at the Kahnawake Indian Reserve, my constituents are now very concerned about further developments.

Mr. Speaker, the chief of the Kahnawake Indian Reserve sent a letter to eight municipalities in the riding of Châteauguay, in which he claimed that eight municipalities adjacent to the Kahnawake Indian Reserve belong to the Seigneurie de

Sault Saint-Louis and that the Seigneurie is now being claimed as having legally belonged to the Indians.

Mr. Speaker, Canadians, and especially the residents of these eight municipalities in Châteauguay expect the Government of Canada to do something to allay their concerns.

My question today is a question all residents are now asking: What will happen to the territory of the municipalities around the Kahnawake Indian Reserve as a result of the Indians' land claim?

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, the Hon. Member raises an important question.

First of all, the claims made by the Mohawk Council of Kahnawake that they have legal title to the former Seigneurie de Sault Saint-Louis were considered by the federal Government in the seventies, when the claim was rejected.

We have been advised that the Mohawk Council is preparing a new claim, Mr. Speaker.

In fact, the policy with respect to specific land claims has never been to expropriate third parties to settle a claim. Normally, such claims are settled by compensation in specie or some other consideration. Our policy is not to settle land claims by expropriating people who own and occupy the land.

* * *

• (1450)

[*English*]

CONSUMER AFFAIRS

BANK'S REPORTED $2 CHARGE FOR CHANGING $20 BILL

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. On Monday this week, Mrs. Clara De Gruchy of Ottawa walked into the Bank of Nova Scotia at Fourth Avenue and Bank Street with a $20 bill and asked for two $5 bills and $10 in quarters. The clerk gave her two $5 bills and $8 in quarters. When she asked for her other $2 she was told that was the service charge because "too many people were requesting quarters". This is simply an exchange of Canadian money for Canadian money. Does the Minister not agree that this kind of service charge ought not to be allowed?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, if the facts are accurate, and I do not mean to be disparaging or suggest they are not, I find that outrageous, particularly if there was not a big sign that said: "We charge for making change". If there was a sign and someone did it anyway, that would certainly be wrong. I find it objectionable. Certainly, if I were that customer, I would have no further dealings with that bank. I suggest other consumers take the same action.

Mr. Rodriguez: In view of the fact that the Minister's responsibility is consumer affairs, I hope he will follow this up and report back to the House.

MINISTER'S POSITION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, it is ironic that this happened on Monday, the same day that the Finance Committee tabled its report on bank service charges. It is clear that the banks are doing to consumers what Bonnie and Clyde did to the banks.

Is the Minister prepared to do something to protect average Canadians like Mrs. De Gruchy, or is he simply prepared to be the Government's Charlie McCarthy to the bank's Edgar Bergen?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the committee of which the hon. gentleman was a member made its recommendations and its proposal to the House. The Government has that under consideration.

My colleague, the Minister of State for Finance, has indicated that—

Mr. Rodriguez: You fiddle while Rome burns.

Mr. Andre: I gather that the Hon. Member suggests we should have had the necessary legislation in here before the committee reported.

Mr. Rodriguez: You should have had a freeze.

Mr. Andre: Then he would stand up in outrage at showing contempt for Parliament by not waiting for the committee's report before acting. The Hon. Member knows that is a bit unreasonable.

Mr. Rodriguez: You should have had a freeze on the charges.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

LEAVE FOR FATHERS—GOVERNMENT POSITION

Ms. Sheila Copps (Hamilton-East): Mr. Speaker, my question is directed to the Deputy Prime Minister.

Yesterday, when the Federal Court of Canada confirmed what the Liberal party has been saying for a long time, all of Canada realized that the Unemployment Insurance Act is unconstitutional since it does not recognize the parental rights of fathers.

I would like to ask the Deputy Prime Minister if he can ensure this House that he will not appeal the decision of the Federal Court and, also, that he will introduce as soon as possible amendments to the Unemployment Insurance Act so that fathers benefit from parental leaves and that, at the same time, mothers keep the benefit of maternity leaves.

[*English*]

Mr. Benno Friesen (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, the judgment was made two days ago. I think the Member would agree that the Government ought to give a studied response rather than a spontaneous one. I hope she would agree with that.

REQUEST THAT COURT DECISION NOT BE APPEALED

Ms. Sheila Copps (Hamilton East): Mr. Speaker, there is nothing to study. The issue has been studied by several parliamentary committees, including an all-Party committee which recommended more than two years ago that parental leave be granted to the fathers. Frankly, when the Federal Court of Canada speaks, I think the Government should listen.

Will the Acting Minister assure the House today that he will not appeal this decision? If he does appeal this decision, he is flying in the face of the Constitution and the Charter of Rights. Will he not ask the Minister of Employment and Immigration to proceed immediately with a new law to recognize parental benefits for fathers as well as maternity benefits for mothers? It is as simple as that.

Mr. Benno Friesen (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, the committee may have studied the subject but it has not studied the judgment. I think the Member owes it to us to do that.

REQUEST THAT UNEMPLOYMENT INSURANCE ACT BE AMENDED

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. It also concerns parental leave which we believe is a vital component of child care.

I think we all welcome the decision of the Federal Court that natural fathers should be eligible for parental benefits under the Unemployment Insurance Act, just as adoptive fathers are, but also the confirmation that maternity benefits have a different purpose and therefore the position of the father must not deprive the natural mother of maternity benefits.

In view of this important decision, when will the Government introduce amendments to the Unemployment Insurance Act to offer a separate period of parental leave benefits so that fathers may have the opportunity of caring for an infant following the maternity leave period?

Mr. Benno Friesen (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, for once the Member for Hamilton East beat the Member to the question and did a little better.

PARENTAL LEAVE BENEFITS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I expect you agree that that was a completely insulting response.

Mr. Speaker: I would ask the Hon. Member to put her question, please.

Ms. Mitchell: My supplementary question is directed to the Minister of National Health and Welfare who, I hope, has some concern about parental leave as part of a child care package. Does he agree with most of the women's groups across the country who feel that extending parental leave benefits to fathers is desirable, but are also quite firm that this should be supplementary to maternity benefits because mothers need a recuperative period after giving birth to a child? Will the Minister please respond?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, Members will recall that changes to the Unemployment Insurance Act were introduced by the former Minister of Employment and Immigration. The Government showed direct action in respect to adjusting the Act to modern realities.

Second, in respect to changing the Unemployment Insurance Act, I think the Hon. Member should recognize, as the Parliamentary Secretary has also indicated, that if any changes take place it would be appropriate for the Minister to make those changes and those announcements.

* * *

ADMINISTRATION OF JUSTICE

CHARLES NG—UNITED STATES' REQUEST FOR EXTRADITION

Mr. Gordon Taylor (Bow River): Mr. Speaker, my question is directed to the Minister of Justice. Charles Ng is nearing the end of his four and a half year sentence in Canada for shoplifting and attempted murder. The Canada-U.S. extradition treaty permits, with the consent of the Attorney General, a prisoner to be extradited before the full sentence has been completed. Therefore, is the Hon. Minister taking steps now to send this criminal back to the United States where he is wanted for alleged serious crimes?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I thank the Hon. Member for his question. The fact is that the United States Government has requested the extradition of Mr. Ng, pursuant to the extradition treaty between our countries. He has been arrested pursuant to this request. The matter has come before the courts in Alberta for a hearing.

There is a process before the courts that must take place with respect to this matter before it reaches the Attorney General of Canada. Accordingly, I have no comment with respect to this matter except to assure the hon. gentleman that, when the matter is referred to me, I will give the matter the appropriate attention.

* * *

• (1500)

CHILD CARE

GOVERNMENT PLAN

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. The federal Government has told us time and time again that child care was to be a priority on its agenda. We are still waiting for the tabling of the legislation. The Government has explained its last delay by an admission that there is not enough money to meet provincial needs. The federal Government was made aware of the specifics of the Ontario plan last December, not March or May, December 1987.

If the Mulroney Government—

Some Hon. Members: Order!

Mrs. Pépin: —has made child care a priority, why is it delaying, postponing, and contemplating reworking the plan? Why is it failing to address this important issue?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Government is not contemplating shelving the plan, in fact, quite the opposite. The Government is working very diligently on child care. I should say again to the Hon. Member, as I have repeated so often before, that the legislation will be tabled and I hope we will have Liberal approval, just for once—just for once—on legislation—

Ms. Copps: Poor Jake!

Mr. Epp (Provencher): —that will be passed, and that is a social policy initiative—

Ms. Copps: Let's start crying, Jake.

Mr. Epp (Provencher): —rather than the kind of nattering I hear even now from those who supposedly think they know better.

Ms. Copps: Poor little Jake!

[*Translation*]

REQUEST THAT GOVERNMENT REMOVE FREEZE ON EMERGENCY FUNDS

Mrs. Lucie Pépin (Outremont): Mr. Speaker, given that the Canadian Government has not yet introduced its child care Bill which has been expected since last March, will it grant short term emergency funds so that existing child care programs may be maintained? Indeed, you have not given a single cent so far and this Bill does not appear on your priority list.

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I will repeat again today that it is a priority. Again, the Hon. Member is more fair, more intelligent, and more insightful than those who generally speak on that side on social policy, so I would just remind her that if she takes a look at the amount of money this Government is spending right now under CAP on child care, and the amount of money the Liberal Government spent when she was the women's spokesperson, she will see how little was spent, and I would think she might want to get up on a point of order after Question Period and change the erroneous part of her question.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, this being Thursday, I would like to ask the Deputy Government House Leader to give us the usual statement of government business.

I realize that the Government likes to think, as it says, with respect to the debate on the trade deal, that discussion outside the House is a replacement for parliamentary discussion. That may be why the Deputy Government House Leader already telegraphed to the press much of his statement of government business earlier this week. However, I think I should still show sufficient respect for Parliament and our parliamentary procedures to ask the Deputy Government House leader to give the formal statement of government business at this time.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I did have some discussions with the media as to what might happen over the next couple of weeks. My hon. friend will know that I delivered by hand a letter to him suggesting what might be a reasonable arrangement of business, which I have not released to the media, although my friend released my letter to the media last week without permission.

I would say to the Member that today we will call the motion to extend the sitting into the summer. I appreciate that neither the New Democrats nor the Liberals wish to sit into the summer, but we intend to continue with the business of the Government and the House.

Tomorrow, in the event that the procedural argument on the motion to extend the sitting is not completed today, we will continue that argument. If in fact the argument is completed, we will designate tomorrow as an allotted day.

Monday, we will have to wait and see if we are able to complete that argument and proceed with the motion to extend the sitting into the summer somewhat.

Tuesday will be a day on which we continue the Meech Lake debate, with the Prime Minister and the Leaders of the two opposition Parties taking part in the debate on that day.

* * *

[*Translation*]

POINT OF ORDER

REQUEST FOR TABLING OF DOCUMENT

Hon. Jean Lapierre (Shefford): Mr. Speaker, I wish to raise a point of order.

Mr. Speaker: The Hon. Member for Shefford (Mr. Lapierre) on a point of order.

Mr. Lapierre: Mr. Speaker, during Question Period, the Minister of State for Small Businesses and Tourism and Minister of State for Indian Affairs and Northern Development (Mr. Valcourt) quoted from a document containing the DRIE expenses figures for Quebec, and I wished he had the kindness and courtesy to table it in the House for the information of all Hon. Members.

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, you may have noticed or *Hansard* will indicate, if you look at the record, that I have not once referred to that document. I did mention having in my possession a document containing such expenses without, however, referring to it, and I believe that Standing Orders require that a document be laid upon the Table when referred to or when a quotation is made from it, which was not the case.

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, on a point of order.

Mr. Speaker: The Hon. Member for Saint-Jacques (Mr. Guilbault), on a point of order.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, speaking on behalf of my party, I would like to reserve the right to look at the video tape, to confirm the Minister's reply. If he did exactly what he said he did, we agree . . .

An Hon. Member: Does he have anything to hide?

Mr. Guilbault (Saint-Jacques): . . . but it seemed to us he quoted from a document.

[*English*]

Mr. Speaker: The Minister has said that he was not quoting from a document, but if there is further difficulty with this, I will hear the Hon. Member for Saint-Jacques at another point in time. The Hon. Member may well want to look at *Hansard* and also at the video tape. If there is any further difficulty, I, of course, will hear Hon. Members.

PRIVILEGE

NOTICE OF QUESTION OF PRIVILEGE

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I rise to express to you that I reserve the right to raise a question of privilege after I have examined the record which contains the statement of the Hon. Member for York Scarborough (Mr. McCrossan). That statement was made this afternoon. I will examine the record and then decide whether in fact I would like to raise a question of privilege at a later date.

Mr. Speaker: I, of course, would ask the Hon. Member for Nickel Belt (Mr. Rodriguez), and I am sure he would be very pleased to oblige me in my request, that he give me notice in writing.

* * *

BUSINESS OF THE HOUSE

Mr. Riis: Mr. Speaker, since Thursday is the day we ask the Deputy House Leader about government business, perhaps I will put a comment to the Parliamentary Secretary. Considering that we have not had the usual round of meetings for House Leaders this week because of the press conference called by the Deputy House Leader, we would like to indicate that, as far as the NDP is concerned, there are a number of Bills we would like to move on expeditiously. As he knows, on a number of occasions we have indicated precisely what those Bills are. If the Government were to bring them forward, we would move on them with haste and in the most expeditious fashion.

However, he will also be well aware that the trade deal the Government wants to debate into the summer, to legislate by exhaustion, is what we oppose. For that reason, we oppose the idea of trying to jam that legislation through the House. I want to make that point clear to my friend, the Parliamentary Secretary.

Mr. Hawkes: Mr. Speaker, the Government is very pleased to hear the word "expeditious". The Government would like to move expeditiously on some legislation. If we could package it all up, including getting the trade Bill amply debated in the House, lots of hours on it, then move it forward to committee, there might indeed be a basis for a very productive meeting. But I do not think the majority of Members of the House can be held hostage to a smaller unit of the House who have their priority. I think it is reasonable to expect that perhaps all three Parties have priorities. If we could agree on those priorities, indeed the House would be well served, as would Members of the House.

• (1510)

Mr. Gray (Windsor West): Mr. Speaker, I want to remind the Parliamentary Secretary that we are not in a one-Party state. He may wish we were, but we are not. The House

belongs to all its Members, not only to those who may be supporting the Government until the next election. If the Government wants to proceed in a reasonable way with a program of legislation, then it should operate so that it can get the co-operation, in a constructive way, of all Members, including members of the opposition Parties. If it is showing a willingness to do that, then it may be possible to make some progress, especially if that progress is intended to be within the rules of the House, and if the Government is going to give up its idea of throwing the rules out of the window because it cannot live or operate within those rules.

Last Friday I sent the Government a letter, which I made public, in response to the Government House Leader's letter which was attached to it, setting out suggestions for accomplishing a reasonable amount of work within the time period stipulated by the rules, rules adopted by this House unanimously, rules which the Government takes credit for as representing the best in parliamentary reform. If the Government is serious, it will withdraw the motion to suspend the rules currently on the Order Paper and stick with its belief, if it ever had that belief, in parliamentary reform as exhibited by the current rules and show that it has the competence, ability and willingness to work within them.

Mr. Riis: Mr. Speaker, I want to rise on a point of order in support of the position just taken by my hon. friend, the House Leader for the Official Opposition.

I want simply to say through you, Mr. Speaker, to the Parliamentary Secretary that on many occasions now—I can recall them over at least seven weeks—the House Leader for the Official Opposition and I have offered to co-operate on a whole set of Bills. An example of that element of co-operation that we are able to accomplish in the House occurred last week when a number of Bills of interest concerning issues relating to native people were packaged for debate. Through the co-operation of all Members we were able to move, I would say, even more than expeditiously. Quite frankly, we were prepared to set aside, after unanimous consent, a number of rules to enable these Bills to move through quickly. We accomplished that. I think that day exemplified just how productive the House can be in terms of moving legislation forward.

However, as my hon. friend has indicated, it does require a recognition that there is a role for the opposition Parties in the parliamentary system. That requires not only leadership but the willingness to co-operate by the Government, not simply the attitude that, "We are the Government. We have a large majority. We can do anything we like, including setting aside the rules of the House of Commons". That is not the case.

I simply want to remind my friend, the Parliamentary Secretary, that we are here to co-operate on appropriate pieces of legislation whenever we can. We demonstrated that willingness last week. We are prepared again on a whole set of Bills to do the same thing. But we ask the Government to bring forward those packages, to negotiate those packages, so that we can make this place work in the best interests of the people of Canada.

Mr. Nowlan: Mr. Speaker, I was glad to hear the last remarks of the NDP House Leader with respect to working in the interests of the Canadian public and not to get bogged down in a great many procedural problems which we know we have here no matter what the charade may be for the public.

There is a Bill called Bill C-131 which deals with amendments to the National Transportation Act and which involves the handicapped. I must say, just to test the sincerity of the Loyal Opposition and of the House Leader of the NDP, I for one, and the handicapped, are wondering why we have not been able to move that Bill out of the procedural problems of the House and into the standing committee to which it is now designated to go. I think that perhaps it could even be referred to that committee today to show some good faith to the handicapped who want to have their problems addressed by the committee. We could get that Bill out of the House, out of the procedural wrangles that will continue no matter what protestations there are. We can do something fundamental for the handicapped in order to help them.

Today, on Thursday, when we are supposed to do things for the nation and not just for each political Party, I would like the House Leaders to agree on the floor of the House to have Bill C-131 referred to the standing committee to find out if the amendments to the National Transportation Act address the problems of the handicapped. We were the ones who helped focus attention on it. That would reassure me that this place still has a purpose rather than just engaging in a political dogfight that we know we are going to have for the next several weeks.

Mr. Gray (Windsor West): Mr. Speaker, I want to thank my hon. friend for making a very important point. Just so everyone, including those outside this House, understand the point, it is that the business of this House, if it involves measures introduced by the Government, is within the control of the Government. The Government has the absolute right to call at any time any measure it wants to bring before the House for debate. If the Government really cares about the kind of measure or, specifically, the measure mentioned by my hon. friend, it will have our consent, although it does not need it, to call immediately Bill C-131 rather than the motion to suspend and to throw out of the window the rules of this House.

I put the Government to the test. Let us see if it is sincere about the measure proposed by the Hon. Member from Nova Scotia. It does not have to proceed with the motion to suspend the rules. Instead, it can immediately, without notice, without my consent and without the consent of the NDP House Leader, call the measure to amend the National Transportation Act to help the handicapped.

I challenge the Government to show it cares for the people of the country and to call that measure right away and forget

about this unnecessary and anti-democratic measure, the motion to suspend the rules. I challenge you to show you care about the handicapped and about the people of this country generally.

Mr. Riis: Mr. Speaker, on many occasions through various officers, representatives and organizations of this House we have taken steps regarding concerns of the handicapped. In light of the suggestion made by the Hon. Member for Annapolis Valley—Hants (Mr. Nowlan) may I suggest that, as far as the New Democratic Party is concerned, we are prepared to debate Bill C-131 today, right now, in order to expedite the matter and to get it into committee. I am making that offer. We are prepared to debate it now, tomorrow, Monday, any day. I think it is an excellent suggestion.

It is that type of leadership that has just been shown by the Hon. Member which is needed when the Government says, "Listen, we are concerned about matters regarding transportation and the handicapped. We are prepared to introduce legislation". As my hon. friend, the House Leader for the Official Opposition, has indicated, he is interested in co-operating. We are prepared to co-operate. As a matter of fact, we will deal with it right today. Let us deal with it today. If we do not deal with it today, the sooner the better.

Mr. Nowlan: Mr. Speaker, I was the one who raised this matter. I did not want to get into debate.

I have been around here for a few years, the same as some of the Hon. Members opposite and the House Leaders, too. My hon. friends and the handicapped well know the purpose of my intervention. With respect, the debate is not here on the floor of the House. The Government has shown leadership and taken the initiative. It has introduced a Bill after consultation with the handicapped. It is now up to a committee of the House to see if the consultation is reflected properly in the Bill.

Quite frankly, if my hon. friends who just spoke understand fully—and I am not saying that they do not, but want to make sure they do—the problems that the standing committee focused on concerning the handicapped, then there will not be a long debate. I am not trying to put the handicapped forward as hostage to the free trade motion, or any other motion before the House. The purpose of my intervention is to show good faith on all sides for a fundamental group that needs help, and needs help now. It is not for debate but, by all-Party agreement—and that is the way it will move whenever it moves—to move it into the committee so that it can decide if the consultations have produced effective results. Then we will report back and hold the debate whenever that fits into the government's timetable.

It was not my intention to play cat and mouse with the present procedures and motions before the House. My hon. friend from Windsor West and my hon. friend, the House Leader of the New Democratic Party, know that full well, and so do the handicapped.

Mr. Hawkes: Mr. Speaker, sometimes, and I have seen it before—I recall the Constitution debate—on the floor of the House we really can negotiate. I thank the Hon. Member for Annapolis Valley—Hants (Mr. Nowlan) for bringing forward the proposition, which the Opposition does indeed find acceptable, that we move on to the Bill on the handicapped. They have mentioned priority legislation. The Government is seeking agreement from the House. If agreement is not forthcoming on the basis of a vote, we can determine the will of the House on extending our hours for debate to a few more hours, a few more days in order that we can handle the legislation for the handicapped, we can handle the legislation around immigration, and we can handle the priority lists which are in their hands.

• (1520)

One of the ways that we could move very quickly this afternoon is if perhaps a recorded vote is needed on the government motion, to move immediately, without further debate, to the government motion. If it is defeated, or if it passes, we could have unanimous agreement in the House, whichever way they would like it, on the basis of short speeches, or no speeches at all, to move the Bill for the handicapped through. If they have something else on the list that they would like to move through expeditiously this afternoon, the Government would be pleased to consider that. We could have a few consultations while the bells rang, if we move immediately to the vote on the motion simply to commit ourselves as a Chamber to more hours or days of debate into the month of July in order that we can do the many significant things that remain on the government agenda.

If that is the sense of the offer, we would gladly accept it, and I speak on behalf of all Members on this side. If unanimous consent were required, we would be glad to give it.

Mr. Speaker: Having listened carefully, it is not quite the sense that I perceived. I will hear the Hon. Member for Windsor West (Mr. Gray).

Mr. Gray (Windsor West): Thank you for your consideration, and I will be very brief. My hon. friend knows full well that the Government's motion is not simply to ask for a few more hours. Additional hours of sitting are already provided for in the existing rules for the last two weeks of June. The rules provide a simple way for getting those hours. What the Government of the Hon. Member has put before the House is a motion to suspend the existing rules and do something uncalled for by the rules, and unnecessary.

I would like to ask the Hon. Member why he is not willing to call Bill C-131 right now, instead of the motion to suspend the rules. It is very simple. He has the authority, on behalf of the Government to do that. He does not need my consent. He does not need the consent of the House Leader of the NDP. He does not need the consent of any Member. Under the Standing Orders he can rise right now and ask the Clerk to call Bill C-131 for second reading. I ask the Hon. Member

bluntly, will he do that? Will he call Bill C-131 right now instead of the motion to suspend the rules? If not, why will he not do that? Can the Hon. Member answer that question?

Mr. Speaker: The Hon. Member for Kamloops—Shuswap (Mr. Riis).

Mr. Riis: I rise, Mr. Speaker, to advance the opportunity to debate Bill C-131, an Act to amend the National Transportation Act, 1987, which was introduced and read for the first time on June 1, 1988. If the Government is interested in proceeding with this legislation today, then I will say on behalf of the New Democratic Party that we are prepared to expedite this matter and complete second reading by the end of the day. I am prepared to make that offer. This is important legislation. If the Government is interested in introducing it, we are prepared to co-operate to get it into committee for study and further examination.

Mr. Hawkes: As soon as we have disposed of the decision which we must make about the hours of sitting of the House—

Mr. Riis: Not interested in helping the disabled?

Mr. Hawkes: —about sitting into part of the summer. If that can be done expeditiously, perhaps on division, we could have a standing vote, if required. As soon as that is disposed of, we would be very happy to work with members of the Opposition to pass Bill C-131.

Mr. Speaker: The Chair has been very patient, as I am sure everybody would want me to be. I think, for the moment, at least, this negotiation is at a standstill.

Orders of the day.

GOVERNMENT ORDERS

[*English*]

HOUSE OF COMMONS

MOTION TO EXTEND HOURS OF SITTING

On the order: Government Orders.

June 3—The Minister of State, Treasury Board, moved the following proposed motion: That, notwithstanding any Standing Order or practice of the House, from the day of adoption of this motion and until no later than Friday, September 9, 1988, the House will meet on the days and at the times specified in Standing Order 3, but not on August 1;

That, during such period, the Speaker shall adjourn the House on Mondays, Tuesdays and Thursdays at 10.00 o'clock p.m., and on Wednesdays at 6.00 o'clock p.m., and on Fridays at 3.00 o'clock p.m., and that the provisions of Standing Order 66 relating to the adjournment proceedings shall be suspended;

That, during such period, the Standing Order respecting the daily mid-day interruption of business on Mondays, Tuesdays and Thursdays shall not be suspended;

That, at 6.00 o'clock p.m. on Mondays, Tuesdays and Thursdays, or at the conclusion of Private Members' Business, the House shall proceed to "Government Orders" pursuant to Standing Order 22;

That following the adoption of this motion, no motion under Standing Order 10(1) shall be receivable; and

That this special order shall not apply on any allotted days designated in the supply period ending June 30, 1988.

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to raise a point of order about the acceptability for debate of the motion that the Government has on the Order Paper, a notice of motion dated June 3, 1988, in the name of the Minister of State, Treasury Board (Mr. Lewis).

This motion states: "That, notwithstanding any Standing Order or practice of the House, from the day of adoption of this motion and until no later than Friday, September 9, 1988, the House will meet on the days and at the times specified in Standing Order 3, but not on August 1 . . . " I will not take the time to read the remaining words of the motion. I wish to remind the House that Standing Order 4 provides that the House rise on June 30 and return on the Monday after Labour Day in September.

This motion, Mr. Speaker, if it is accepted by you, and I submit it should not be, and if it is later adopted by the House, states that the rules of the House with respect to when the House adjourns at the end of June are suspended and put aside in order that the House sit without a break until the day it is supposed to resume, under the rules, in September.

The motion also provides, if it is first accepted by you, Mr. Speaker, and then passed, that the House will not only sit during the usual hours provided for by the rules, but in addition will sit continuously without a break until 10 p.m. on Mondays, Tuesdays, and Thursdays.

The issue is not whether Members of Parliament are willing to work. Clearly they are. Instead, the issue is whether it is proper and acceptable for the Government to be able to say, since it cannot do its work within the rules, since it does not want to work and live within the rules, that it will use its majority and throw the rules out of the window.

This is no ordinary motion contemplated by the rules and used regularly to arrange House business. To all intents and purposes this motion is without precedent. I am told that there may have been one instance when a Conservative Government in 1888 put through a motion to suspend the rules in order that it could force a single Bill through the House. If I am correct, this instance 100 years ago is hardly relevant today.

There have been occasions when individual rules have been suspended to respond to particular circumstances, but this has always been done by unanimous consent. It has never been done by the Government invoking its majority against the will of other Members. Even permanent changes in the rules have generally been carried out by unanimous consent. There was an exception in 1969 when permanent rule changes, not changes to suspend the rules for a particular purpose or occasion, were adopted by majority vote following closure. I am told that this came after two lengthy studies and reports by two separate committees, and after a lengthy parliamentary

debate. The motion for a permanent change in the rules reflected the report of one committee, and it was in an effort to create the parliamentary calendar, and not to do what the Conservatives are trying to do in this motion, to sweep away the parliamentary calendar.

There has been no instance for over 100 years, and no precedent of a Government attempting to suspend the rules and throw them out of the window just to help it get through a number of measures that it did not have the skill and competence to get through by operating within those rules. Our rules, the rules we have today, the rules adopted by unanimous consent with the encouragement and support of the Government, for which it takes credit as a vaunted achievement of parliamentary reform, say that this House is to meet within fixed dates. These rules, for which the Government has been taking credit, I repeat, as an achievement of parliamentary reform, say that the House will sit during the periods of adjournment in only one way, that is, if after the House is adjourned the Speaker deems it in the public interest to do so. If that is the case, he can recall the House. I repeat, he can do it only after the House adjourns and if he deems it in the public interest, and after consultations with the Government.

• (1530)

Our rules, reflecting our parliamentary practice and traditions and for which at least until today the Government was taking credit as an achievement on its part of parliamentary reform, do not say if at any time the Government is not satisfied with its progress on its program, the measures it wants to get through, it can use its majority to cast those rules aside. It is wrong when a Government, as this Government has done, cannot manage its program, is incompetent when it comes to handling and organizing parliamentary business and as a result gets itself into a corner, and to get out of it tries to use its majority to throw the rules out of the window. The Government with this motion today says it wants to cast aside, to discard, the rules of this House because it cannot work or live within them.

I say to you, Mr. Speaker, and I will cite authorities to support my position, the Government cannot treat our rules just like they were another one of the Government's promises made to be broken and discarded, not to be kept and treated seriously.

The rules, which the Government says were adopted because of its own commitment to parliamentary reform, mean the Government must organize itself and fit its program within the framework of those rules. It is not supposed to crush them under foot to cover up its own mismanagement and incompetence.

Mr. Fennell: We have put through far more laws than you did.

Mr. Gray (Windsor West): We are talking here about something fundamental to our system of parliamentary democracy. We are not talking about some trivial parliamentary manoeuvre by this Government that is of little significance and has some meaning if only just for today. I repeat, this motion has serious and fundamental implications for Parliament and for our entire system of parliamentary democracy.

I refer you, Mr. Speaker, to Beauchesne's Fifth Edition, Citation 1, the very first citation in this handbook of parliamentary law. It is headed Principles of Parliamentary Law. It reads:

> The principles that lie at the basis of English parliamentary law, have always been kept steadily in view by the Canadian Parliament; these are: To protect a minority and restrain the improvidence of tyranny of a majority; to secure the transaction of public business in an orderly manner; to enable every Member to express his opinions within limits necessary to preserve decorum and to prevent an unnecessary waste of time; to give abundant opportunity for the consideration of every measure, and to prevent any legislative action being taken upon sudden impulse.

This citation is from Sir John Bourinot, the learned, important, respected and very well regarded expert on Canadian parliamentary law, from his *Parliamentary Procedure and Practice in the Dominion of Canada*, Fourth Edition.

I want to refer you also to Standing Order 1 of the rules of this House, Mr. Speaker. These, I repeat, are the rules for which this Government takes credit as a fundamental achievement on its part of parliamentary reform. Standing Order 1 under its heading Public Business reads:

> In all cases not provided for hereinafter, or by other Order of the House, procedural questions shall be decided by the Speaker or Chairman, whose decisions shall be based on the usages, forms, customs and precedents of the House of Commons of Canada and on parliamentary tradition in Canada and other jurisdictions, so far as they may be applicable to the House.

The Government itself recognizes that the motion about which I am raising this point of order is not a simple or routine motion. It starts out by saying, and this is the proof I am offering for this point:

> That, notwithstanding any Standing Order or practice of the House—

By saying, "notwithstanding any Standing Order or practice of the House", the Government itself recognizes that this motion is not some limited, ordinary or trivial procedural device. It recognizes that its motion relates to the general practices as well as the rules of the House. The motion relates to and calls into question the fundamental principles of our parliamentary law. This I submit the Government must be recognizing in the wording of the motion. I submit that you can and, in fact, must rely on and follow Bourinot's statement of principles and the authority given to you by Standing Order 1 to apply the principles of parliamentary law and other precedents of this House and declare the Government's motion to be out of order.

What are some of the principles as stated in Citation 1 of Beauchesne, the words of Sir John Bourinot? He says that the principles are:

> —to protect a minority and restrain the improvidence or tyranny of a majority—

It is very clear that the Government's motion oppresses the minority of Members of this House. We have not offered our consent to this motion because we realize it is intended to take away the protection offered by the rules of this House for orderly and logical debate. Since we do not accept this motion, which is a motion to suspend the rules, which is a motion to take away the rights we have under the rules, I say to you, Sir, you must not accept this motion. You have a duty to protect the minority of Members of this House who do not accept this motion since it pertains to the fundamental structure of this House and our parliamentary democracy.

Second, this motion is, to use the words of Bourinot "an exercise of the improvidence and the tyranny of the majority". It is clear the Government wants to use the majority it has to force its will on the House, not simply to have passed a particular measure which the House does not agree with but to suspend, cancel and sweep aside the fundamental rules of this House. When it comes to improvidence, the Government's own improvidence has led it to this arrogant and high-handed course of action as reflected by this motion, its improvidence brought about by its own incompetence and bad management.

Let us look at some examples. The final text of the trade agreement with the United States was released I think last December and the deal was signed between the Prime Minister (Mr. Mulroney) and President Reagan at the beginning of January, more than six months ago, yet the Bill to implement the agreement was tabled in this House only some two weeks ago. That is not the fault of the Opposition. We are not involved in the drafting of the Bill, unlike the Members of the U.S. Congress. I wish we had that same opportunity, but we do not. The Government cannot hold us responsible for its own inability to draft and table a Bill in the House with over six months to do so.

• (1540)

The Supreme Court of Canada ruled in February on the issue of abortion. Only a few weeks ago, the Government indicated its intention to present in a resolution a course of action to deal with that situation. Nothing stopped it from dealing with the matter sooner. Certainly nothing stopped it in so far as the Opposition in the House is concerned.

The resolution to adopt the Meech Lake Accord was called for debate for only one day some three weeks ago. It is true that it was impossible to find a date on which the three Party leaders could speak on the same day, according to their schedules, until next week, but nothing stopped the Government from calling that motion earlier and inviting other Members who wanted to speak to do so. The Opposition has not been holding up this measure. This is something totally within the control of the Government, as is the case with any other measure on the Order Paper pertaining to government business.

I can make the same point about day care. When did the Government table its policy? Was it last year? Where is the legislation? We are not stopping the legislation from going through. It is not before the House. Table the legislation and call it if it is ready.

The Government issued its policy on tax reform a year ago. Where is the legislation? It is not the Opposition that is preventing this legislation from coming forward for debate.

Mr. Speaker: I am of course listening very carefully to the Hon. Member for Windsor West (Mr. Gray) because his arguments are cogent and very properly brought forward, but I would ask the Hon. Member, if he could, to come back to the central question and that is, does the Speaker have the authority to reject the motion which the Government has put forward and which the Hon. Member complains about.

Mr. Gray (Windsor West): Mr. Speaker, I am simply making the point that this is not a case of obstruction by the Opposition, but instead, a case of the incompetence, the improvidence through incompetence of the majority.

The Government's motion, to use the words of Bourinot, is not really "to permit abundant opportunity for the consideration of every measure to prevent any legislative action from being taken on such impulse". It is a matter of public record, and I ask you to take judicial notice, if I may use the phrase, that the Government has already signalled its intention to impose closure on second reading of the trade Bill and prevent that second reading, once the Bill is called, from going on for more than five days.

This is the most important measure to come before Parliament in over 60 years, perhaps the most important measure since confederation. The very sovereignty, the very existence of this country, is at stake. Instead, with its arrogant motion, the Government intends to try to legislate by exhaustion. This is certainly the wrong way to have proper debate and consideration in the House and the wrong way to have public input. I think the Government hopes its legislation, to use the words of Bourinot, will slip through "on sudden impulse", and surely that is wrong.

If the Government can abuse the use of its majority to set aside, through this motion, those parts of the rules that say when the House should sit, I submit the Government can do exactly the same thing with any other part of the rules. It can force through a motion of this kind to eliminate Question Period. I know the Prime Minister has already talked about how he would be very happy to do without it. The Government could force through a motion to eliminate committee hearings, the whole concept of study in a legislative or a Standing Committee of a measure before the House. It could wipe out debate on second reading or third reading or even the requirement for a formal vote on Bills. It could force through an order saying that all Bills are deemed adopted as soon as they are tabled.

Some may say that that would be impossible, our Constitution would not permit that. I submit that the only thing our Constitution says clearly and definitely about Parliament and

parliamentary democracy, or at least parliamentary democracy as it pertains to the House of Commons, is that there has to be a session of Parliament at least once each year and that a Parliament cannot last more than five years. That is it. Everything Canadians consider to be fundamental parts of our parliamentary democracy is really established and confirmed only by these Standing Orders, our rules.

If this motion is accepted by you and then proceeded with and forced through by the Government, the Government would be saying that it does not give a damn for the rules and practices of Parliament which reflect and involve our traditions of parliamentary democracy and it will do anything to save its own skin. It will know it can suspend or throw out the rules any time it thinks doing so will help it achieve its aims and survive. The only protection against this attempted abusive and arrogant use of its majority by the Government to suspend the rules and thus undermine our parliamentary democracy is the use of the authority you have, Sir, to refuse to accept and to put this motion.

This authority comes from Standing Order 1 of the rules of this House. It comes from the statement of parliamentary law as expressed by Sir John Bourinot. I think it is expressed in citation 120 on page 39 of *Beauchesne's* which reads:

> Foremost among his many responsibilities, the Speaker has the duty to maintain an orderly conduct of debate by repressing disorder when it arises, by refusing to propose the question upon motions and amendments which are irregular, and by calling the attention of the House to bills which are out of order. He rules on points of order submitted to him by Members on questions as they arise. Many powers have been vested in the Speaker by virtue of the Standing Orders.

I also respectfully refer you to citation 424(3) at page 153 of Beauchesne's which reads:

> It is the Speaker's duty to call the attention of the mover and of the House to the irregularity of a motion; whereupon the motion is usually withdrawn or so modified as to be no longer objectionable. If the motion is of such a nature that objection cannot be removed, the Speaker may refuse to put the motion to the House. He treats it as a nullity.

I call upon you, Sir, to carry out your duty to protect the minority in this House. I call upon you, Sir, to use your authority to preserve the foundations of our parliamentary democracy as expressed in the Standing Orders of this House and to reject this motion.

I want to make sure that this House and the Canadian people recognize that this is not a normal procedural motion usually brought forward at this time. Instead, it is to do something which is not reflected in our rules and that is to suspend a part of the rules which are as important and as integral to those rules as any other part and that is about when this House sits.

If the Government can get away with this kind of motion, then nothing else in our parliamentary procedure which a Government does not like or which it may be worried about from day to day or from time to time will be safe, whether it is Question Period or debate on second or third reading or committee stage. I realize I am asking you to assume a heavy responsibility, but you have been selected by secret ballot of all Members of the House to act on behalf of all Members, to speak for this institution and to preserve what it means for this country and for future generations. You have the authority to reject this motion. I call upon you to do so in the interests of this House and all its Members and in the interests of our parliamentary democracy.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I am not terribly pleased to be participating in the debate on this point of order, knowing what the Government is attempting to do.

• (1550)

To begin with, I want to remind everyone that you as Speaker are the defender of the rights of all Members. You are a servant of Members of the House of Commons, whether a Conservative Member, a Liberal Member, or a New Democrat Member, or an independent Member for that matter. You rule to ensure that the rights and privileges of all Members are respected. I submit that today the Government has indicated it wishes to abandon the rules of the House of Commons, to set aside our Standing Orders, and implement the will of its huge majority in the House to draft a new set of rules and have us do something we would not normally do. I want to make some specific procedural remarks in that respect and then come back to that point in a moment or two.

You will recall that last Tuesday I rose on a point of order to argue that the Government had breached the rules and customs of this place by giving notice of this motion that we are debating at the moment under Government Notices of Motions rather than under Motions, as had been the custom. I would like to briefly review that argument and add to it to reinforce my very firm belief that improper notice was given to deal with this motion.

As I am sure you will recall, my argument rested on three main points, and I would like to briefly summarize each of them. The first deals with Citation 270(1) of Beauchesne's Fifth Edition which makes a distinction between motions moved to deal with government affairs or Government Orders and those moved to regulate the business of the whole House, that is the fixing of sitting dates or the time of the meetings. As you know, motions that deal exclusively with Government Orders or government business such as a time allocation motion on a government Bill are properly given notice under Government Notices of Motions. Those other motions that deal with the business of the House as a whole must be moved under Motions.

My second point relates to the practices of the House as spelled out in the Report of the Procedure Committee to the House on June 14, 1955. As you will recall from your study of past Parliaments, this report, which was of course adopted unanimously, led to the very first comprehensive revision of the Standing Orders since Confederation. We just went through a similar process in the last few years. In that report, which was

recorded in the *Journals* for that day, there are several additional comments relating to procedure. I think it would be useful to quote an excerpt from that part dealing with the question of notice. That is the critical point I wish to make right now and it concerns the appropriateness of giving notice and where it stands on the Order Paper. At page 746 of *Journals* for June 14, 1955, we find the following:

> That motions for the concurrence in reports of any standing or special committee, for the suspension of any Standing Order, or other such motions as may be required for the observances of the proprieties of the House, the maintenance of its authority, the appointment or conduct of its officers, the management of its business, the arrangement of its proceedings, the correctness of its records, the fixing of its sitting days or the times of its meetings or adjournment shall be listed, where notice is required, called and disposed of under "Motions".

Clearly this sets out the practice that is to be followed in the case of motions which seek to change our sitting days and the times of our meetings or adjournments. Such motions must be listed under Motions.

Third, I wish to bring to your attention the lack of precedents to support the Government's case on this issue. As I indicated last Tuesday, prior to the 1955 revision of the Standing Orders it was not unusual for motions regulating the days and times of sittings of the House to be given notice under Government Notices of Motions. Such motions were then transferred to Government Orders were they were moved and debated. However, after the Procedure Committee's report in June of 1955, I have been unable to find a single example of where such motions were not given notice and debated under Motions. Not a single precedent after 1955. This fact cannot be simply dismissed. It is significant and relevant to our debate today. Precedent is a critical component of how this House regulates its business and cannot be ignored.

When the Government chose to give notice of this motion under Government Notices of Motions, it violated the practices of this House since 1955, some 33 years ago. I know that, being a student of parliamentary procedure and traditions, you will appreciate the fact that a practice we have followed for 33 years has obviously proven its value and we ought to be following it in the years ahead unless a clear case can be made against it, or there is unanimous consent of the Members of the House to proceed in some other fashion. Barring that, and simply recognizing the will of the Government to act on this point, I think it is important for you to recognize that a precedent set 33 years ago and followed continuously since then, as far as I can determine, ought to be continued.

That was the basis of my argument on Tuesday and I certainly stand by it again today. I can find no reason why we should at this moment depart from that practice of the House.

Furthermore, you will know that in the last several years the Standing Orders and the practices of the House have undergone a further review just as they did in 1955, for the purpose of making Parliament a more effective and vital institution. We made many changes to the rules governing Private Members' Business which have enhanced the role of the Private Member. I suggest that the recent passage of Bill C-204 in the name of the Hon. Member for Broadview—Greenwood (Ms. McDonald) is a testament to the growing influence of Private Members, and all of us are appreciative of that change.

Another innovation was the establishment of a parliamentary calendar so that Members on all sides know when the House will be sitting and when it will be adjourned. This helps Members plan their agenda and maximize the time they can spend with their constituents. Implicit in the establishment of this calendar was the recognition that the Government would have to regulate its legislative agenda to conform with the days of sitting. Unfortunately, the Government has shown a particular inability to manage its parliamentary calendar to meet the Standing Orders and the fact that we have agreed unanimously to follow a calendar in order to carry out the business of the people of Canada.

I want to add to that by saying right from the beginning we have had no hesitation in working in the House or beyond. I do not think that is in question. The fact we have been in session for nearly 11 months straight speaks well of the intention and commitment of Members of Parliament to serve their constituents. I do not think you will find many Parliaments in this world that would have sat for 11 months straight and are quite prepared to continue on.

When the Standing Orders were changed unanimously by Members of the House to institute a calendar, that allowed Members on certain weeks of the year and for the months of July and August to be able to set up rounds of meetings with their constituents. For those of us who have to travel 4,000 or 5,000 kilometres to our constituents on a weekend, it is difficult to serve our constituents. For that reason we welcomed a parliamentary calendar.

I submit that having a parliamentary calendar does not prohibit us from sitting in the summer. That is not the point here. If the Government felt there was an emergency or crisis facing the country, it can ask you to recall Parliament to deal with that situation. Last summer the Government determined that we had an emergency with respect to immigration and refugees. The Government appealed to you and, given the information it provided you with, you in your wisdom decided to ask Members to come back from their summer break, where they were serving their constituents, to deal with the legislation. I did not think at that time it was an emergency situation, but the Government made its case and in your wisdom you decided that was the case.

• (1600)

That still exists. We are not suggesting that under no circumstances will we ever not sit during July and August. The point, as any good businessman or businesswoman would know, is that you have to be able to plan ahead, you have to be able to conduct your business in a businesslike way, and that

requires notice and advance planning. Quite frankly, I cannot imagine planning within a major business never knowing whether or not the business would be operating at a certain time of the year.

We instituted a parliamentary calendar so that Members of Parliament could make necessary arrangements, so that they could tell their constituents with conviction that they would be in their community or neighbourhood on a specified date. We have all done that. I am sure all our calendars are filled for July and August. In spite of the Standing Orders and the understanding which we have all had for the last few years, those appointments and commitments will have to broken because we will be required to be here.

Why are we being asked to do this? We have sat for 11 months and the Government has had an opportunity to introduce its parliamentary agenda. The Government is today admitting that it is incompetent. It is admitting that it has not done its job.

The Government says it wants to debate child care. After the 1984 election there was a Throne Speech wherein the Government said that it planned to introduce a comprehensive child care program. That was in 1984. There was then a committee which made recommendations in 1986. Then it was 1987 and now it is 1988 and we still do not have any legislation before us. The Government says the Opposition is holding up its legislative agenda. Nothing could be further from the truth. We are anxious to debate child care. Where is the legislation? It is not yet introduced after four years of government.

We could say the same for other legislation. Where is the tax reform legislation? In 1984 we were promised tax reform. In 1985 we were promised tax reform, in 1986 we were promised tax reform, and in 1987 we were promised tax reform. It is now 1988 and we still do not have legislation before us to enable us to deal with tax reform.

Where is the legislation for the trade deal? The international trade treaty was signed on January 2, 1988. January went past, February, March, April and May, and here we are in June now being asked to debate the trade deal. I am not prepared to say that the opposition Parties are holding up important legislation. We must at least see the legislation before we can react to it.

I want to appeal to you, Mr. Speaker, as a servant of the House and an individual who is profoundly committed to the practices and traditions of this place. At this stage the Government is asking us to suspend the rules, to throw them out the window, to set aside that for which we worked for months and months to achieve with the unanimous consent of all Members of this House. The Government is now asking us to abandon that and saying that if we do not abandon that it will use the heavy hand of its majority to force it through, to force us to do this and force us to do that because the Government has a majority. Well, Mr. Speaker, that is not how the Standing Orders are developed.

I appeal to you, Mr. Speaker, as a representative of all sides of the House, to rule against this initiative to suspend the Standing Orders of the House of Commons of Canada, to rule against this initiative by the Government to abandon the practices which we unanimously adopted only a few months ago.

I want to argue on two points, Mr. Speaker. I not only believe that the notice procedure for this motion was incorrect, as I have indicated, but also believe that the motion itself is a testament to the Government's general incompetence in the management of its legislative agenda. The fact that it has been unable to manage its legislative agenda properly is no reason for the Government to use the heavy hand of its huge majority to abandon the rules, practices, and traditions of this House.

I appeal to you, in the best interests of productivity, in the best interests of co-operation, and in the best interests of making the Parliament of Canada work for all the people of Canada, to consider this motion unacceptable and to rule against it.

Mr. Speaker: I have been listening very carefully to these arguments. I may as well say that I am not going to rule immediately. I may need some assistance from Hon. Members. I want to refer to a section of what we used to refer to as the British North America Act and now refer to as the Constitution Act. I refer to Section 49, and I know that other Members want to rise, and perhaps the Hon. Member for Windsor West (Mr. Gray) and the Hon. Member for Kamloops—Shuswap (Mr. Riis), may want to make some comments on this. Section 49 reads:

> Questions arising in the House of Commons shall be decided by a Majority of Voices other than that of the Speaker, and when the Voices are equal, but not otherwise, the Speaker shall have a Vote.

I would be deeply indebted to Hon. Members or anyone else who could find for me any precedent which has dealt with what the meaning of that particular clause is and whether or not it might be of any assistance to me when I am trying to determine the issue which has been brought before me.

I do not put that out for immediate response. I put that out because I may very well want Hon. Members to see if they can give me some assistance on it.

Mr. Gray (Windsor West): Mr. Speaker, I or others of my Party will be happy to respond to your invitation. I also want to give notice that, as you are raising Section 49 of the BNA Act, it would be useful also to consider the preamble of the BNA Act which says, to paraphrase, that its purpose was to create a country operating with a system similar in principle to that of Great Britain, and that also has implications.

Mr. Speaker: Again, also to help other Hon. Members, I have no difficulty in accepting that there ought to be some reason why the rules which we set for ourselves in this place ought to be abridged, changed, or otherwise. I do not have any difficulty accepting that premise on which I think the arguments I have heard are based. I am not taking away from any

of the other points, but that is a seriously advanced argument and I do understand that. I also understand the invitation to look elsewhere for some guidance.

However, I am concerned about that particular section of the Constitution Act. I know Hon. Members would want to consider it in the next little while. I am not going to make a ruling without reserving. I will reserve, but I would like some advice on that.

Although I know that the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie) is seeking the floor, and I will come to him, I think I will now hear from the Hon. Parliamentary Secretary. Excuse me, the Hon. Member for Ottawa—Vanier (Mr. Gauthier).

Mr. Gauthier: Mr. Speaker, I just want a clarification of your comment on the BNA Act because I think it is important that the House understand something very clearly here. We are talking about an issue where the Speaker has to deal with decisions dealing with procedures before the House, not substantive issues. I do not think that the BNA Act, in the section to which you have referred, Section 49, talks about procedural issues. I do not think that the BNA Act, in the section to which you have referred, Section 49, talks about procedural issues. It talks about substantive matters. At that been some changes. I would like to leave it in the context that, at this time, we are talking about procedural, not substantive, issues.

Mr. Speaker: I am very much indebted for the comment the Hon. Member for Ottawa—Vanier has just made. That is one of the reasons why I thought it was appropriate at this time to put this question to Hon. Members. I will hear the Hon. Member further if it is necessary.

• (1610)

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, we will think about what you have brought to our attention and deal with it perhaps a little later this day.

The issue before us is really quite simple. In the last 25 years this House has sat for 80 per cent of the summers. The rules were changed about five years ago and this House has sat in three of the five summers since that rule change.

When I was first elected nine years ago, the House sat regularly on Monday, Tuesday and Thursday evening until 10.30 p.m. The Government would basically put a motion to the House about whether it would like to continue to sit for a few hours three days a week and to sit for whatever portion of the summer was required to do the business of the House.

We have a procedural argument arising from the request in the motion by the Government. The House Leader for the Official Opposition began his argument by quoting Beauchesne, dealing with the principles of parliamentary law. He brought to our attention the phrase "to protect a minority and restrain the improvidence or tyranny of a majority". Indeed, the overuse of closure would border on the improvidence or potential tyranny of a majority. Occasionally, however, some kind of time allocation or closure is probably necessary.

What this Government seeks to do consistently, and certainly does in this motion, is the exact opposite of tyranny. This Government seeks the will of the House on the issue of whether we should sit for a few more hours three days a week and for a few more days into the summer so that we can give more careful consideration to the items on our agenda and so that we can give the Members more opportunity to express their opinions in public.

It states in the same paragraph of Beauchesne which the Hon. Member opposite brought to our attention that "to secure the transaction of public business in an orderly manner; to enable every Member to express his opinions", both of which are certainly consistent with the thrust of this motion "within limits necessary to preserve decorum and prevent an unnecessary waste of time".

Past history of this Chamber is filled with increasing tension and a decline in decorum when time is wasted. We began this morning with wasted time on two occasions, with the introduction of a Private Members' Bill.

Without the kind of initiative which is contained in this motion, I suggest that decorum may indeed decline because time will be wasted. Many speeches have been made both inside and outside the House by Members of the Opposition about their intention to filibuster and use up the time of the House. The behaviour of the Opposition for several months now has been consistent with that goal to waste time and bring the Government agenda to a halt.

The Government has provided Canadians with ample proof over the last three and a half years that it manages the public agenda very well. While the publicity surrounding the public agenda may cause difficulty, I think any fair minded analysis would lead to an inevitable conclusion that never in the history of this country has a Parliament succeeded in passing so many major pieces of legislation. We have also been able to handle the increased workload as a consequence of parliamentary reform and the powers that have been given to committees. We have dealt with Private Members' Business and Bills in a different way.

The Government knows how to manage the business and seeks permission of the House to manage an expansion of time for the next month or two. Members opposite say that we are seeking to suspend the Orders of the House. They are attempting to create the impression that this Party is trying to do something that would constitute a denial of democracy. If the expansion of the opportunity to debate, with the provisions of freedom of speech, is a denial of democracy then I have failed to comprehend what democracy is all about during my entire lifetime.

I draw your attention to Citation 9 on page 5 of Beauchesne's Fifth Edition, which states:

> All rules are passed by the House by a simple majority and are altered, added to or removed in the same way.

The motion only seeks a temporary alteration. The same Citation states clearly:

> There is no procedural reason why any private Member or Minister of the Crown could not introduce a motion to alter the rules . . .

Erskine May, Twentieth Edition, at page 212, states the following about Standing Orders:

> Although a standing order differs from every other order of the House in having an express duration beyond the end of the session in which it is passed, no special procedure is, as a rule, involved in its passage except that after it has been agreed to on motion a further order is made declaring it to be a standing order of the House. Standing orders are not safeguarded—

This is particularly critical:

> —by any special procedure against amendment, repeal or suspension, whether explicitly or by an order contrary to their purport. Ordinary notice only is requisite for the necessary motion; and some standing orders have included arrangements for the suspension of their own provisions by a bare vote, without amendment or debate.

Notice, motion and a procedure whereby we can divide is what is required in changing our Standing Orders. All that we seek is a change to the Standing Orders to allow us to sit a little later and return to a time some five years ago when we sat through to ten o'clock at night all the time, and to move into the summer in the manner we have done for 20 out of the last 25 years. There is nothing unique or different about this.

My friends opposite wondered if there were precedents. There are many, but I would draw to your attention *Hansard* of April 24, 1961. The Government at that time was Conservative. A motion to change the sitting hours was moved by Mr. Diefenbaker. There were Standing Orders suspended in relationship thereto. That appears at page 467 at *Hansard* of that era. I skip forward to June 18, 1970. The Liberal Government was in power and there was a motion moved by Mr. Macdonald of Rosedale, seconded by Mr. Jamieson so there are precedents for the action the Government is undertaking at this time.

• (1620)

My friend, the Hon. Member for Kamloops—Shuswap (Mr. Riis) raises what I think is perhaps a side issue, should a motion be under Government Orders or should it just be on motions during Routine Proceedings.

Mr. Gauthier: On motions.

Mr. Hawkes: The essential element of that dilemma—and probably the truth of the matter is that it could be done either way—

Mr. Gauthier: No, no!

Mr. Hawkes: If we go back to Erskine May, and the quote I gave, we decided to put the motion on the Order Paper under Government Orders. Why did we do that? Is it better for Parliament to do it that way? That is really the issue the Chair has been asked to address. When we did that, we took a step that required 48 hours notice. That is a very important principle. Things go wrong from time to time because parliamentarians do not have adequate notice. If we treat it as part of Routine Proceedings, the notice requirements are not the same. Members do not have the same opportunity to return from the Yukon, the Northwest Territories, or from wherever they have their constituencies. There is a lot of flying time to Ottawa in order to get back to consider something if Members consider it important.

By putting the motion under Government Orders, the 48 hours notice requirement is the maximal kind of notice requirement consistent with our traditions, and the Government chose to do that so that Members could be prepared for the debatable motion which followed. They could be here to vote on it because they had adequate warning.

Failure to do that involves the Opposition in a kind of Russian roulette. Simply putting the motion under Routine Proceedings, we never know. However, if we give the 48 hours notice under Government Orders there is warning. Surely this place is better served when a motion which would alter the hours in which we meet together proceeds by way of motion. Surely, it should also be seen as a government initiative. Attempts were made to reach agreement and no agreement was forthcoming. The Government, given its responsibility to manage the country, has decided that those three evenings a week, sitting until ten o'clock instead of six, and some time into the summer, is a sacrifice that surely every Member of the House should be prepared to make in the best interests of the country.

Earlier this day, Bill C-131, Aid to the Handicapped, was mentioned. I suggest to you, Mr. Speaker, if we get an opportunity as quickly as possible to debate this motion, to divide on it, and if it carries, then we are in a position to hold consultations—

Mr. Gray (Windsor West): Why won't you do it today?

Mr. Hawkes: —to give careful consideration to the priority list of each of the opposition Parties and to the priority list of the Government. We have a few more hours and a few more days we can use to ensure legislation which is important to the people of this country. Surely that is what we are all about, taking action, taking steps, doing things to help Canadians. That is why things are on the Order Paper. With those few more hours or days, we can do a better job of what it is we were sent here to do.

I wish you well with your decision, Mr. Speaker. After we have had a chance to look at Section 49 of the BNA Act, we will get back to you on that. I would like in closing to draw to your attention, Mr. Speaker, Standing Order 56(1)(o). It deals with debatable motions, and our Standing Orders themselves clearly say "for the suspension of any Standing Order, unless otherwise provided".

Our Standing Orders make provision deliberately and specifically, for the introduction of a motion of this kind into

the House. That is the Standing Order under which the motion was filed. It would indeed be a travesty of the rules of the House if Members were denied the opportunity to consider a motion filed under that part of the rules. They were put in there for good reason. The Government is using the rule and I do not know how much longer a procedural debate of this kind should go on until we get ourselves into the area of wasting further time in the House, having less time to get to legislation to help the handicapped and others.

Mr. Gray (Windsor West): Mr. Speaker, I think the Parliamentary Secretary is reflecting improperly not only on this House but on yourself, Sir, in questioning whether this procedural debate should go on longer and, to use his exact words, characterizing it as a waste of time. I say that this is barely disguised contempt for this House, and for you, Sir, and I call upon the Hon. Parliamentary Secretary to withdraw those words and accept that procedural debates are the foundation of what this House is all about.

Mr. Hawkes: Mr. Speaker, if I have offended the House or the Member opposite in any way, I would be very happy to withdraw. I think a precise reading of my words, and I did try to say it precisely, would be that I wonder how much longer we can go on on this particular procedural item, which may certainly have aspects of clarity to it that may not always be present, how much longer we can go on without bringing the House into some kind of negative position.

Mr. Speaker: I think the Hon. Parliamentary Secretary has made it clear that he was not trying to abuse any Hon. Member or the Chair.

I have some announcements I have to give because they are important. Before I do that, I just want to say something arising out of the exchange we have just had. I think Hon. Members realize that when Members of all Parties came together and set a calendar, it was done as a consequence of discussions, extensive discussion, and it was done, of course, in the better interests of this place and in the duties and responsibilities that Hon. Members have to perform. It does not seem to me to that to take a little while to listen to these arguments is untoward or any kind of abuse of the ordinary function of this House. I just want to assure Hon. Members that I am listening carefully, and I think I indicated that in my intervention a few minutes ago.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Winnipeg Birds Hill (Mr. Blaikie)—Canadian National Railways— Transcona Shops—request for assurance work will remain in Winnipeg/request for Ministerial assurance; the Hon. Member for Vancouver East (Ms. Mitchell)—Health—AIDS disease—public education/Funding of federal centre for AIDS;

[*Translation*]

the Hon. Member for Kenora—Rainy River (Mr. Parry)—External Affairs—Sale of explosives to farmers by Expro Company—Request for results of Minister's inquiry/ Expro Company—Federal advance.

• (1630)

GOVERNMENT ORDERS

[*English*]

HOUSE OF COMMONS

MOTION TO EXTEND HOURS OF SITTING

The House resumed consideration of Order No. 26 for the motion of Mr. Lewis

to extend the sittings of the House.

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I might just offer a tentative—and I stress tentative—comment on your request for comment on Section 49 of the BNA Act with respect to questions and the role of the Speaker in relation thereto. Unless I completely misunderstand what Your Honour read to us from that, it would seem that the questions that are referred to in that Section are questions on motions which are before the House which are about to be put to a vote referring, I believe, to the situation in which there may be a tie vote.

What we are trying to determine here is whether or not the motion that the Government intends should ever reach that stage, that is to say whether it is in order in the first place. I think the questions that are referred to by the word "questions" in the Section that Your Honour read to us are the questions which arise out of motions which have been deemed to be in order. What we are debating here is whether or not in fact the Government ought to be allowed to proceed with the motion. However, like everyone else, I would want to reserve the right to study the question more.

With respect to what is being debated here this afternoon, the Parliamentary Secretary, the Hon. Member from Calgary, went on at great length—

Mr. Lewis: Eloquence!

Mr. Blaikie: —and with a great deal of—

Mr. Lewis: Eloquence!

Mr. Blaikie: —self-righteous eloquence.

Mr. Lewis: Delete "self-righteous".

Mr. Keeper: Substitute "tedium".

Mr. Speaker: We have already had one call to order. I think that perhaps we should stay on the intellectual level which was set by those who commenced this debate. I do not want any Member of this House imputing any kind of motive to any other Member. I am sure that the Hon. Member for Winnipeg—Birds Hill would not have intended that at all.

Mr. Blaikie: I certainly did not intend anything unparliamentary, Mr. Speaker. I certainly did not intend to attribute eloquence to the Hon. Member.

The fact remains that we often fall into the habit of accusing each other of having less respect than our opponents for parliamentary tradition and for the House. The fact remains that when people feel strongly about issues, they are wont to do within the rules, and sometimes beyond the rules, everything that they feel driven to do at that point in order to live out the strength with which they feel their views on any particular subject. I recall Members opposite in this House ringing the bells for 16 days, charging the Chair, et cetera. I think that these are things that we should keep in mind when we hear those kinds of comments.

What is happening here I want to speak to from the perspective of one who has been involved since the last parliament in the whole question of parliamentary reform.

Mr. Lewis: Procedurally?

Mr. Blaikie: Procedurally.

I want to speak to the question of the parliamentary calendar which is all wrapped up in what the Government is trying to do here. The Government claims the right, under the Standing Order that the Parliamentary Secretary cited just before he sat down, to change the Standing Order. I want to suggest that the Government does not have the right to change the Standing Order with respect to the parliamentary calendar that it claimed. It has the right, in the Standing Orders, to move a motion for the extension of hours with respect to the last two weeks of June. That right it has. That is a right that was unanimously agreed to in this House with respect to the rules.

Certainly, if that is all that the Government was trying to do today, then no one would have been able to raise their voice at all. It would be able to say that this is a provision of the Standing Orders that was adopted by the House. The Government would be well within its rights to do so. In my judgment, the Government is not within its rights to do this, unless one wants to maintain that by virtue of the clause that the Parliamentary Secretary cited that the Government has it within its power to change all the Standing Orders whenever it wants and whenever in the Government's judgment it does not like the Standing Orders, and it can unilaterally change whatever it wants about the Standing Orders.

What is at stake in the judgment that you have to make, Mr. Speaker, is whether or not the Government can at any time it likes use the Standing Order which the Parliamentary Secretary cited to change any or all of the Standing Orders that it deems to stand in the way of what it regards as the appropriate legislative agenda.

With respect, therefore, to what the Government proposes to change concerning the parliamentary calendar, I say that the parliamentary calendar is something which the Standing Orders clearly provide can only be changed in a manner consistent with the way it is laid down. That is to say, if the Government wants the House to sit beyond the calendar, then it has to go to you, Mr. Speaker. That is a judgment that Your Honour has to make, not a judgment that the majority of the House can make.

I said this last summer, once maybe we can get away with it, but twice and it is gone. We went through a lot of work to get a parliamentary calendar. We went through a lot of work to humanize this place so that Members of Parliament and their families could have some notion of when it was that they would have time away from Ottawa.

I do not understand for the life of me why this Government is determined to destroy that particular notion. It is not as if it has not had the time to get through its legislative agenda. If it has not got it through, then it has no one to blame but itself. Only recently it rose and said that it got through more Bills than any other Parliament in history. If that is true, that is not only a testimony to it but to the co-operation which the Opposition is able to demonstrate when we feel that the Government is dealing with us in good faith and reasonably.

The fact of the matter is, particularly of late, one does not know from one day to the next what the Government is going to call.

Mr. Lewis: Not true.

Mr. Blaikie: The Parliamentary Secretary got up to talk about what a wonderful thing the Government was doing. It was introducing this motion under Government Orders so that there would be 48 hours notice. We are lucky around here if we get 48 minutes notice with respect to what Bill is going to be debated next.

Mr. Lewis: Not true.

Mr. Blaikie: I find it very, very irritating to hear that coming from the Parliamentary Secretary.

Mr. Lewis: This is not procedure, it is debate.

Mr. Blaikie: A lot of what was intended by the Special Committee on the Reform of the House of Commons has turned out very, very well. We know that just recently there was a Private Members' Bill that went through the whole system and was passed. We see the committees working in

ways that they did not work before. But some of the things have not worked out—

Mr. Lewis: Like petitions.

Mr. Blaikie: —for instance, the whole question of evening sittings. The idea of the reform committee was not to telescope the parliamentary day from 9 a.m. to 5 p.m. The idea was to free up the evenings for committee work. That has not happened.

There are other things that have not worked. One of the things that is now at risk as a result of the phoney emergency back in August of 1987, and now this, is the parliamentary calendar.

I feel obliged to get on my feet on behalf of the members of those two reform committees that I belonged to, on behalf of Members now, and on behalf of future Members of Parliament, to say that if we sacrifice this parliamentary calendar to the Government's political agenda—and that is all it is, it is not as if there is any great emergency; if there is an emergency then it should make that case to the Chair—to its political pre-election agenda, then we will be doing a disservice not only to ourselves, but I want to make the larger claim that what is at stake is the health of the parliamentary institution itself.

It is not our self-interest that we should be concerned about here. We cannot go back to the game of psychological chicken that we played every year in the summer-time with each other. One of the things that the reform committee was trying to escape for everybody's sake was that kind of political chicken that gets played. There is no need to revive it. That is what is so infuriating about this.

• (1640)

There is absolutely no need for this motion to be before us except as a tactic on the part of the Government. I do not mind the Government using every tactic it has available to it within the rules. But what I do not like, and I have seen it happen a couple of times recently, is when the Government makes a unilateral decision with respect to how we are going to deal with the abortion issue and then it changes the Standing Orders accordingly, or the Government makes a unilateral decision with respect to the parliamentary calendar. For one thing it shows a lack of resources. The Government is not smart enough to figure out something within the rules, so it breaks the rules in order to get its way.

I am appealing to you, Mr. Speaker, to stem this growing tide of unilateral action on the part of the Government. Parliament is a Parliament. It has rules. It is not to be a dictatorship by the majority. If these types of procedures are allowed to stand we will come to see dictatorship by the parliamentary majority, the very thing that the Conservatives said time and again that they were against when the Liberals attempted to do it and unilaterally changed the Standing Orders in 1969. That was a tradition that we overcame in the early 1980s with the consensus of everyone here.

I find it a great parliamentary irony, tragedy, call it what you will, that it is a Conservative Government that is breaking that consensus and acting to re-establish the notion of the dictatorship of the majority in this House and lack of respect for the rules. All of us here, and future Parliaments, will come to rue the day we throw out the parliamentary calendar. We had it there with a little window where we had some sanity in this place. Some Members are trying to chuck that out of the window and everyone will pay as long as Parliament continues to exist for the fact that the Government put its own political agenda before the health of this institution.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board): I have a few brief comments, Mr. Speaker. I understand that you have heard quite a bit of argument and I, for one, do not wish to prolong or repeat anything that may have been stated by other parties.

I wish to suggest to my friend, the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie), that he is suggesting two things. First, I wish to deal with the procedural argument which seems to be that the Standing Orders cannot be changed without unanimous consent. I would refer my hon. friend to Standing Order 56(1)(o) which states:

> 56(1) The following motions are debatable:
>
> Every motion:
>
> (o) for the suspension of any Standing Order unless otherwise provided;

Mr. Blaikie: It is otherwise provided.

Mr. Lewis: I submit that one is able to suspend the Standing Orders. Second, prior to my re-entering the Chamber, I understand that Your Honour made reference to section 49 of the British North America Act which states:

> Questions arising in the House of Commons shall be decided by a Majority of Voices other than that of the Speaker, and when the Voices are equal, but not otherwise, the Speaker shall have a Vote.

In other words, it seems to me that a question raised in the House of Commons shall be decided by a majority of the Members of the House of Commons.

Mr. Blaikie: When it is in order. When the motion is in order. What we are debating is whether or not it is in order.

Mr. Kempling: You are not the judge.

Mr. Blaikie: Neither are you.

Mr. Speaker: I am going to have to give this some very careful consideration, probably assisted by all Hon. Members allowing each other to put their argument. The Hon. Minister.

Mr. Lewis: I will close with the following comments: I will go on to read to my friend Section 50 of the British North America Act which states:

> Every House of Commons shall continue for Five Years from the Day of the Return of the Writs for choosing the House . . . and no longer.

I submit that we are not attempting to extend the period beyond the five year term.

Mr. Blaikie: Whoever said you were?

Mr. Lewis: My hon. friend makes great reference to the fact that the parliamentary calendar has been agreed upon. I do not disagree with him. But my hon. friend, to use legal terms, can't suck and blow at the same time. One can't delay and delay and be everywhere in *Hansard* and the media saying: "We are going to stop free trade", and then when the Government wants to extend the hours of sitting to take care of an initiative of the House, complain that we are extending the time. One cannot have it both ways.

Mr. Blaikie: Bring in closure.

Mr. Lewis: We do not intend to bring in closure just now.

Mr. Blaikie: Take responsibility.

Mr. Lewis: We want to debate this issue on the merits. I submit that we have made the case that this is procedurally correct. I appreciate that the Chair will want some time to consider the procedural arguments. I can assure the House that when the procedural arguments are finished, we will be fully prepared to move on to other business, which is on the Order Paper, by the way, and we will be prepared to await your decision.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): I wish to make a few points, and I would like to pick up from where the Minister left off on his reference to Standing Order 57(1)(o). Indeed, that Standing Order states: "for the suspension of any Standing Order unless otherwise provided". It says "unless otherwise provided". In the Standing Orders we have a calendar provided for by the House and agreed to, after reform, by Members of the House.

Standing Order 5 states:

> 5. Whenever the House stands adjourned, if the Speaker is satisfied, after consultation with the Government, that the public interest requires that the House should meet at an earlier time, the Speaker may give notice that being so satisfied the House shall meet, and thereupon the House shall meet to transact its business . . .

If the Speaker has that authority, in my view, that is the point. The motion before us at this time is not in order. It addresses a point that only you, Mr. Speaker, with the reform of the rules, with the Standing Orders, have the authority to recall the House and to transact the business of the House.

I know some of the issues that have been put to the House today and repeated by some Members, for example, in regard to whether it is appropriate to have the motion before us, is it in order, or was it presented to the House in the appropriate form. Well, it was indeed presented on June 3 as a notice of motion, and it was transferred to government business. I do not want to argue whether the motion here is in order. I believe it is not in order, because it is not in the spirit of the new rules as they stand today.

I wish to make the point to the Speaker that there could be a good argument made, if one goes back to 1950 or 1960 when motions were regularly put down by the Government to extend hours. They were done in a very normal and accepted manner basically because the House only sat a few months in the year and it suited the purpose of all Members that the Government did have that motion there. But then there developed a need to reform the rules of the House, essentially because the business of the House became full time and not part time and rules which were in force at that time had to be changed.

I refer you to the McGrath report, Mr. Speaker.

[*Translation*]

the report of the Special Committee on the Reform of the House of Commons, the Committee that tabled the report that formed the basis for parliamentary reform. I would like to quote a very interesting paragraph, at page 11:

> For nearly a hundred years after Confederation, federal parliamentarians showed great reluctance to change the Standing Orders. A closure rule was introduced in 1913, but it was in answer to an immediate crisis and was seldom used in later years. Some reforms were effected in 1927, chiefly a forty-minute limit on most speeches, but this went no real distance towards improving the effectiveness of the House, regulating debates or apportioning time.

And the Committee goes on to relate various attempts at procedural reform from 1940 to 1950.

And I quote at page 12:

> In 1958 a government was elected with the largest majority in Canadian history. During this period greater use was made of standing committees. However, the procedures of the House remained, in most substantive respects, those of 1867.

The same Government that was elected in 1958 with a very hefty majority in the House did not survive more than one and a half or two Parliaments, when it was defeated. Today, the Government is using the same strong arm methods to deal with the minority, and it too will be defeated because it does not understand the meaning of our Standing Orders or democracy.

Mr. Speaker, I may recall that when you referred to Section 49 of the BNA Act, which provides, and I quote:

> Questions arising in the House of Commons shall be decided by a Majority of Voices other than that of the Speaker, and when the Voices are equal, but not otherwise, the Speaker shall have a Vote.

Questions rising in the House of Commons! Mr. Speaker, those questions refer to substantive issues before the House, not to procedural issues. Perhaps I may recall the experience of yours truly here in the House, when at six o'clock, the Chair interrupted a vote called by the House, a vote that was not held because the Chair interrupted the proceedings, claiming that at 6 p.m. the motion had lapsed.

Mr. Speaker, in my opinion that was an infringement, a contradiction and even a violation of section 49 of our Constitution. However, the Speaker said in the House: "No, you are mistaken, Mr. Gauthier". I said: "Well, all right". I accepted his decision. But I would like to point out that our present Speaker told me himself that on procedural issues, the decision was up to him. I can agree with that. But I maintain that

section 49 refers only to substantive issues, and when such issues are put before the House, the House decides.

• (1650)

[*English*]

If it referred to procedural matters, Mr. Speaker, we would still be in the situation where in former Parliaments one could appeal decisions of the Chair. Do you remember? We do not do that any more. That has been changed. Nobody in this House would dare reinstate that procedure, but we used to be able to appeal decisions of the Chair.

I want to talk about the Hon. James McGrath, Lieutenant-Governor of Newfoundland. In the debate on the reform of the House of Commons and the Government's response to committee recommendations he said—I hear some Members of the government side do not want me to quote what Mr. McGrath had to say. I had a lot of time for Jim. I think he did a terrific job for this House in bringing forth the reform of the House and I appreciate the great contribution he made. At page 9150 of *Hansard* for December 4, 1985 he said:

> We hope that the Government will give us a chance to function as legislators.

Further on in the text at page 9151 he makes a very interesting statement:

> I hope in saying this that the Government will not lose the spirit which prompted it to start this reform process in the first place because if there is one thing this Government will be remembered for, among all others, it will be its determination to reform this place in order to make it more meaningful for the people of Canada.

That is what this place is all about, Mr. Speaker. It is supposed to allow for debate, but the Government does not believe that. It thinks it can suspend debates and have its way despite the fact that we have adopted a Standing Order which says that the Government cannot do that, unless the Speaker has been asked and there has been consultation. Standing Order 5 reads:

> Whenever the House stands adjourned, if the Speaker is satisfied, after consultation with the Government—

The Government will be consulted, so why it would want to go around the Speaker, beats me, unless there is such arrogance—

Some Hon. Members: Come on!

Mr. Gauthier: I cannot read anything else except arrogance on the part of the Government in trying to use its massive majority to demean the minority and to have its way. I will reread the first Standing Order for members of the Government who do not understand the meaning of it. Standing Order 1 states:

> In all cases not provided for hereinafter, or by other Order of the House, procedural questions shall be decided by the Speaker or Chairman, whose decisions shall be based on the usages, forms, customs and precedents of the House of Commons of Canada and on parliamentary tradition in Canada and other jurisdictions, so far as they may be applicable to the House.

There is, in my view, a strong case to be made for this motion to be ruled out of order by the Speaker because it breaches the Standing Orders of the House. It is not in the spirit of the Standing Orders as we have developed them over the years. It took dozens of years to come to a point where we can have a sensible, reasonable agenda. The Government is playing havoc with it.

We were called back here last August 11 and we have worked since then. We are not the only ones. I think of the 2,800 support personnel in this House who have given us their sweat and their competence since last August and who will not have any holidays if this lousy Government has its way. I say to them: "Don't blame me. Blame the government Members. They are the ones preventing you from having a decent break after 11 months of hard work". I do not think the government Members should laugh when I say that because it is difficult for people in this place. It is difficult to take that kind of arrogance from that Government.

Mr. Speaker: The Hon. Member for Winnipeg North Centre (Mr. Keeper).

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I want to make a number of points. First, and I do not think this one has been made clearly yet, the Government may be abusing the Opposition in this House by the way it is treating the rules. The Government is also abusing the Chair.

Mr. Fennell: Where have you been for the last three weeks?

Mr. Keeper: Under the rules of this Chamber, the Standing Orders, the Speaker makes the decision about whether the sittings of the House will be extended into the summer. The Government by putting in this notwithstanding motion is taking away the power of the Chair to make that decision and vesting it in the majority in this House. It is seeking to take away the prerogatives that have been given to the Chair by the rules of this House.

I believe the motion is out of order for a basic reason. When considering the motion we have to go back to basics. I refer to Beauchesne. In Chapter 1 under the Content and Sources of Parliamentary Procedure, we find Principles of Parliamentary Law. Citation 1 reads:

> The principles that lie at the basis of English parliamentary law have always been steadily in view by the Canadian Parliament; these are: To protect the minority and restrain the improvidence or tyranny of a majority; to secure the transaction of public business in an orderly manner.

It mentions both requirements, to assure the orderly transaction of public business and to protect the minority from the tyranny of the majority. If there is one thing that this motion does, it is to fail to protect the minority.

• (1700)

Mr. Speaker: The Hon. Member for Winnipeg North (Mr. Keeper) is unfortunately caught by the clock. It is five o'clock, and I know the Hon. Member will understand that I am

obliged to interrupt him. It has nothing to do with the substance of his remarks.

It being five o'clock p.m., the House will now proceed to the consideration of private Members' Bills as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS--BILLS

[*English*]

FOOD AND DRUGS ACT

MEASURE TO AMEND

Ms. Sheila Copps (Hamilton East) moved that Bill C-289, an Act to amend the Food and Drugs Act (list of ingredients), be read the second time and referred to a legislative committee.

She said: Mr. Speaker, this morning I had the opportunity, as do most Members of Parliament, to meet with some young people from my riding. They were from Prince of Wales School, and they wanted to know what we did in Parliament. I tried to explain to them—

Some Hon. Members: Oh, oh!

Mr. Speaker: I hesitate to interrupt the Hon. Member, but I hope that when she explained it, she had the support of all Hon. Members as to just exactly what we do do here.

Ms. Copps: Thank you, Mr. Speaker. I tried to explain to the students that as well as the work we do in Question Period which is often the cut and thrust of debate, we do work in committee and we try to pass laws to help the people of Canada. I think this Bill that I am proposing today, Bill C-289, an Act to amend the Food and Drugs Act, is probably a very good example of how Parliament and in fact all Members of Parliament can work together to promote a law which will actually save lives.

I must say that I owe this initiative to a real tragedy which occurred in my area. If it is permissible, I would like to dedicate my efforts in this regard to the memory of a young man by the name of Christian Taylor. He was a 17-year-old young man, a student leader in his community and a volunteer worker. He was probably the kind of son that every parent would be very proud of. He had only one problem. Christian Taylor suffered severe food allergies, allergies so severe that every time he ate outside his home, he was engaging in Russian roulette.

Christian was very careful. He made sure that when he went to a fast food restaurant, he inquired if nuts, a product to which he was extremely allergic, were present in any of the foods he would eat. Unfortunately, like many 17-year-olds, he had been out playing a hockey game and he and his friends made their way to the local Arby's Restaurant. There was a big lineup at the restaurant and one of his friends picked up an apple turnover.

Christian had never eaten an apple turnover at Arby's before, but he had eaten an apple turnover with no side effects at McDonald's and he had also eaten an apple turnover at Harvey's. He assumed that an apple turnover was an apple turnover. He did not realize that in fact, the apple turnovers at Arby's actually include invisibly ground up hazelnuts.

Christian took a bite of the apple turnover, and as soon as he ate it, he started to have a reaction. He had been told by his physician that if he ever had an allergic reaction to food, he would always have time to be treated, so he immediately hopped on his bicycle and rode home. By the time he got home, he collapsed in his father's arms. His last words before he died were: "Daddy, help me," and he died in his father's arms.

His mother came to see me. She told me that she had been lying asleep on the couch after having watched a soap opera or a television show and she was so sad because she did not even wake up before her son died. She asked me why the Government does not pass legislation that will let people know what they eat when they go to fast food restaurants. It seemed rather simple to me. We get involved in many long and onerous debates relating to everything from free trade to the issue of abortion. Many questions are not so simple, but I thought that it would help if I spoke to the Minister of National Health and Welfare (Mr. Epp).

When the regulations to the Food and Drugs Act that require the labelling of food sold in grocery stores were originally drafted, it was done because most people ate primarily home cooked meals. In 1988, with the way society has changed, almost half of all meals are eaten outside the home. I asked the Minister if he would consider moving an amendment to the Food and Drugs Act that would deal with fast food.

This food already comes in very expensive prepackaging. The major chains spend a lot of money on very elaborate packaging to try to draw the customers to their particular products. I asked the Minister if he could pass an amendment to the Food and Drugs Act, by regulation, not necessarily by law, to require the major chains to label the food that is prepackaged. This would provide that those who bought Big Macs, as well as seeing the fancy lettering on the package, would see stamped on the side in not very large letters a list of the ingredients. If I go to buy a pizza at the grocery store, by law that pizza has to have the ingredients listed. This seemed to make sense to me.

When I spoke to the Minister, I did not want to make a political issue out of this. The Hon. Member for Burlington (Mr. Kempling) has been working very hard on this issue because the young man who died was in fact from his riding. I thought, as did the Hon. Member for Burlington, that this was the kind of issue that need not be a partisan issue. We do a lot

of partisan wrangling in this House, but this seemed to be an issue on which all Parties could agree.

The Minister said that he would look into it. Several weeks later, having heard no response, I asked the Minister to come to the committee. When the Minister came to the committee, he said basically that no labelling legislation could be brought forward because it would be too costly and too onerous. He said in fact that the onus of deciding to eat or not eat should lie with the consumer. I agree that the consumer has to accept some responsibility. However, in the 1980s, according to the most recent figures of the Canadian Restaurant and Food Services Association, $11 billion is being spend on food outside the home.

Even employees of fast food chains have told me: "I wish you could pass this law because I'm flipping hamburgers, but when someone asks me what is in the hamburgers, because they may have an allergy, I can't tell them." An employee of a local fast food restaurant actually said: "I hope this legislation goes through because there is not a day that goes by that somebody doesn't ask me what's in the hamburgers and I can't tell them".

I think one letter highlights the situation. It is written in very large printing and reads:

> Dear Mrs. Copps,
>
> I'm Bradley Adams. I'm seven years old. I'm very upset that we mostly don't go to restaurants because we don't know what is in the food. I'm allergic to nuts, peanuts and fish. When I eat those things my throat closes over and I could die. I'm really scared. Thank you for helping me. Love, Bradley.

That is from a letter from Toronto. His mother followed it up with a letter thanking me for introducing and supporting this cause. She also wrote:

> Even going to a birthday party can cause problems if it is at McDonald's or Chuck E. Cheese. These places will not or cannot tell you what is in the food. Often the staff in these places do not understand why you are asking what the ingredients are and they think you are just another crazy mother. I think that this is what bothers me the most. There has to be something available so that we can know what he is eating and in doing so make life a little easier for both the people with the allergies and those who love them.

If the House deems that the motion I am bringing forward today is worth examining in greater detail, it could be improved upon. It could be made better. I would hope that the latitude I have allowed the Minister in the way of regulations would not place an onerous burden on him. I have been very specific in the legislation, particularly with respect to individual restaurants.

• (1710)

I recognize that for an individual restaurateur, having to label all his or her goods might be onerous. I said in part we should focus our initial attention on the 24 major fast food chains which have what is called a limited menu. They are in a position right now to tell us for the most part what is in the food they are preparing. If the Government, through acceptance of this Bill, moves to require that restaurants with limited menus be required to publish the ingredients on the package or make available a specific listing, that would certainly be a step in the right direction.

I did not realize until I got involved in this dossier that on average one person a month in Canada dies from a reaction to food. There are literally hundreds who end up sick or in hospital for the same reason. I do not think it is too much to ask that our food and drug regulations require the same kind of information with respect to food in restaurants that they do in grocery stores.

The Hon. Member for Burlington may have been in the House when the original food and drug regulations were introduced. No one in the 1970s thought that the wave of the 1980s was going to be eating out. Most people wanted to know what was in the food bought in grocery stores because they would go home and cook it. However, eating out in this day and age in many cases is a downright necessity.

I have not done a scientific study but the people who die because of this tend to be teenagers. They are just becoming independent, they may be out with their friends and not under the eye of their parents. At the same time, they tend to know they have an allergy. It is not information that is just sprung on them. If they were able, through a listing of ingredients on fast food restaurant boxes, to read that peanuts or fish or some other allergen was in the product, they would be in a position to make an intelligent choice about whether or not they could eat it.

I was pleased to hear most recently when the Canadian Food Services and Restaurant Association came before the committee, that McDonald's, the largest company in this field and a trend-setter, is moving on its own to begin, hopefully within the next two to three months, to provide a listing of all ingredients in all its products. I applaud them for that. I hope that is a trend which the industry will want to follow through on. For the Minister to say, as he has, that it is too onerous a proposition is belied by the facts. McDonald's is already working on a listing and that shows it can be done, especially when you are dealing with pre-set, formula menus which is the case in most big chains.

Red Lobster is looking at preparing a specific menu which would be directed to people with allergies. For example, if you have an allergy to fish, you might not order fish but you might order something else which happens to have a trace of fish in the sauce and subsequently be subject to the same bad reaction. The corporate community is beginning to be sensitive, but I dare say one of the reasons they are acting is because organizations like the Canadian Allergy Information Association, the Consumers' Association of Canada, which has endorsed my Bill, and even the Ontario Medical Association is moving in that direction, along with literally dozens of municipalities and school boards have come together and said we need some kind of legislation. While I do not think my Bill is necessarily the perfect vehicle, it does permit the issue to be referred to committee for further study in order to make a better Bill.

I think we saw in the smoking legislation that was just passed an example of political Parties getting together to deal with an important problem. When Bill C-204 was first introduced there were flaws and changes had to be made. However, once it was referred to committee the three political Parties sat down and worked on it so that it came back to the House in a more acceptable form and it actually became law.

[*Translation*]

I hope we will have the same opportunity with this Bill. Because what we are talking about here is the right of consumers to know the basic facts about what they eat away from home. It is all very well to say that if you have allergies, you cannot eat away from home, but for all practical purposes, in the world of 1988, it is not always possible to eat at home.

First and foremost, my Bill applies to the 24 largest companies, i.e. the big chains, not the small restaurants, because it would have been too difficult for small businesses to comply. But if you start with the 24 major companies like McDonald's and Wendy's—we know all the big chains—they already have set menus and it is not too difficult. Even company representatives have admitted that several of them already have the ability to put on the package the specific ingredients in hamburgers or whatever.

Mr. Speaker, I do not say that my Bill is perfect, because obviously we can have changes. All that I would hope, on behalf of dozens of people who have died—about a dozen die every year from allergies, others are hospitalized—is that the House decides to refer the Bill to a committee for further study.

Because some faults can certainly be pointed out in my own Bill one might say, for example, that I have given the Minister the right to define a "chain", because I did not want all small businesses to be affected. So I said that if it is up to the Minister to decide what a "chain" is, he can decide that only the largest companies are included, or if there are other ways to inform the public about allergies, smaller companies could be involved. It depends on the Minister.

All I ask is that the House find this question sufficiently important. Mr. Speaker, I have received more than 10,000 petitions on this subject already. I have received about a hundred letters. The office of the Minister of National Health and Welfare (Mr. Epp) tells us that he has received more than 4,000 letters of support for a bill concerning food and a list of ingredients in food.

Mr. Speaker, the Consumer's Association of Canada supports my Bill, and apparently, although I have yet to receive the letter, the day before yesterday articles in the newspapers said that the Ontario Medical Association was supporting my Bill as well. More than a dozen members of school boards in the Province of Ontario have also expressed their support. The Canadian Council on Children and Youth is very interested. The Association even called our office for more information, and the director said he would personally support the Bill.

I think that even if there are some specific problems regarding my approach in this Bill, if the House agrees with the principle—we would start with the big companies, asking them to list the ingredients on the container—the whole subject could be referred to committee for more detailed consideration.

This morning, some students came to see me and asked me what we do in Parliament. I think we can say that we work together. Parliament is not just Oral Question Period and confrontation. We can also do a good job together. With the Hon. Member for Burlington (Mr. Kempling), and I know the Hon. Member for Chatham is interested and other Members who agree to proceed, I hope that we will be able to proceed as soon as possible, if the House decides to support my Bill.

• (1720)

[*English*]

Mr. Benno Friesen (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I want to thank the Member for Vancouver East (Ms. Mitchell) for yielding her place in the order of speakers so that I could speak next. I appreciate that very much.

I want to compliment the Member for Hamilton East (Ms. Copps) on the issue she has brought forward. It is a very critical issue in our lives today. It is a much more widespread problem than most of the public realizes. It so happens that a member of my staff suffers from the same kind of allergy as she described in the young man whose parents came to see her. In the case of my staff member, if a knife is used to cut a Christmas cake, for example, and then used to cut something else and he eats that other food, that is enough contamination to make him choke.

I know this is a very serious and very widespread problem. However, there is an additional problem. The Member talked about natural foods. There is a growing problem related to this, that is, the increasing use of chemical additives by commercial establishments to preserve food in order that it has a longer shelf life and, in some cases, supposedly to enhance the flavour. However, these chemicals are increasingly becoming a danger to many Canadians.

It so happens that my wife and I were attending a conference a few years ago outside of Canada. She went to a local restaurant and had just a portion of a shrimp omelette, a very innocent looking meal. Yet, within hours she was going into second degree shock because of an additive called metabisulphide. She had to receive extensive treatments of Prednisone to counteract that chemical.

An additional problem with this is the inertia which exists in the Department of Health where officials ought to be proactive on this issue. When we returned from that trip my wife took the time to do some research on it. She went to her doctor

and it so happened that he had suffered from the same kind of allergic poisoning just prior to that. The same kind of preservative was being sprayed on the corks of wine bottles. There was just enough preservative on a cork to give him the same kind of allergic reaction.

My wife met with officials in the Health Department and described to them in clinical detail exactly what was happening. What bothers me most is that they gave her careful, precise, and polite attention while she was there but then it was, it seems to me, out of sight, out of mind. Nothing happened after that. It appears as though officials in the Health Department do not recognize a problem until they have determined that it is a problem, that no one else has the right to define a problem until they see it as one.

Therefore, I want to compliment the Member for Hamilton East for taking the initiative she has on this particular Bill. I think this is a very important issue. It so happens that I do not think that the provisions of the Bill, as it stands today, make it a manageable proposition. It asks every restaurant to label "all the ingredients in such food is available for consultation by any person, upon request, during business hours".

First, some of that would be superfluous. If you know you are allergic to sesame seeds and you see hamburgers served on sesame seed buns, they should not have to be labelled. I mean, you can see that. Yet, under the provisions of that Bill a restaurateur would be liable to violation of this act if the buns were not so labelled.

Therefore, I think some of the Bill is superfluous and it is certainly difficult to manage. However, as the Member has pointed out, it may be that while the Bill has flaws it could be improved upon. That could be done in committee.

I encourage the Member to keep pressing on this issue to ensure that the Department of Health becomes pro-active on it and starts giving Canadian citizens the protection they deserve at a reasonable level so that when they go into a restaurant or buy food in a grocery store they are not buying a hazard, unbeknownst to them. When citizens take reasonable precautions in buying their food, they should not be put at unreasonable risk. They should get the protection they need. I would encourage the Member to pursue the legislation as vigorously as she can.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, on October 8, 1987, nine year old Kelly Chinnick died of anaphylactic shock due to a taste of icing at a Thanksgiving celebration at school. Kelly was allergic to nuts and was unaware of peanut butter in the icing. I have a number of very sad letters in my file which tell of the tragedy the parents suffered because Kelly died as a result of this lack of knowledge.

As the Member of Parliament for Hamilton East (Ms. Copps) has described, a young man in Burlington died of an allergic reaction after eating an apple turnover which he purchased from a fast food restaurant. The young man was allergic to hazelnuts and was apparently well aware of this fact. However, naturally enough, he assumed that since he had been able to eat apple turnovers from other stores this apple turnover as well would be free of nuts.

Perhaps if there had been some way for this boy to make a quick check of ingredients through a listing of ingredients in the foods sold at that outlet, he would be alive today.

The Standing Committee on National Health and Welfare, in addition to considering the whole question of food labelling from the point of view of the Member who is presenting this Bill, also heard from the Canadian Restaurant and Food Services Association which proposed a food chart as an alternate way of informing customers of the food ingredients.

Whether the method of choice is a label, a chart, or a combination of both, I am sure all Members and the public would agree that it is vital that information on food ingredients be made available to the public, particularly to people who are subject to allergies. The consumer must have this vital information. It is a matter of life and death in some cases.

Persons who have food allergies must have information about food ingredients in order to protect themselves. It is certainly a responsibility of food services as well to provide information about what is in the foods they are serving.

It is difficult to determine how to do this in a practical way, but there is no question that the food industry has a responsibility. The consumer also has a responsibility, not only to use this information but to demand more information and to demand that the public as a whole is informed.

I myself had to learn by trial and error what foods trigger migraine headaches. Simple health information should provide that. The impact of MSG is something from which many of us suffer as well. Although that is certainly not a killer, it is symbolic of the allergies which many of us have in a slighter form. Therefore, it is not only vital that the information be provided, it is crucial that we alert the public and instruct it how to use information and where to get more.

Health and Welfare Canada and the Department of Consumer Affairs also have a very particular responsibility. I am concerned that the federal Department of Health has not taken more initiative on this matter. It should be assisting in facilitating practical measures, including an assessment of the proposals in this Bill.

• (1730)

While it is not a complete solution, this Bill would amend the Food and Drugs Act to compel restaurants, particularly the larger chain restaurants, to provide a list of all ingredients in any food it sells, as well as any packaged foods sold by the outlets. The Hon. Member who just spoke pointed out that it may be difficult to implement these requirements in some respects. The problem is with the smaller restaurants, independent cafes and so on.

I have referred to witnesses who appeared before the Standing Committee on Health and Welfare. The Canadian Restaurants and Food Services Association which appeared on behalf of the food industry admitted that it has a major responsibility to protect customers who have a risk of allergies from food. They certainly are concerned about this issue and have a very vested interest on behalf of their restaurant customers. They have proposed the use of a food chart which is currently being tested by some of the larger food chains. It was developed in consultation with the Allergy Information Association, an organization to which we should pay tribute. It has done excellent work in this field. It was developed in consultation with the Departments of National Health and Welfare and Consumer and Corporate Affairs. It would list the major food allergies and would be distributed to a vast range of limited menu restaurants. Of course, that is one of the restrictions to this technique.

The two advantages of the chart are that it could be implemented quickly and could be utilized by a large number of restaurants, particularly the large chains. The use of such precautions by some of the restaurants we mentioned could possibly have protected young people from death. The disadvantage of the chart system is that it provides limited coverage.

While the Bill proposed by the Member for Hamilton East has some limitations, any positive steps in this area should be supported. The committee would have to consider the fact that often the consumer does not see the label after the product has been purchased. Second, only the very large food chains could probably comply with the legislation due to the considerable cost of this technique. Third, the limited menu restaurants use a container for many different purposes, unlike McDonald's, so that the list of ingredients would be rather extensive and maybe very impractical. Finally, it would take a long time to implement the labelling procedure. However, it is a positive step which should be investigated. It may be practical to provide for a combination of a chart and labelling method.

The restaurants may also change their approach and limit the use of such things as MSG which has a high allergy content. There is no question that we should pursue all positive suggestions for informing people who have allergies of the ingredients of food items on restaurant menus. Of course, people must take responsibility for their own health, but they must have adequate information in order to do so. We favour all methods, including this Bill, that will be a positive step toward preventing tragic deaths such as those of the children who died from apple turnovers and concealed nuts.

Mr. Bill Kempling (Burlington): Mr. Speaker, I was Chairman of the Private Members' Business committee when this matter came before us. I am pleased that the committee acted in the usual fashion and immediately found consensus to approve this Bill as an item to be voted on in the House of Commons.

The young gentleman referred to by the Hon Member for Hamilton East (Ms. Copps) lived in my riding. Christian Taylor's mother came to see me after her son's death. To say the least, I was shocked at what happened and wrote to the Minister, asking him to look into the matter, and I know that his officials have taken some action. The matter goes far beyond this tragic incident.

I am sure that many of us have been with people who have not ordered certain items because of allergies. Recently, a lady came to talk to me about MSG. She said she would not go to a certain type of restaurant because it used large quantities of MSG. I asked her if she knew that some restaurants advertise that they do not use MSG. She suggested that there be a list of those restaurants published so people would know about it. I understand now that there are many people who are allergic to MSG and perhaps some steps should be taken to provide for a listing of ingredients used in the preparation of products.

After I learned of the unfortunate incident concerning Christian Taylor, I happened to speak to an allergist during a meeting I attended in Toronto. I said that Christian Taylor's mother had told me of her son's death as a result of eating an apple turnover. The allergist offered what I thought to be a rather cool and callous attitude toward the matter. He said that anyone who has a serious allergy should not eat out. I suggested that this may be all right for adults who are more disciplined, but it would be difficult for young people. I finally told him that I had written to the Minister about this incident in the hope that some steps would be taken.

I am pleased to support the Bill presented by the Hon. Member for Hamilton East. I know that the officials of the Department of National Health and Welfare have had numerous meetings with the officials of the Department of Consumer and Corporate Affairs to determine how this legislation could be carried out. While there are many difficult problems to overcome, it should not detract us from moving on.

We know that the fast food industry subcontracts for all their ingredients, many of which are precooked. The suppliers will have to be consulted about the ingredients being used and perhaps asked to be more specific. I believe this will be a positive step and will regulate an industry more precisely than it is now. While none of us like more Government regulations, where the result of no regulations can cause someone to die or become seriously ill or impaired, then I believe this is a classical case where Government should move and regulate.

• (1740)

The issue for us is to get this Bill to a committee and get it there as soon as possible. Perhaps at the next sitting, the next time the matter comes up for debate in the House, we can move to have it passed on to committee. I think it is useful that we hear from as many Members as possible today in this debate so they can put on the record the various experiences

they have had in their constituencies and, by doing that, highlight the importance and seriousness of this matter.

It is important that we get together with officials of the Department of National Health and Welfare, and the people in the industry, of course, to see how we can, in practical terms, work this matter through. The Hon. Member for Hamilton East in drafting the legislation, has left it open for amendment. I think that is good. It is a wise move on her part. In fact, she said in the House today that she looked forward to officials from the Department of National Health and Welfare and others contributing to this Bill and putting in place amendments and regulations that will make it work in a proper and effective way. We should move to expedite this Bill through the debate process and pass it along to committee so it can be put in place at the earliest possible date.

We should hear from officials of the Department of National Health and Welfare and officials from the Department of Consumer and Corporate Affairs as to the progress they have made. We should hear their recommendations and the results of their discussions with the food industry. We know that has been going on for sometime. It is useful to have this debate so that this subject that is so serious can be brought home to those who have concerns about food additives. Let us resolve to move this matter to committee when it next comes before this House for debate.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I am pleased to rise to speak in support of the Bill of my colleague, the Hon. Member for Hamilton East (Ms. Copps), Bill C-289. It is a Bill that has just recently been introduced into the House of Commons. Bill C-289, an Act to amend the Food and Drugs Act, is really more than a Bill which will amend the Food and Drugs Act. This Bill is a reflection of very serious concerns of parents and other members of our society who live in constant worry about the contents of the food they are about to eat when they are out in restaurants.

It is very interesting statistically to note that in 1968, as an example, the Canadian Restaurant and Food Services Association told us that 18 per cent of all people in Canada eat meals outside of their home. Here we are in 1988, just under 20 years later, and more than 36 per cent of the population eat one out of three meals outside of their homes. I think that is a reflection of the changing dynamics of the society in which we live. We have working families and more access to fast-food chains.

It is part and parcel of daily life to go to get a hamburger at Wendy's or whatever happens to be the fast food chain in the area. It is fun to go out on Sunday with one's children and have a bite to eat. But if you happen to be the parent of a child or a teenager who has a severe allergy, you are taking their lives in your hands, not because you are not a responsible human being, when you in all good faith sit down and partake of a meal and there are serious consequences. If the question is asked, for example, if there are any nuts in a particular food, or is there a particular kind of mayonnaise which contains eggs in this food, and there is not a clear and unequivocal answer, or a knowledgeable answer, you have taken your life in your hands if you eat it and are allergic to it.

Members in the House today have talked about the sad case of a young man whom I gather is from the riding of the Hon. Member who just spoke. This young man was allergic to nuts and died at the very early age of 17 years. What a tragedy that was. He had eaten packaged apple turnovers at other restaurants without harm, but this particular restaurant made their apple turnovers—and I am sure they would be quite delicious if you were not allergic to them—with hazelnuts. The unfortunate aspect is that here was another mother who was convinced these were fine, edible and safe for her youngster. Had he been alone or with a group of friends, he probably would have felt it was perfectly acceptable to eat the apple turnover because he had eaten them before and there was no problem.

My colleague has recommended a Private Member's Bill that would enable better information, increased food ingredient information, available to Canadians who eat in restaurants. I think it is absolutely key that where possible we, as parliamentarians, bring this problem to the considered attention of Ministers of this House so they can enact the kind of legislation which can prevent unnecessary deaths or sickness in our society. The Hon. Member for Vancouver East (Ms. Mitchell) pointed out that one could suffer from severe migraine headaches from eating certain kinds of foods.

I think what is important is the provision for the kind of information which will enable people to help themselves, and we can go about listing that kind of information in a place that would be easily accessible and readily understood. I was quite pleased to hear that the Allergy Information Association has given some very concrete suggestions. It is one of the many health groups which have supported this action to amend the Food and Drugs Act, as well as others, including the St. John's Ambulance, Burlington Branch, the Washington Centre for Science in Public Institutions, and the Consumer Association of Canada, which has recently joined in support of this very important move to enable a change to the Food and Drugs Act.

Thirty-five municipalities, counties, towns and cities have passed resolutions in favour of the restaurant food labelling, and these are Government supported initiatives. After all, municipalities are part of the government structure of the country in which we live.

Eleven school boards of education have passed similar resolutions. We have received dozens and dozens of telegrams. The Minister of National Health and Welfare (Mr. Epp) received in excess of 4,800 letters from May 1, 1987 to May 1, 1988, from Canadians calling for food labelling. My colleague, the Hon. Member for Hamilton East, has received over 100 letters in response to her new Bill. We have had a total of 11,000 petitions, with signatures, collected. This indicates that the population is seriously concerned about what is going on. This is an expression of the will of the population to ask us to

please move and to effect the kind of change which will protect our citizens.

• (1750)

I was interested in my colleague's approach when he talked about the fact that young teenagers who are just starting to be independent cannot be monitored. They are having fun, and although they are aware of the potential danger they might not ask the question. He said that if there is an uninformed person giving that information, then how can they protect themselves? It is important to provide accurate information so that allergies to mushrooms, seafood, peanuts, soy oil, and all these various things is prevented in the best way possible.

It is important to make the Department of Health proactive. It is important that Canada Health and Welfare hear the voices of the Members of the House of Commons and is sensitized to the reality of our seriousness in this particular action. It is not just a ploy. All Members of the House regardless of political affiliation or Party are bringing this concern to the population.

I strongly recommend that while we may have some problems around this particular Bill, Mr. Speaker, you and I know that where there is a will there is a way. We can look at this problem from the point of view of finding creative solutions which I am sure will be forthcoming both from the industry and from the population at large.

I strongly urge all Members of the House to pursue all positions and all possible suggestions in support of this legislation, and to take it seriously. I hope that this Bill will proceed to second reading and be referred to a legislative committee as soon as possible.

Mr. Bob Hicks (Scarborough East): Mr. Speaker, the issue of food adverse reactions and the labelling of restaurant foods is indeed a very complex matter. It cannot be resolved through a simple solution such as enacting regulations that would require ingredient labelling on all restaurant foods. That is not to say that this situation does not require action to provide some additional measure of protection to the sensitive consumer. However, before instituting a unilateral solution, we should consider fully all possible courses of action.

In this regard the Health Protection Branch of Health and Welfare Canada has dealt in the past with specific problems of adverse reactions to certain food additives and is presently investigating the entire area of concern on a much broader front. The following comments will outline briefly how the Health Protection Branch has addressed this issue in the past, and the various approaches that are presently being investigated.

Many years ago, monosodium glutamate, MSG, a common ingredient used as a flavour enhancer in many foods, was found to cause untoward reactions in a small portion of the population. MSG was already required, under the Canadian food and drug regulations, to be declared on the labels of prepackaged foods, so foods eaten in restaurants were the major focus in this situation.

The Health Protection Branch consulted with representatives of the food processing industry to determine the extent of the use of MSG. It also consulted medical and toxicological experts to determine the severity of these adverse reactions. Based on the information obtained from these consultations, it was concluded that MSG did not pose a life-threatening situation, and that a program of education for both consumer and food service personnel would offer the best means of reducing the potential for such reactions to occur. To this end the Health Protection Branch produced a fact sheet on MSG for distribution to the public. This program appears to have worked very well to make the public more aware of this particular problem.

In the early 1980s another issue in the food allergy and adverse reaction area presented itself. This time it was sulphites, a group of substances that had been widely used for years as preservatives. The adverse reactions suffered by some consumers to these substances were severe enough to require medical attention and even hospitalization.

The Health Protection Branch once again sought input from several expert sources on this issue. From the many meetings and consultations with groups such as the Allergy Information Association, the Canadian Society of Allergy and Clinical Immunology, the medical community, regulatory agencies from other countries, and the Canadian Restaurant and Foodservices Association, there emerged a clearer picture of the problem.

It was learned that the use of sulphites on fresh fruits and vegetables, such as in salad bars, was the most common source of problems. In further meetings with the Canadian Restaurant and Foodservices Association this organization voluntarily moved to discourage the use of sulphites among its members. In addition, the Health Protection Branch felt it prudent to enact appropriate regulations prohibiting this use of sulphites. As well, it continued its program of consumer education through the preparation and dissemination of a fact sheet on sulphites. Based on the available information it would appear that these actions have been effective.

Today, we are faced with a situation in which the labelling of food ingredients in all restaurant foods and food allergies have been brought to the attention of the entire nation by the deaths of young Canadians. There is certainly unanimous agreement among the Members of the House that the deaths of these young people are tragic and that something should be done to prevent, to the extent possible, any further incidents. However, this action should be based on a sound, rational approach to the problem. This is the type of action that is expected to be forthcoming from the Health Protection Branch.

Representatives of the Health Protection Branch have already entered into a round of consultations with the Canadian Restaurant and Foodservices Association and the Allergy

Information Association to discuss the various available courses of action to address this serious situation. Among the available options are the use of signs in restaurants advising customers about the ingredients in the meals served in that establishment, or labelling the individual serving of food.

The first option was tried in the United States with the use of sulphites in foods in salad bars. However, as it turned out, this approach was difficult to enforce and hence was not very effective even in a limited application such as salad bars. Based on this experience, one can imagine the difficulties this approach would pose trying to cope with a much broader based situation. The logistics of instituting the latter choice, that is, the labelling of individual servings, renders it virtually impossible for a many-itemed menu and recipes which might frequently vary depending on the availability of ingredients.

Another option, of course, would be to put ingredient information on the menus. The economic considerations and labour requirements to keep the menus updated would be substantial with no guarantee that people would even read or understand the information. These comments would also apply to the preparation of a booklet containing such information for the consumer.

Another possibility is the appointment of one person in each establishment who is responsible for consulting with and advising patrons on the ingredients in the meals served in that establishment. While such a personal touch does have some appeal, it places a sizable burden on the designated person, and problems could arise if this person were not available or had to advise several consumers at different tables which would slow service and possibly irritate the customers.

Although there are many courses of action to address this situation, there is not a simple and convenient solution to this entire problem. However, I am advised that the Health Protection Branch, the Allergy Information Association and the Canadian Restaurant and Foodservices Association have recognized the immensity and the complexity of this problem. They are agreed that the first efforts at providing ingredient information to the consumer should be concentrated in the "quick service" food industry.

Furthermore, all parties have agreed that at the present time it is only feasible to provide this information for the allergens responsible for the most severe and/or most frequent adverse reactions. A list of these allergens is in preparation with the assistance and support of the Allergy Information Association, and with input to be solicited from the medical profession. The information on the presence of these selected allergens in the menu items of the food service establishment is intended to be presented to the consumer in an easy to understand chart format. The timetable and other details of the implementation of this chart into the "quick service" establishments are under consideration at this time.

If this Bill before us today is passed, we shall be forcing a bureaucratic posture on the public and the food industry without any consideration of the effectiveness of this measure or the difficulties involved in implementing this action. In fact, it may well jeopardize the progress being made by the health professionals in resolving this matter.

We should let these issues continue.

Mr. Deputy Speaker: The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 36(2), the Order is dropped to the bottom of the list of the order of precedence on the Order Paper.

• (1800)

[*Translation*]

I have received written notice from the Hon. Member for Athabasca (Mr. Shields), informing the Chair that he is unable to present his motion during "Private Members' Hour" tomorrow, Friday, June 10, 1988. Since it was not possible to proceed, pursuant to Standing Order 39, with an exchange of positions in the order of precedence, I herewith order the Clerk's office to place this item at the bottom of the order of precedence. Since the notice will be deleted, "Private Member's Hour" will be cancelled, and pursuant to Standing Order 39, the House will continue with or revert to the business before it prior to "Private Members' Hour", until the ordinary hour of daily adjournment.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

CANADIAN NATIONAL RAILWAYS—TRANSCONA SHOPS—REQUEST FOR ASSURANCE WORK WILL REMAIN IN WINNIPEG/REQUEST FOR MINISTERIAL ASSURANCE

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I rise to pursue a question that I asked of the Minister of Transport (Mr. Bouchard) some time ago. I rose at that time to ask whether the rumours were true that I had heard about the closing of the CN reclamation plant in my riding. The Minister answered that this indeed was under consideration. Only a few weeks later CN announced that it was closing down what is known as the reclaim in Transcona. I rise today to continue my objection to this decision by CN.

I raise this issue in Parliament because I see it as part of a continuing pattern of depriving Winnipeg, in this case Transcona, of what should naturally be there as a result of its relationship with CN and as a result of its geographical location.

We know that Winnipegers are very sensitive, and rightly so, about work leaving Winnipeg for other parts of Canada. This sensitivity was rubbed raw by the CF-18 decision, but it

existed beforehand. It goes back to the decision of the Government, shortly after its election in 1984, to cancel the VIA Rail shop that was to be built in Winnipeg, the manufacturing technology centre, and various other things that were scheduled for Winnipeg but which the Tories put the kibosh on.

Winnipegers have watched the behaviour of the Conservatives with respect to these issues. They are now nervous about Air Canada, the implications of the privatization, and the decision that Air Canada has to make with regard to the purchase of new aircraft and the effect that might have on Winnipeg. In all these things the anxiety of Winnipegers is quite justified and is not to be dismissed as whining, in the manner the Hon. Member for St. Boniface (Mr. Duguay) referred to the attitude of Winnipegers a few weeks ago. The Hon. Member for St. Boniface would do well to have a great deal more respect for Winnipegers' view of how they have been treated by this Government than he obviously does, but that is another matter.

The closing of the reclaim in Transcona is another instance of what we are talking about. One of the reasons given by CN for this closing is that it does not have as much rolling stock as it used to, much of its rolling stock that it does have is leased, and the leased cars are scrapped elsewhere. This is certainly true. The fact remains that many of us have bitterly complained for years about this policy of leasing stock, both in the House and in the transport committee.

• (1805)

It is irritating enough to be stopped by a train, but, when you have to be stopped at a railway crossing and you count leased American cars going by, you know that with every car jobs in the car shop in Transcona have gone, jobs in the reclaim in Transcona have gone, and jobs in a number of other associated places have gone. Yet the Government has done nothing to make CN see that the long-range viability of the transportation industry in Canada, indeed of itself, is based not on becoming dependent on American rolling stock but on continuing to have the kind of infrastructure it has had over the years.

I have a backgrounder here prepared by CN with respect to the closure about which I am speaking. CN makes the argument that it closed down the reclaim in Moncton, because the Moncton shops closed down, and that its scrapping of cars is generally associated with its main repair shops. Those cars have been deemed not worth repairing. They go to the reclaim to be dismantled and are reclaimed for various purposes, particularly scrap metal. CN says: "Well, the Moncton shops have closed down. That is a good reason to close down the Moncton reclaim".

Following that logic if Transcona shops are to become, as it appears, the only major repair shop for CN, why not maintain the reclaim right there, right beside the main repair shop of Canadian National in Canada? Instead, CN says that it will be transferring all the work to the reclamation yard in London, Ontario, which was chosen "because of its proximity to Canada's scrap metal recycling market". Pardon me, Mr. Speaker, but I suppose Conservatives and the CN have never heard of the rolling mills and the foundry in Selkirk, Ipsco in Regina, and all the other industries in Manitoba, Saskatchewan, or western Canada in general, which have looked to CN not as the only supplier but as the major supplier of scrap metal over the years. Because we are continuing to have the shops in Transcona, thank God, we should also continue to have the reclaim in Transcona so we can support those related elements of the western Canadian economy.

What has the Government allowed CN to do? Basically it has allowed CN to say: "To hell with the western Canadian economy. We will locate all this stuff in London, Ontario, where it can benefit an already booming economy". There are many people upset with this decision because there is all kinds of work. There is enough rolling stock, yet that the Transcona reclaim could have been kept busy for years and years to come.

I know guys who worked there and I know guys who work in the yard in Transcona. They have been shipping trains and trains of scrap cars and equipment from there. This could have been left in Transcona where it was, to continue to provide jobs and to have been the integral part of the CN operation in Winnipeg that it has been for so many years. Instead the Conservatives have allowed CN, as they have allowed so many other companies, to disregard the interests of Winnipeg and western Canada.

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, my colleague opposite always seems to frame issues by saying that because a Conservative Government is in power there are cut-backs, but if there were a socialist Government in power, there would be lots of jobs in CNR, and presumably in other Crown corporations.

Mr. Blaikie: We would not be closing the reclaim in Transcona, I can tell you that.

Mr. Thacker: If the Member looked at the experience in Australia and New Zealand and in a number of socialist countries, he would find that even their Crown corporations have to keep up. The issue is not whether CNR should continue to be the employer of thousands and thousands of employees just for the sake of employing employees—

Mr. Blaikie: That is not what I said.

• (1810)

Mr. Thacker: The issue is whether it is there to serve the shippers, and in order to compete in serving the shippers, of course it has to keep itself efficient and on the cutting edge.

Mr. Blaikie: Talking about scrap.

Mr. Thacker: That is where the whole question of scrap comes in, exactly. Why does the CNR have to lease its leasing

cars from privately owned railways? That would be a separate issue. Perhaps, if CNR were privatized, it could operate in the real world rather than relying on the taxpayer, that poor union stiff who is being sucked dry by the three levels of government simply because of the ideology that CNR must be a Crown corporation.

CNR is continually reviewing all its railway operations to improve productivity, and it has to do that in the sense of long-term technological and industrial trends. A reclamation yard salvages parts of the retired equipment for repair and dismantles the rest for sale to scrap dealers.

As my friend opposite has said, the size of the fleet has declined substantially. Earlier this year, the entire Moncton yard was closed down. That left London, Ontario, and Winnipeg. The reason, I am told, that it is being concentrated in London is that the reclamation yard is next to the scrap recycling industry in Ontario. It gets back to that tradition of western complaints—

Mr. Blaikie: The one in Winnipeg is close to the recycling in Manitoba.

Mr. Thacker: Part of the reason it is in Ontario is that it is next to that huge recycling industry. This gets back to the typical complaint we have in the West which is that, because Ontario has a large population and is close to the Great Lakes and that huge population in the United States, industry wants to go there. The solution for us in the West, of course, is to have an increase in population. That is the real solution to our problems. All the other things, such as more representatives in Parliament and more Senate reform weighted to the regions, are side issues. We really need population. If there were 15 million people in the West, we would have power. I am sure the Hon. Member agrees with that.

There are 43 positions in Winnipeg affected by this initiative. Twelve are eligible for early retirement and twenty-two can qualify for CN's employment security program. which means they cannot be laid off if they are willing to accept work available at any location in their region by exercising seniority or filling vacant positions. The remaining workers have been in the employ of the railway for between one year and seven years. They are eligible for a combined CN and UIC job security payment. It provides up to 80 per cent of their job rate for a period determined by their length of service.

The closure of the dismantling yard does not however impact on the repair facility or the operation of the railway's Transcona main shops which employ some 2,200 workers, 100 more than last year. In the greater Winnipeg area CN's total employment is in excess of 6,000 people. I wish we had that in Lethbridge.

HEALTH—AIDS DISEASE—PUBLIC EDUCATION/FUNDING OF FEDERAL CENTRE FOR AIDS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I am happy to have this opportunity to comment further on my questions to the Minister of National Health and Welfare (Mr. Epp) of May 18 regarding the need for government leadership and funding in the urgent fight against the AIDS epidemic. I want to begin by acknowledging the Minister's speech in Winnipeg yesterday, giving the broad outlines of the Government's plans to combat AIDS over the next five years.

At least the Government now seems to be taking AIDS seriously. We deeply regret, however, the lengthy delays in government action in the last two years while people died. Canada has fallen far behind international expectations.

Nearly 1,000 Canadians have died of AIDS. Nearly 800 others are diagnosed as having AIDS and an estimated further 50,000 people are carrying the HIV virus. Only now is the federal Government starting to fund a comprehensive attack on this dreadful epidemic.

For months, the Cabinet even held up operational funding that had been budgeted previously for the Canadian information centre for AIDS. While I am glad that a start is being made as a result of the Minister's announcement, I want to make several points and cautions tonight.

First, the new federal government funding, $129 million spread over the next five years, must be measured against the immense problem which is facing us. While it is a welcome beginning, the Government must realize that it is only a first step toward a full-scale fight against AIDS. By comparison, the 1989 U.S. Budget proposed by President Reagan sets aside $1.3 billion for AIDS research and treatment.

Second, we are worried that the funds may not be directed appropriately and efficiently in the all out campaign against AIDS that is required. All the money in the world will not turn the tide against AIDS if it is squandered, if government policies are misdirected, or if the Government lacks the political will to address sensitive issues such as contraception in very direct, explicit ways.

• (1815)

Third, I am convinced by my consultations with the medical health officer in Vancouver that the most appropriate and effective way of co-ordinating both public education and support programs for AIDS patients is through the metropolitan and regional health centres, which should co-ordinate their efforts nationally and share successful techniques. They are doing the job now, they have lots of ideas, but they have not had the funds to get going in a comprehensive way.

Therefore, I urge the Minister to decentralize funding through local health authorities in major centres where there is a concentration of AIDS. The federal role is to co-ordinate such efforts, share information, and help conduct research. However, we need to get the money out there to the front line as quickly as possible. People have been waiting a long time.

I have written to the Minister and spoken in this House about the policies of the Department of National Health and Welfare regarding the provision of treatment drugs for people

with AIDS. I have complained about provinces which refuse to cover the cost of recommended drugs under medicare. I want to read an excerpt from a letter from Dr. Eric Jeffries of Vancouver about the Department's protocol requirements. He and others are concerned about the ethics and practicality of the so-called double-blind trials which the federal Department is suggesting. He says:

> I understand that an aerosolized form of Pentamidine as a prophylaxis against Pneumocystis pneumonia is to be introduced in a double-blind trial.
>
> —double-blind trials are largely used to compare a new drug with a similar drug which is in use. The new drug may be more effective or have fewer side-effects but the problem is to check if there is an improvement over the proven drug.
>
> With P.C.P. we know the median life expectancy. It seems to me ethically unacceptable to waste time by performing a double-blind trial at this stage of paucity of information on AIDS. Double-blind refinements should wait.

On March 24, in a letter to the Minister, I raised the issue of the ethics of clinical trials for AIDS treatment drugs in Canada. I quoted the stand formally adopted by the B.C. Civil Liberties Association:

> An adult person confronting the catastrophe of proximate certain death has a right to elect, for themself, any medical treatment whatsoever that does not cause direct harm to others.

The Civil Liberties Association also stated:

> We are aware of the view that the single and individual patient with a rare catastrophic illness represents an "emergency", while a large group of patients with the same catastrophic illness represents an opportunity for a clinical trial which could be compromised if they claimed and exercised catastrophic rights
>
> ... As things stand, however, we regard it as nonsensical for catastrophic patients to cede their rights to self-determination in their treatment because of what can be seen to be little more than an institutional affection for the ideology of research rather than its vigorous pursuit.

Surely the National Health and Welfare bureaucracy can credit clinical trial data collected in the U.S. and Europe without laboriously duplicating research work already adequately done while Canadians are dying. This is not a scientific or a medical problem; this is purely a bureaucratic problem.

In closing, my colleagues and I acknowledge the Government's recent announcement. However, we want more details on these proposals. We want assurances that the money and effort will be well spent.

• (1820)

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I reject categorically the allegation that the Government is somehow deliberately delaying the application of money to the AIDS program. Those types of allegations are quite silly. No Government of whatever stripe is going to deliberately delay the application of funds for research on AIDS.

The Member pointed out that the United States is spending $1.3 billion and that on a proportionate basis Canada should be spending $103 million. The Minister has announced that we are spending $168 million at the federal level alone. If we add to that the provincial contributions, it is far more per capita than even in the United States where the problem is much worse than it is here in Canada. It is certainly a lot more than the per capita expenditure in the socialist countries of which the Member is aware. As usual, Canada is right at the front line in solving a very major problem. For the Member to make that allegation against the Government only points out that she is really quite silly.

The federal Government's AIDS program reflects a diversity and flexibility of response found in few other responses to the AIDS problem, whether among the provinces or by other nations. Those qualities remain an integral feature of the national AIDS program. Another key dimension to the program is the importance given to co-operation and partnership with other organizations, including the provincial Governments. All these activities under the national AIDS program contribute to the broad question of education, some in ways not readily apparent.

Research is vital to addressing not only the factual content of education programs, but also to determining the social and behavioural context in which the key questions of prevention and understanding must be resolved. For example, the national study of adolescents now being carried out by Queen's University with federal Government funding is expected to provide dramatic intelligence on adolescent knowledge, attitudes, and behaviour which will directly influence AIDS education for young people.

Formal professional training at the frontiers of virology and immunology is crucial if Canada is to keep pace with the pursuit of new treatments, a cure, or a vaccine for AIDS. The funding given to research activities contributes to meeting this need.

In the health, social, and allied services the quality of professional skills such as counselling and psycho-social support is a prime determinant in the ability of these service providers to impart preventive education in terms that individuals will understand and absorb, whatever their background and circumstances.

Community based AIDS organizations have been on the front line of the daily battle against AIDS since the beginning. Their efforts to deliver candid, relevant, life-saving education to a widening circle of Canadians deserve great credit and respect. In many cases, the financing so critical to the survival of these organizations has come from one source, the Government of Canada.

The same applies to the public education and awareness campaign of the Canadian Public Health Association. Here, federal funds are being used to bring the message of prevention to the broad spectrum of the Canadian public. This will be considerably expanded by increased direct federal efforts in this field.

We are active on the international scene. It is universally recognized that more needs to be done. We are facing an issue that challenges us on many fronts, and no nation on earth has

found the magic formula to step ahead of AIDS and stop it in its tracks. The federal Government has no intention of abandoning or diminishing its efforts to provide Canadians with the best protection and care possible.

[*Translation*]

EXTERNAL AFFAIRS—SALE OF EXPLOSIVES TO FOREIGNERS BY EXPRO COMPANY—REQUEST FOR RESULTS OF MINISTER'S INQUIRY / EXPRO COMPANY—FEDERAL ADVANCE

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, it is a pleasure to take part in the proceedings on the adjournment motion this evening. I would have liked to take this opportunity to pursue the matter in French, since I put the question originally in that language, but since the native language of the Parliamentary Secretary and my own happens to be English, and in the interests of better communication, I will continue in English.

[*English*]

The presence of the Parliamentary Secretary to the Minister of Transport (Mr. Thacker) here this evening to answer a question which relates to the portfolio of the Secretary of State for External Affairs (Mr. Clark) is somewhat surprising to me. While I do not for a moment doubt the versatility, flexibility, integrity, and sincerity of the Hon. Parliamentary Secretary to the Minister of Transport, I feel that his presence here casts into question the seriousness with which the Government takes the adjournment proceedings and, indeed, after the debate today on the Government's motion to extend, the seriousness with which the Government treats this Parliament.

• (1825)

I say that with a sense of anger because I know, as the Parliamentary Secretary knows, that no fewer than three Ministers have replied to questions I have posed on the scandal on the indirect export of explosive propellants for shells to Iran.

Indeed, on May 12, a fourth Minister, the Hon. Minister for International Trade (Mr. Crosbie), attempted to respond but was sat down by his colleague from Supply and Services.

Returning to the specific reasons I am dissatisfied with the Government's reply to the question I asked on April 27, I would like to point out to the Parliamentary Secretary that I asked if the Government was prepared to tell the House "what the results of the investigations are" and, second, "why the previous permits were not withdrawn last November?" Neither of those questions was answered by the Minister replying that day, the Hon. Secretary of State for External Affairs. Indeed, he stated:

> We are informed that no explosive material was sent to Portugal since last October. Three shipments of explosive material were sent to Holland last year—that the amounts involved were not sent by the Dutch authorities to another destination.

I believe that this shows that the Government is clearly not interested, in this matter, in determining whether or not Canadian explosive propellants were used in shells that were used by the army of the Islamic Republic of Iran.

It seems to me that the letter of the Government's policy and the spirit of the Government's policy are going in different directions because the answer that was later given indicated that the Government, through the RCMP investigation, had satisfied itself only that the paperwork was in order, only that the necessary permits had been obtained. That was only part of the paperwork that was in order.

What had not apparently been investigated or verified by the Government was the fact, as we now see it, that this powder did go into shells which were actually exported to Iran for use in the Iran-Iraq war. To emphasize further the way in which the Government has treated this issue so lightly, the Minister replied that the amounts involved were not sent by the Dutch authorities to another destination. Of course they were not. It was never suggested they could have been. They were never even in the hands of the Dutch authorities. They were in the hands of Muiden Chimie, which used them to make the shells that were then exported to Iran.

There was another clearly unsatisfactory reply from the Secretary of State for External Affairs in answer to the supplementary question. He said, as reported at page 14866 of *Hansard*:

> We have been looking into the possible abuse of export permits or other matters.

He has never reported on other matters because the whole heart of the question lies in those other matters, as to what happened after the export permits had been used.

I believe the Government has approached this very important issue with little better than a fog of dissemblance. The objective of replying in the House has not been to respond but to mislead. Frankly, the Prime Minister (Mr. Mulroney), may complain, as he often does, about treatment from the media but the media has shown compassion and mercy to the Government in this particular matter, to an unbelievable degree. Outside the Province of Quebec, the question has hardly been covered.

Indeed, it does not reflect very well on the English-speaking media in this country that it did not cover a matter of an export which was not only illegal under Canadian law but also clearly in contravention of the Government stated policy of December, 1986, not to export armaments to countries that would either use them in active warfare or use them to suppress civilian populations.

We have further evidence now that it may even have been broken again this year. That is what is at the heart of this issue. Nothing would please me more than to have the Parliamentary Secretary to the Minister of Transport say that the Government has determined that that powder never went into shells and never went to Iran. I wish I could hear that, but I very much doubt that I will.

• (1830)

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, when the Hon. Member for Kenora—Rainy River (Mr. Parry) raised this subject in November of last year, we responded that the Canadian company, Expro Chemical Products Inc., had fulfilled all requirements expected of it in obtaining the required permission to export, and that although the matter was being looked into more closely, there was no evidence of any wrongdoing on the part of Expro. The results of that investigation confirmed that Expro in fact obtained all the necessary permits and sought the assurances of the importing Government.

The assertion the Hon. Member has again made in the House is unfortunately misleading. Expro has not shipped any of the explosives to Portugal since October of last year and has certainly not continued to export to the Portuguese client after the issues that came to light in November.

The House will recollect that the other European nation investigating the suspected diversion of explosives to Iran was the Netherlands, and we have been monitoring this investigation carefully. The company concerned, Muiden Chimie, had its export licence to Portugal suspended for a period of six months and had investigators from the Government in the plant for a prolonged period.

We do not deny that exports have continued to Muiden Chimie in the past months, but these were permitted to continue because there are clear assurances that the Canadian propellant will be subject to the controls of the Netherlands Government whose foreign policy views on the export of military goods to countries in conflict are the same as the views of this Government. In other words, exports to Muiden at this time are extremely secure, and we have absolutely no doubt that the propellant would be used for purposes consistent with our foreign policy concerns.

The Hon. Member also suggested that the major part of Expro's production was destined for Portugal and implied that an advance of $8 million to the company was inappropriate. I must correct the facts and point out that Expro is an important supplier to our own defence forces and does not rely on Portugal for anywhere near the major portion of its orders. It is because Expro is a preferred supplier under the Government munitions supply program that a loan was made to it under the Defence Production Act. It is important to our own defence needs that we have domestic suppliers of critical defence goods for use by Canadian forces.

In his most recent question on this matter the Hon. Member indicated that he had in his possession documentary evidence that exports are continuing to Portugal. Despite persistent efforts by my officials to get a copy of this document, a copy has not been forthcoming. If the Hon. Member is sincerely concerned about this issue, his co-operation would be appreciated. Upon receipt of the document in question, we shall be better poised to respond to the Hon. Member's question and investigate his allegations.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at ten o'clock a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.33 p.m.

HOUSE OF COMMONS

Friday, June 10, 1988

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*Translation*]

HOUSE OF COMMONS

MOTION TO EXTEND HOURS OF SITTING

On the Order: Resumption of debate on motion of Mr. Lewis

The House resumed from Thursday, June 9, consideration of Order No. 26 for the motion of Mr. Lewis:

That, notwithstanding any Standing Order or practice of the House, from the day of adoption of this motion and until no later than Friday, September 9, 1988, the House will meet on the days and at the times specified in Standing Order 3, but not on August 1;

That, during such period, the Speaker shall adjourn the House on Mondays, Tuesdays and Thursdays at 10.00 o'clock p.m., and on Wednesdays at 6.00 o'clock p.m., and on Fridays at 3.00 o'clock p.m., and that the provisions of Standing Order 66 relating to the adjournment proceedings shall be suspended;

That, during such period, the Standing Order respecting the daily mid-day interruption of business on Mondays, Tuesdays and Thursdays shall not be suspended;

That, at 6.00 o'clock p.m. on Mondays, Tuesdays and Thursdays, or at the conclusion of Private Members' Business, the House shall proceed to "Government Orders" pursuant to Standing Order 22;

That, following the adoption of this motion, no motion under Standing Order 10(1) shall be receivable; and

That, this special order shall not apply on any allotted days designated in the supply period ending June 30, 1988.

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, with your permission, I would like to give you, with respect, my views on the procedural problem Your Honour will have to deal with in ruling whether the motion presented by the Government is in order.

First of all, I would like to answer the question put to Hon. Members yesterday when you asked us, Mr. Speaker, for our thoughts on section 49 of the British North American Act and how that section might affect the ruling the Chair will have to make very shortly on whether the Government's motion aimed at speeding up the passage of the free trade bill and dealing with the rest of the Government's agenda is in order.

Mr. Speaker, I will not repeat what was said by the Hon. Member for Otatwa—Vanier (Mr. Gauthier), who submitted our view that section 49 of the British North America Act referred exclusively to substantive matters that must be decided on, and which only can be decided on, according to our Constitution, by the elected Members of this House. My hon. colleague submitted that, in procedural matters, only the Speaker of the House is competent to decide.

[*English*]

Section 49 of the BNA Act says that questions arising in the House of Commons shall be decided by a majority of voices other than that of the Speaker, and when the voices are equal but not otherwise, the Speaker shall have a vote. The interpretation of my Party on this is a twofold one. First, all questions are decided by a vote of whatever kind. Sometimes it is a voice vote, Sometimes it is a recorded vote, sometimes a few voices say *d'accord* or agreed. However, there is only one way to dispose of an item before the House, and that is by a vote. Second, we say that this means the Speaker is not involved in the voting process unless there is a tie. When there is a tie, the Speaker casts a vote.

• (1010)

That being said, let me place this in context. On the question before us, if one wants to look at the effect of Section 49 of the BNA on the Speaker when he has to make a decision, I would like to say we would have to wait until a later stage to see the effect of Section 49. That section is obviously applicable at a certain stage, the voting stage, when a subject has to be finally decided upon by the House. We are not yet there. I submit that before we come to a vote on the motion submitted by the Government, there has to be a debate. However, before there is a debate something else has to take place, that is, the Speaker and only the Speaker, has to determine whether or not the motion on the Order Paper is in order. I humbly submit to Your Honour that we can come back to Section 49 once we have gone through the stage of having the Chair determine whether this can be discussed.

Third, after a debate has taken place and we get to a vote, I think the question Your Honour has asked us to react to would be better entertained at that stage. In other words, I am saying that there is no way that the question as to whether or not the motion is allowable can be decided by anyone but the Speaker.

Standing Order 1 reads as follows:

In all cases not provided for hereinafter, or by other Order of the House, procedural questions shall be decided by the Speaker or Chairman whose decisions shall be based on the usages, forms, customs and precedents of the

House of Commons of Canada and on parliamentary tradition in Canada and other jurisdictions, so far as they may be applicable to the House.

I submit that if there is one question that can be thought of, to go back to the Standing Order I just read, as being a case not provided for by the rules, the one before us, or which may come before us if you so decide, is such a question. The motion introduced by the Government starts with the words "Notwithstanding any Standing Order or practice of the House". That certainly falls outside our rules. I submit that in a case like this, because of Standing Order 1 and because of our past practices, only the Speaker can determine whether this motion is allowable.

[*Translation*]

Mr. Speaker, it seems to me it is obvious that under Standing Order 1, only the Speaker can decide, in this case, whether the question before the House is in order.

However, to help Your Honour in reaching a decision, I would like to submit my position and that of my Party. I maintain that the beginning of the motion, which starts with the word:

That, notwithstanding any Standing Order or practice of the House . . .

. . . renders the motion inadmissible for the purposes of debate. I say inadmissible, because the Chair cannot allow suspension of the Standing Orders. There is a basic principle in our parliamentary system which has come down to us from the Mother of Parliaments, the Parliament at Westminster, and it is that all democratic debate in these precincts is governed by certain rules.

The motion the Government is trying to present in the House starts with the premise that the Standing Orders must be suspended.

I submit that, because of that fact alone, the motion the Government wishes to present is inadmissible, not only because it requests suspension of the Standing Orders but because it also requests a suspension of the practices of the House of Commons.

Mr. Speaker, I also maintain that besides being unacceptable, the motion is even out of order, because, in my opinion, it is undemocratic. The whole set of Standing Orders before us, which has been accepted over the years, usually by all Members and all political parties unanimously, is based on the following principle: that debates in the House take place in accordance with established rules known to every Member.

Mr. Speaker, I maintain that the first right of an elected Member is to be able to enter and sit in this House. But probably his most important privilege is to be assured at all times that the debates that take place here comply with known and established rules that cannot be changed unless the Standing Orders themselves are changed or unless unanimous consent to override them is given by those who sit in the House at a particular time.

I maintain that in the present case, even discussing a motion that begins with the words "That, notwithstanding any Standing Order or practice of the House . . . " is in itself undemocratic because this way of proceeding holds independent Members and minorities in this House in contempt. For the first time, this would sanction the possibility for a Government to use its majority, an overwhelming majority in the House, to operate completely outside the established rules and to impose its will.

Mr. Speaker, within this motion—and I do not want to get into the specific contents, but only mention them in passing—there are already things that are hard for an Opposition party to accept. But the most important one is that the motion begins by suggesting that the Standing Orders will not apply.

And I would like to suggest, perhaps on a jocular note, Mr. Speaker, that were I to draw a parallel between the House of Commons and a court of justice, if this were a court, the Minister of State (Treasury Board) who put the motion would have to answer for his actions. He would have to sit in the box in the House of Commons to account for his illegal act, and illegal it is in the light of our Standing Orders because this is something that goes against the Standing Orders.

• (1020)

Mr. Speaker, I would like to make another point, because the argument will be made that on occasions the House strayed procedurally from its Standing Orders. This indeed has happened, but I would remind Your Honour that usually, or rather at all times when some Members, for reasons of convenience, request to be exempted from the rules, this is granted admittedly, but with unanimous consent.

For instance, we have seen on many occasions, in order to accommodate one or all Members sitting here, that it is agreed not to see the clock, for instance in order for a colleague to complete his comments. Also, we have seen Hon. Members unanimously agree to revert for instance to Motions or to Tabling of Bills, where a Minister would have entered the House after the time provided for doing so had elapsed. On a number of occasions we have seen Hon. Members grant unanimous consent for the Chair to be exempted from reading a motion that is often very long. We even have seen Hon. Members give unanimous consent for the Chair to do away with the ringing of the bells for calling in the Members for a vote. Is there a more sacred right than that of a Member in this House to know when a vote will be held and to have his attention called by the bells? Points of order have been raised previously on that, in this House. However, it happens quite regularly that we give unanimous consent for the Chair to be exempted from ringing the bells, when everyone agrees that a vote was held earlier an Hon. Members who are supposed to be here already are in their places.

Yet, Mr. Speaker, you will note that whenever the Chair is authorized to set aside our Standing Orders, to use a procedure or a way of doing things which is contrary to that provided for

in our Standing Orders, in each and every case which I submitted to you, all Hon. Members were in agreement and willing to give what is properly called the unanimous consent of the House, meaning that everybody agreed to set aside our Standing Orders.

Well, I submit that in this case, it is clear that the Chair could not obtain the unanimous consent of the House to set aside our Standing Orders and make it possible for the Government to have its motion debated in the House.

For that matter, I suggest that Your Honour in his wisdom would not even attempt to ask for the unanimous consent of the House.

To conclude, Mr. Speaker, I should like to call your attention on a basic element of our Standing Orders which is its permanent nature.

Whoever opens our Standing Orders and starts reading it—there might be some of our colleagues who have never done so—if a stranger were to come here to read our Standing Orders, what would he find first? Even before the Table of Contents, even before Standing Order 1, he will read the Foreword. Even before getting to our Standing Orders, he will read this:

> The Standing Orders were amended on Wednesday, June 3, 1987, and came into effect, permanently—

I call the attention of the Chair on the word "permanently".

> —on Monday, June 8, 1987. In addition, an amendment to Standing Order 89(2) adding a new paragraph (e), was adopted by the House on Tuesday, June 30, 1987.

Why do I call the attention of the Chair on the word "permanently"? Simply because I want everybody in the House to be aware of it, since I know that Your Honour understands the meaning of the word "permanent". It is to emphasize the real meaning of this word. The word "permanent" is used here as the opposite of "provisional".

Before we were provided with these permanent Standing Orders which we use everyday, our debates were governed by provisional Standing Orders which we used for a while on an experimental basis. However, since June 8, 1967 those Standing Orders have become permanent. As I said, they are not temporary nor transitional. It means that they are here to stay and I wonder if the Minister who tabled the motion which appears on the Order Paper has taken into account the fact that the Standing Orders are here to stay and to be implemented daily and not be set aside to allow the Government to come in this House and say:

> . . . notwithstanding any Standing Order.

The opening sentence I just mentioned is also quite interesting because it provides a specific example of how the Government or any other hon. Member whether on the Opposition side or on the Government side, should proceed to obtain the consent of the House to alter the Standing Orders.

Moreover, an amendment adding a new paragraph (e) to Standing Order 89(2) was passed in this House on Tuesday, June 30, 1987. All those who were sitting here remember that even when the Standing Orders had become permanent and the Government saw fit to amend them, it did not resort to an exceptional measure, it did not use the back-door approach or underhanded tricks, rather it presented an amendment in the House and such an amendment was in that case unanimously passed.

Therefore Mr. Speaker, the Standing Orders are permanent and are meant to stay. They are used to rule on all cases before the House of Commons. They are not provisional. The Standing Orders cannot be implemented at someone's pleasure, whether it is the Government, a backbencher on the government side or in the opposition.

That being said, Mr. Speaker, I remind you that in our opinion, in the opinion of the Liberal Party of Canada, it will be up to Your Honour to make a decision, to determine if the motion standing in the name of the Minister of State for the Treasury Board (Mr. Lewis) in the Order Paper is acceptable and may be discussed here. As I said, we object to this motion because it is mainly proposing to override the rules. And I maintain that if Your Honour was to approve it, sooner or later the House could end up in a complete chaos. In fact, it would create a precedent to the effect that the rules are left to the good will of the Governement and that they can be overridden any time to make decisions.

Mr. Speaker, those are the remarks I wanted to convey to you to help you make an important decision which will have historical consequences.

[*English*]

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I am pleased to have an opportunity to add a few short remarks to the procedural discussion that is before the House at the moment with regard to whether or not we should be setting aside the Standing Orders to facilitate the Government's ineptitude and incompetence and allow it to sit extra hours and into the summer in order to carry out the mandate it received from the people of Canada since, unfortunately, it has not been able to carry that out in the normal time allotted for government business.

Mr. Speaker: I am going to hear the Hon. Member for Kamloops—Shuswap (Mr. Riis) as I have clearly indicated I would. I want to hear him. However, given the hour and given the fact that we had a great deal of discussion on this yesterday, I want to give a bit of a signal to all Hon. Members that I hope we can wrap up this discussion between now and eleven o'clock. I hope that that is possible. I have heard extensive discussion, all of which is helpful, and I am just giving a bit of a signal, not to the Member for Kamloops—Shuswap, but to other Hon. Members, that I am looking to eleven o'clock to close off this argument.

• (1030)

Mr. Riis: Mr. Speaker, I appreciate your interest in getting on with the business of the House, but I think we find ourselves at a crossroads today.

My thesis is that the Government is using its huge majority in the House of Commons to usurp the Chair. It is you who is also being challenged today.

As my friend, the Member for Saint-Jacques (Mr. Guilbault) has indicated, the Standing Orders point out two very relevant areas. The first relevant area is in the beginning of the Standing Orders that all of us memorize and learn to use to make this a productive and positive place. It indicates that these Standing Orders, which came into effect and which we use in the House at this moment, are permanent. I do not know what you or other Members think "permanent" means, but to me it means permanent. It means we do not deviate from them unless there is unanimous consent to do so.

When we adopted these Standing Orders, it was done unanimously. There were discussions and consultations day after day, week after week, until there was unanimous consent in the House that these are the rules and regulations we wish to follow as parliamentarians.

Standing Order 4 lays out the calendar year. We agreed for the first time, on what I thought was one of the more sensible decisions taken by the House, to establish a parliamentary calendar year so that we knew with some precision when the House would sit and when it would not, when we would conduct the business of the people of Canada and when we would not.

It allowed for parliamentarians from all across Canada to make arrangements in their own constituencies and to be there to serve their constituents at a time when the House would be recessed or adjourned, as the case may be. This was in the Standing Order and was something that we agreed to.

Standing Order 5 states:

> Whenever the House stands adjourned, if the Speaker is satisfied, after consultation with the Government, that the public interest requires that the House should meet at an earlier time, the Speaker may give notice that being so satisfied the House shall meet, and thereupon the House shall meet to transact its business as if it had been duly adjourned to that time.

We saw this last summer. We were adjourned for the summer recess and the Government approached you and made it clear that it felt it was necessary to recall Parliament. You did that, Mr. Speaker. That is your obligation, your responsibility, and your right.

The House of Commons has given you that right in Standing Order 5. We felt that it was appropriate that you recall parliamentarians, not the Government but you in your position of representing all Members of the House. You are in a very exalted position, Mr. Speaker, because you are the first elected Speaker of the House. Every Member elected you to represent their interests and, similarly, to protect their privileges.

Now, the Government has decided to go past you, to ignore the Speaker's Chair and say that it is not prepared to go to the Speaker to request his decision to recall Parliament to do the business of Canada. It is saying that it does not have to go to the Speaker because it knows best. It has decided that it will extend the hours and, if necessary, will sit into July, August and the early part of September without asking the Speaker to decide, in spite of the fact that the Speaker represents all Members and all Parties in the House. The Government has decided to set aside the rules of the House of Commons. It has thrown them out. It has indicated on a number of occasions that it is prepared to abandon the rules.

But something more sinister is happening. It wants to abandon you and your Chair and the responsibilities and traditions of that Chair as well. That is exactly what this motion does. It sets aside your right to recall Parliament. It is called the dictatorship of the majority. It has decided to ignore the rules of the House of Commons, ignore the Speaker's Chair and do whatever it wants because it has the muscle to do it. The parliamentary bully boys.

We put our faith in the Speaker. That is what we did unanimously when we adopted the rules of the House of Commons.

We are at a very critical crossroads. If you permit this motion to stand in its present form, we are saying that we are setting aside the rights of the Speaker to decide how this place is run and giving that right to whomever is in the majority on the government benches, to do whatever they decide is in the best interests of the House of Commons. That is not what we were elected to do.

I submit with all humility that that is not what we expect the Chair to do as well. In conclusion, I do not think there is any way to justify proceeding with this motion in its present form. We will be awaiting your decision with some trepidation.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Thank you for your patience, Mr. Speaker. You pointed out a few moments ago that you intended—you gave us a hint. You didn't say it was your final decision but you hinted that you might end this procedural debate at around eleven this morning. Mr. Speaker, I hope that was only a hint. When we say "Standing Orders", why do we have Standing Orders? Their purpose is to allow us to conduct our business in a matter that is harmonious, intelligent and civilized. In a family there are rules for conducting the family's affairs in an intelligent way. Companies have rules. Wherever people get together, there are rules. And we in the House of Commons, that court of last resort as Mr. Diefenbaker liked to call us on many occasions, and it is, in fact, just that. Because this is so important, we decided to have rules that would help us conduct the affairs of this country, of this nation of ours, of Canada, in a more intelligent, harmonious and less acrimonious fashion.

We all remember that regrettable, unfortunate and in my view intolerable incident when the bells were allowed to ring, and it got to the point where the whole electrical system was overloaded and became a fire hazard. I sat several nights here in the House to relieve Madam Speaker or whoever was in the Chair at the time. I sat during the night while the bells were ringing. I was alone, and I thought about the situation in the Middle East. I was thinking about the world's problems. It was all very unusual because there was no Standing Order to deal with the situation, so a group of parliamentarians was given the task to improve our Standing Orders. But that takes a long time, Mr. Speaker!

[*English*]

It is a long process when you want to change the rules of the House of Commons.

I know that Your Honour wants to render a judgment sooner than later. Therefore, I will not read what I had prepared last night and this morning.

However, we had a report of the Special Committee on the Reform of the House of Commons. I wanted to quote from Chapter 3: "*Évolution de la Chambre des communes*". It was a slow process to get where we are today because when we deal with the House of Commons rules it must be a slow process. Some people want more and some want less. We came to a good agreement under which we would not have any more stupid incidents like the famous bell incident, and Your Honour was given a lot of responsibility. We have all had the honour of recognizing you, Mr. Speaker, as the ultimate referee of this House of Commons. You are the ultimate person to decide what is right and what is wrong, and because we do respect you, we abide by your rulings most of the time, if not always. Very clearly in the new rules of the House of Commons, which we wanted to be very orderly, it is written that the House will adjourn at a certain time and will sit at a certain time.

• (1040)

Canadians may like to see the calendar of the House of Commons for 1988, 1989, 1990, 1991, 1992 and 1993. We already know how to manage our affairs in an orderly fashion until December, 1993. It is in the rules. As they say in good English, it is in the book.

On top of that, Your Honour was given a greater responsibility. Your Honour exercised his judgment last summer. You first did not see fit to recall us during the recess. I may have disagreed with Your Honour when you recalled us last summer urgently to deal with an immigration and refugee problem. But we came back in August because Your Honour decided there should be an urgent debate, and now it is June 10. By the way, on June 10, 1957, Mr. Louis St. Laurent was re-elected Prime Minister of Canada. I have no notes, but I remember. You recalled us to discuss an urgent matter. It was unbelievably urgent. It was a scandalous situation because there were some people who were dumped by a ship on our coast. Even today, we are still under the special order because the urgent matter for which we were called back is not yet resolved. Whoever is at fault, we have not yet seen the end of that debate. But Your Honour decided to recall Parliament at the request of the Government because Your Honour saw fit to see there was an urgency. I want Canadians to understand that it is in the rules, it is in the book. Standing Order 5 states:

> Whenever the House stands adjourned, if the Speaker is satisfied, after consultation with the Government, that the public interest requires that the House should meet at an earlier time, the Speaker may give notice that being so satisfied the House shall meet, and thereupon the House shall meet to transact its business as if it had been duly adjourned to that time.

In the case of the Speaker being unable to act owing to illness or other cause, the Deputy Speaker, who is present here today, a remarkably fine gentleman from Quebec, has the opportunity to do so. It continues according to the good British parliamentary system. We have a good line of authority in our parliamentary system. At times I feel I defend the British parliamentary system with more passion than any Anglophone in this country. It is a good system. There is a line of authority. If Your Honour cannot act, the Deputy Speaker can. If the Deputy Speaker cannot act, the Acting Speakers under him can act accordingly. We did that in order to proceed and discuss our affairs in an orderly fashion. That is the reason we have rules. Otherwise, what is the use of having rules?

I see your signal, but that also could be debated because your decision is so important. Your Honour may be put on the spot by the Government and I do not want to see my Speaker put on the spot by the Government. Mr. Speaker is above Government. He is the servant of all the House, of all Members, the Opposition as well as the Government. He is the first servant. He is not the master. He is the servant and he has to use his intelligence and judgment to ensure that we conduct our affairs in an orderly fashion. That is why he was elected. That is why he became the Speaker. That is why, a year or two later he still has the full confidence of the House. He is above us all as our servant.

I do not understand why the Government decided on this course of action at this time. It could have waited. It could have terminated its sittings on June 30, as the rules say, and convinced Your Honour that it was in the best interests of Canada, not of the Government, that this House should be recalled to discuss a very important Bill, and there are important Bills to be discussed. The Government may have succeeded in convincing Your Honour to recall us next summer and, therefore, keep the peace of the House. Otherwise, what is the use of having worked out all these rules? What is the use of having this big book? Why should we have rules? Why should we have had a parliamentary committee which worked on these rules? There were people who year after year after year sat with each other and others to arrive at a gentleman's and ladies' agreement on the way in which we would conduct our affairs in a more orderly fashion without having to go back to the silliness being brought upon this House by those who are now the Government while they were in opposition when the bells rang for days and days. Canadians

thought we were a bunch of nuts, and they were absolutely right. They said: "What the hell is going on in that House of Commons, letting the bells go on and on for 10 days?" So we made an end to it by agreement, and it serves the Government very well today that we cannot use that tactic, and I would not join in using that kind of tactic. If it were still in the rules, we could use it, so I am glad it is not in the rules any longer.

I do not understand the rationale of the Government. What does it really want? Does it want this kind debate, so therefore I am helping it in its electoral strategy? It knows this resolution is offensive. It knows we are bound to fight. Therefore, it will say: "Look at the Opposition. It is delaying the important affairs of the state. Therefore, there is nothing else we can do but to call an election". It seems to me that this is linked with the Government's electoral strategy. But you, Mr. Speaker, do not need to join in, not you, Your Honour, because you are above all of this. Your are above the Government.

• (1050)

I know that my colleague from Notre-Dame-de-Grâce—Lachine East wishes to participate in the debate. Faithful to what Your Honour has said, I will try not to be upset at 11 a.m. You have given us a signal that you want to render a decision, Mr. Speaker. I am not sure that you should. I am not sure that you should not.

Remember, you are the servant of the House and you have your authority and our confidence.

Mr. Speaker: I want the Hon. Member for Saint-Denis (Mr. Prud'homme) to know that I may have given a signal. It might have been some indication that there is an appropriate time to conclude the argument. I want the Hon. Member for Saint-Denis to know this. As long as the Hon. Member has something to say to me I will continue to listen. I do not in any way wish to interrupt the Hon. Member.

Mr. Prud'homme: Thank you, Mr. Speaker. Before my colleague takes the floor I want to say that that is the beauty of this Parliament. I respect Your Honour. I have a lot more to add. As I said, I would have liked to quote extensively from the report of Mr. McGrath, who is today the Lieutenant Governor of Newfoundland, but I will not abuse your indulgence, Mr. Speaker. I will sit down.

I will try to put to the Chair that the Government has acted too urgently. The Government is embarrassing our Speaker. I would like to speak for hours because I feel I am a friend of the court, as is said. As a friend of the court—a friend of the institution—it is my duty to say, Mr. Speaker, you have a tough decision to render. I hope that if this debate terminates at eleven o'clock, between 11 a.m. and 12 p.m. the Government will come to its senses and not pursue this unfortunate debate any further with respect to what it wants by a zap to change the rules of the House. Thank you for your kind patience, Mr. Speaker.

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, I want to make it absolutely clear that no one in the Opposition is opposed to sitting during the summer to pass important legislation which will benefit the Canadian people, and that legislation must be passed during the summer. No one in the Opposition is opposed to doing that. But the issue here is whether every time the Government cannot operate within the permanent rules it can then go and changes the rules.

The reason in this case that it cannot operate within the permanent rules is that it was negligent in putting before this House certain legislation that it should have put before the House a long time ago.

With respect to the free trade legislation, the free trade deal was signed on January 2, 1988, yet it took the Government four and a half months, almost five, to put the legislation to the House, despite the fact that the free trade deal was being negotiated for the two previous years. Here we have a situation in which the Government, because it could not live within the rules due to its own negligence, tries to change the rules. That is like the Toronto Maple Leafs, because they cannot win at hockey with the ordinary rules set down for the game, cannot beat Edmonton, Montreal or Calgary, they want to change the rules so that they can win the game.

We have a set of rules. This set of rules was agreed to unanimously by the House a few years ago after long study, two long studies, one in the last Parliament carried out by Tom Lefebvre, who was Chairman of a committee on parliamentary reform. It made a report recommending certain changes to the rules to improve them. Then there was the committee under the chairmanship of the present Lieutenant Governor of Newfoundland, James McGrath.

After these reports were put to the House we adopted a new set of rules. Here we have the Government, because it cannot operate under the rules decided upon by this House, wanting to suspend them. The worst part about this, as Hon. Members have said, is that the present rules provide that if it is necessary to sit during the summer, the Government can make an application to the Speaker and the Speaker will judge whether or not it is in the public interest that we sit.

Mr. Speaker, we in the Opposition accept that. We accepted those rules. We believe that the Speaker should have the right to accept a motion from the Government that we sit during the summer when it is in the public interest to do so. But we do not agree, and we think it is your responsibility, Mr. Speaker, to reject a motion such as this, simply to suspend the rules of the House because the Government cannot do what it wants to do under the present rules. I submit that is against all our democratic traditions.

I also want to read into the record again a statement by Sir John Bourinot, the great commentator on parliamentary practice, who said:

> The principles that lie at the basis of English parliamentary law, have always been kept steadily in view by the Canadian Parliament; these are: To protect a minority and restrain the improvidence of tyranny of a majority;

In other words, the rules of the House are there to make sure that even a small minority in Parliament will have the right and the opportunity to raise questions with respect to legislation, with respect to the business of the country. If the Government can suspend those rules by using a large majority, and does that every time the rules do not suit it, then we are in for serious trouble. This could lead to a very dangerous precedent. The next thing we know the Government because it does not like three readings on a Bill, may decide that we will have only one reading on a Bill; or because the Government does not like an extended debate, we will have a short debate.

That is the implication of this precedent when there is a Government with 210 Members and the biggest majority in Canadian history and it cannot live within the rules of Parliament that were unanimously agreed to after two long reports of parliamentary committees.

What it is saying is that Jim McGrath and his committee were wrong. What it is saying is that Tom Lefebvre and his committee were wrong. It has had conflicts within its own caucus, it could not agree what to do with respect to abortion. The Supreme Court ruled on abortion in February, yet it took the Government until the middle of May to come forward with a motion—not a piece of legislation but a multiple choice motion, not a solution to the problem.

The reason we have delays is that the government Party cannot manage the business. It cannot decide within its own caucus what it should put before Parliament. We are now left to the last moment when it wants to rush all this legislation through against the interests of the country.

I submit that one of the reasons that we have debate in this Parliament is not simply to decide the vote in this Parliament. We know who will win the vote in this Parliament. The Government with its large majority will do that. One of the principles of the House is that by debating in this House we influence public opinion outside the House and the media outside the House. That can only be done sometimes by extended debate.

If we look at the Government's attempt to deindex old age pensions, we see that if that had come to a vote immediately after the Government proposed it, it would have gone ahead and done it. It would have deindexed old age pensions. But by extended debate in the House we were able to bring to the attention of the Canadian population what the Government was doing. That takes some time. The media picked it up and private interest groups picked it up. Finally, the Government backed down because the Canadian population was able to tell it that it was wrong.

Mr. Lewis: Warren wants 10 weeks' holiday.

Mr. Allmand: I am ready to sit here all summer if it is to get important things done for the Canadian people, but I am not willing to sit here to bail out a negligent and improvident Government.

I remind you once again, Mr. Speaker, and I will conclude on this point, that Standing Order 1 states:

> In all cases not provided for hereinafter, or by other Order of the House, procedural questions shall be decided by the Speaker or Chairman, whose decisions shall be based on the usages, forms, customs and precedents of the House of Commons of Canada and on parliamentary tradition in Canada and other jurisdictions—

I submit the jurisdiction in the U.K. and other Commonwealth countries. It is your responsibility, Mr. Speaker, to reject this tyrannical motion to suppress the rights of Parliament.

• (1100)

Mr. Speaker: I thank the Hon. Member for his comments and I will, of course, give them very careful consideration.

It being eleven o'clock, pursuant to Standing Order 19(4), the House will now proceed to Statements by Members pursuant to Standing Order 21.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

CRIMINAL CODE

HATE LITERATURE—ALBERTA COURT OF APPEAL DECISION

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, James Keegstra's 1985 conviction under our hate literature law was overturned this week by the Alberta Court of Appeal. The court said that this law was inconsistent with the freedom of expression assured by our Charter of Rights.

Let us remember, therefore, that this decision was founded on the court's interpretation of this law as written, it was not a vindication of Mr. Keegstra's views.

Seventeen years after the hate literature section of the Criminal Code was passed we are revisiting a basic tenet of our democratic nationhood—standing steadfast in our support for freedom of speech, while preventing wrongful public attack of identifiable groups.

Where do we go from here?

The Justice Minister says the Government is now reviewing the hate literature law, but we also need a commitment from Government that it will ask the Supreme Court to examine this very important issue, should the Alberta Attorney General not do so. This is the kind of commitment we need today.

In moving forward, we must search for a solution that strikes a careful balance between protecting all members of our multicultural society from unjust attack, while remaining true to the freedom of expression guaranteed in our Charter of Rights.

S. O. 21

AGRICULTURE

SITUATION OF PRINCE EDWARD ISLAND POTATO FARMERS

Mr. George Henderson (Egmont): Mr. Speaker, I would like to bring to the attention of Members of the House, and particularly to the attention of the Minister of Agriculture (Mr. Wise), the urgent need of Prince Edward Island potato farmers for financial assistance.

Due to the drought last summer, most potatoes did not reach full size. These potatoes are in storage and there is no market for them. I wish to point out that my riding, the western part of Prince Edward Island, was especially hard hit, and potato producers in this area have suffered the greatest losses.

This is a crisis situation. How discouraging it is for these farmers to plant their 1988 crop when they still have not received one penny for their 1987 crop. These farmers are in dire financial straits.

The P.E.I. Minister of Agriculture, the Hon. Tim Carroll, has written to the Minister on behalf of potato producers adversely affected, most of whom reside in the western part of Prince Edward Island. He wrote to request financial assistance under those federal programs designed to aid farmers who suffer losses specifically from drought. I urge the Minister to act on this request immediately and provide this much needed financial assistance to the P.E.I. potato industry.

* * *

FAMILY VIOLENCE

GOVERNMENT PROGRAM WELCOMED

Mr. William G. Lesick (Edmonton East): Mr. Speaker, we have all seen the sad effects that family violence can have on the peace and stability of the family, and especially so when children are involved. The announcement by the Minister of Health and Welfare (Mr. Epp) of a four-year $40 million program to address this tragic and complex problem is welcomed by all Canadians and with much satisfaction by those professionals and volunteers who work with the victims and the individuals who inflict the damage.

Family violence is indeed a serious, although somewhat hidden problem in Canada. The challenge now facing the CMHC, the Departments of Health and Welfare, Justice, the Solicitor General, Indian and Northern Affairs, and the Secretary of State is a formidable one and will demand the very best effort and resources.

I know I speak for all Canadians in wishing them success, because family violence must stop.

FREEDOM OF INFORMATION

DENIALS OF ACCESS REQUESTS

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, during the 1984 election campaign the Prime Minister (Mr. Mulroney) told Canadians that "secrecy and stonewalling have become a habit with the Government and we will never break the habit until we change the Government".

Well, it is clear that for this Prime Minister a vice in opposition becomes a virtue in government.

Stonewalling and secrecy are apt adjectives to describe the Tories' attitude toward sharing information with Canadians.

I say this because I have filed many access to information requests seeking information concerning the nature of Canada's involvement in chemical and biological warfare research as well as a former Conservative Defence Minister's effort to pull Canada out of NATO. I was denied access to either of these pieces of information.

In the case of the NATO request the current Defence Minister (Mr. Beatty) invoked a rarely used section of the Access to Information Act which permits him not even to acknowledge the existence of the material requested. He refused even to acknowledge the existence of the material.

That, Mr. Speaker, should give us all pause. The Tories' obsession with secrecy is a habit that, to quote the Prime Minister, "we will never break until we change the Government". This is firm proof of the need for a New Democratic Party Government.

* * *

FAMILY VIOLENCE

FEDERAL INITIATIVE WELCOMED

Mrs. Mary Collins (Capilano): Mr. Speaker, we were certainly pleased earlier this week when the federal Government announced a $40 million initiative to address the problem of family violence. In addition to the $22 million allocated to acquisition or construction of additional emergency housing for abused women and their children, the remainder of the funds will be used for programs of prevention, education, and support for those who are victims of family violence. These may include spouses, children, youth or, sadly, the emergence of a new social problem, abuse of the elderly.

This problem cuts across social, economic, and cultural boundaries and touches on responsibilities of individuals, communities, government and non-government organizations.

Seven federal Departments will be involved in this welcome federal initiative, but there must be support from all of us if we as a society are to be effective in dealing with this shocking problem, to break the cycle of abuse in order that future

generations will not either perpetrate or suffer from the deep physical and psychological harm of family violence.

* * *

EXTERNAL AFFAIRS

SINGAPORE—ARRESTS OF FORMER SOLICITOR GENERAL

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I have received word from Mrs. Clare Seow-Looi of Merritt, British Columbia, that her brother, Francis Seow of Singapore, was arrested by that Government on May 6, 1988, and since that time has been held incommunicado and without trial.

Francis Seow is the former Solicitor General of Singapore and maintains a well respected position in its legal community. Mr. Seow has also spoken out in opposition to the present regime. On the day of his arrest, he had sought a writ of habeas corpus for two political prisoners who alleged torture during previous interrogations.

The circumstances surrounding Mr. Seow's baseless arrest have been receiving world-wide attention. Amnesty International considers this case so serious that it has been classified as one requiring "urgent action".

On June 6, 1988, *The Globe and Mail* stated that Mr. Seow was held by police for attempting to "lead a group of lawyers and professors into opposition politics".

I am sure all Hon. Members of the House will join with me in expressing our grave concern over the reasons for Francis Seow's arrest, and that Mr. Seow, as is his right under the Universal Declaration of Human Rights, should receive due process under the law.

* * *

CANADIAN HYDROGEN AUTHORITY

NATIONAL MANDATE REQUIRED FOR PROPOSED ORGANIZATION

Mr. Jim Edwards (Edmonton South): Mr. Speaker, the Government of Canada faces important decisions on the establishment, organization, and location of the Canadian Hydrogen Authority. At stake is the outcome of Canada's national mission to be first into the hydrogen age and a world leader in hydrogen technologies.

If the authority is to be successful in leading the national mission it must have a national mandate and not represent regional interests or the interests of specific industry groups.

In establishing the authority it must be recognized that there will be stages in the development, for example, for hydrogen technologies from the immediate and near term opportunities in fossil fuel upgrading and resource integration to the medium and longer-term opportunities in technologies for hydrogen fueled products and production of hydrogen from sustainable sources.

The authority should be organized and located to facilitate an initial focus on those technologies offering the greatest promise for an early return on investment.

The Canadian Hydrogen Authority should initially be located in Alberta close to major sources of funding for development of those hydrogen technologies offering the greatest promise for early return on investment.

* * *

• (1110)

ENVIRONMENTAL AFFAIRS

ACID RAIN—UNITED STATES SENATOR'S PROPOSED BILL

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, if there is positive movement to control acid rain pollution this year in Washington, it is because of the work of like-minded U.S. Senators and Congressmen, not because of President Reagan's agreement to consider an acid rain agreement with Canada. The tide, we are told, may be turning.

A Bill by Democratic Senator George Mitchell of Maine proposing to reduce sulphur dioxide pollution by 12 million tonnes by the year 2000 is gaining momentum. The question is whether such a Bill can become law with less than 40 business days left in the current session of Congress. Today, 48 of the 100 Senators are prepared to support Mitchell's Bill. Right now efforts are being intensified to produce the necessary majority in the Senate.

We in the Canadian Parliament should pass a resolution wishing success to like-minded American legislators and supporting their move to stop acid rain jointly with us once and for all.

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[*Translation*]

REGIONAL ECONOMIC DEVELOPMENT

CANADA-QUEBEC AGREEMENT

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I would like to draw the attention of the House to a historic agreement, in fact one of the most important Canada-Quebec agreements on regional economic development, signed yesterday by our Prime Minister (Mr. Mulroney) and the Premier of Quebec.

S. O. 21

The purpose of this agreement will be to remedy inter-regional imbalances in Canada and it will provide many benefits for my riding.

After the dictatorial and arrogant regime of the previous Liberal Government, the Progressive Conservatives have embarked on an era of reconciliation and confidence in the future. By promoting regional development, the Government intends to stimulate the economy and provide a favourable climate for investment and industrial development.

This agreement marks an unprecedented step forward for regional development in Quebec and provides a framework for co-operation and for harmonizing federal and provincial development programs, while reflecting the spirit of reconciliation and national co-operation to which this Government subscribes.

* * *

[*English*]

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—ELECTION CALL

Mr. Steven W. Langdon (Essex—Windsor): On June 12, this Sunday, thousands of Canadians right across the country will be out to force the Government to hold an election before the U.S. Trade Bill is implemented.

Across this nation, Canadians will be marching on Legislatures, protesting at six border crossings, and holding afternoon meetings to suggest that free trade is unfair. They will also be making the point which these 350,000 cards from concerned Canadians make to the Government of Canada, that they "want to keep Canada and our economic political and cultural sovereignty intact". All these will be jeopardized by a free trade agreement with the United States.

The Government must call an election. That is the message of Sunday's protest. I hope it is heard.

* * *

[*Translation*]

THE OPPOSITION

ATTITUDES

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, for several weeks we have been witnessing out and out guerilla warfare in this House against all the Government's bills. Neither the Liberals nor the socialists are contributing any substantial criticism of our proposed legislation.

The Opposition keeps repeating it wants more time, but their speeches are becoming increasingly meaningless. The Liberals are conspiring, as always, with the non-elected Senate to block our legislation.

The socialists have so little discipline and so few principles that yesterday they twice voted against one of their own motions.

The Opposition is irresponsible. We are giving them hours and days and even the whole summer to debate the legislation Canadians need, but they refuse.

In these days, Mr. Speaker, candidates running for the Liberal Party get up to any number of dirty tricks to be elected, but once they are elected, they don't have time to come and sit in the House of Commons. That is the Liberal way, Mr. Speaker!

* * *

CHILDREN

EMPLOYMENT OF CHILDREN IN CERTAIN COUNTRIES—REQUEST THAT PRIME MINISTER REACT

Mrs. Thérèse Killens (Saint-Michell—Ahuntsic): Mr. Speaker, according to a recent press release from the United Nations in Geneva, one than 100 million children on this planet start working at the age of eight, doing physically demanding work for a pittance. This information was taken from a study by the International Labour Organization.

These children, both boys and girls, work long hours for minimal wages, without any of the usual social benefits. This shameless exploitation takes place in brick factories in Colombia, tanneries in Egypt, mines in Peru and in the underwater fisheries in the Philippines.

Their tasks, which are very demanding, both physically and psychologically, are often highly mechanized and require the use of sharp and dangerous tools and toxic substances, in extreme heat, dust and noise.

Mr. Speaker, in the mines in Peru, the medication used by these children and any days of work lost are deducted from their wages, and it is not unusual for the children to owe money to the company that employs them.

This is an intolerable situation, Mr. Speaker, and I want to ask the Prime Minister of Canada (Mr. Mulroney) to draw the attention of the heads of state who will be taking part in the economic summit in Toronto next week to this very serious international problem.

HOUSE OF COMMONS

MEMBERS' DUTY

Mrs. Claudy Mailly (Parliamentary Secretary to Minister of National Revenu): Mr. Speaker, we want to sit during the summer, and I shall be pleased to do so.

During the last election, I made a commitment, along with my party, to bring about a change in our public life. Three major principles have been developed to accomplish these necessary changes: national reconciliation; sounder public finances; and enhanced international relations.

The bills which have been held up by the Liberal Senate and still are by the Senate as well as this House, by this irresponsible Opposition, are essential to the advancement of Quebec and of my region, the Outaouais. I am speaking of the Meech Lake Accord, of Bill C-22 on pharmaceutical products which was held up so long in the Senate and which, today, is already creating jobs in Quebec. I am speaking of Free Trade and of Bill C-72. These measures ought to be adopted. The Opposition and the Liberal Senate who are blocking them should be ashamed!

We will sacrifice our summer, Mr. Speaker, in order to fulfill our duty towards our fellow citizens of Quebec and Canada.

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—LENGTH OF PARLIAMENTARY DEBATE—WASHINGTON MEETINGS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in the absence of the Prime Minister and of the Minister for Trade, I will put a question or two to the Deputy Prime Minister.

Today marks the nine hundred and eighty-eighth day of negotiation between Canada and the United States on the Prime Minister's trade deal. Yet next week the House of Commons is being asked to debate whether or not this deal should be approved in principle. We as Members of Parliament are being allowed the sum total of five days to pronounce upon this very important closed arrangement with the United States, five days proposed by an anti-democratic Government.

Since the Prime Minister is still negotiating, since nobody has yet seen the American legislation, since there are obvious disagreements between the United States and Canada still at this point, will the Deputy Prime Minister have the common decency to tell Canadians what is going on?

What happened at the meetings conducted by the Prime Minister's Chief of Staff in Washington or aren't Canadians allowed to know that? What are the difficulties between our two countries on the issue of subsidies and on the dispute settlement mechanism? Why is Parliament being asked to debate this legislation when the key items between the two countries have still obviously not been resolved?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, first the Right Hon. Leader of the Opposition should not try to mislead Canadians by suggesting that all we are going to have is a five-day debate on the trade legislation.

He knows very well that on second reading debate we have offered five days and asked for the Opposition to consider other alternatives. Discussions have been going on. There has been no other alternative proposal advanced of which I am aware. But the Right Hon. Leader of the Opposition knows that there will be extensive committee study and he knows, as a distinguished parliamentarian, that it is in the committee study where one gets into clause by clause analysis and examination. Surely he would be interested in facilitating that process. We also would be very interested in hearing what he has to say in his contribution to the debate at second reading.

• (1120)

In so far as the discussions taking place between Canadian officials and the American officials are concerned, as has been pointed out before, it is important to ensure that the spirit of the free trade agreement is upheld. There were some concerns expressed by our Government in some particular areas. Those concerns are being addressed. In so far as the difficulties in the United States are concerned, there are obviously some internal legislative problems that are occurring, but we are confident that that will be ironed out.

Mr. Turner (Vancouver Quadra): Mr. Speaker, we have had 988 days of negotiation on a deal which we object to because it changes the fundamental political and economic direction of this country and impinges on our sovereignty. Yet, as my House Leader and the House Leader of the New Democratic Party confirm, we are being allowed five days to decide in principle whether the representatives of the people in the House of Commons approve the deal.

[*Translation*]

CONSTITUTIONAL VALIDITY OF DISPUTE SETTLEMENT MECHANISM—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Americans . . .

Some Hon. Members: Oh, oh!

Mr. Speaker: Order! The Right Hon. Leader of the Opposition has the floor.

Mr. Turner (Vancouver Quadra): The Conservative Members are a bit excited, Mr. Speaker, and rightly so, because the Americans are again discussing the constitutional validity of the dispute settlement mechanism.

Did the Prime Minister's Chief of Staff confirm in Washington that this mechanism provided for in the Agreement is unconstitutional under American law? Did the Americans propose that this mechanism now come under the President? Is this situation not worse than not having the Trade Agreement would be? Why is the Government of Canada asking us to approve the Agreement immediately, within a five-day period, while negotiations are still going on in Washington?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I think the House knows and all Canadians know what the position of the Leader of the Opposition is. The Opposition is opposed to it and will be opposed to it whether we debate it for five days, six days, 10 days, or 20 days.

May I simply point out what the Deputy House Leader has offered opposition Parties. It is five long days, which will be the equivalent of 27 hours or nine normal days. If opposition Members want more than that, then they should tell us what they want and we will certainly take it under consideration. Do they want six, seven, or eight days? Let us sit down and negotiate that. We would be prepared to do that.

In so far as the other point the Hon. Member has made, he knows that the administration signed off on this deal. They support it, they believe it. It is subject to ratification by Congress. That is the process that we are going through right now, and we are confident that it will be approved in due course.

DEFINITION OF SUBSIDY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Deputy Prime Minister has a firm position for the deal, we have a firm position against the deal.

Mr. Darling: Okay, then let's get going.

Mr. Turner (Vancouver Quadra): Let's get going, says the Member from Parry Sound. I want to tell him, and through him, the Deputy Prime Minister of Canada, that the purpose of debate is to air the views of this House of Commons to allow the people of Canada to form a judgment, and we encourage that debate and we are anxious for that debate.

The Deputy Prime Minister says that the Americans have signed off on this deal. They haven't.

Mr. Mazankowski: The administration has.

Mr. Turner (Vancouver Quadra): They have not. They are still arguing and they still have an opportunity to negotiate for a five to seven-year period the definition of subsidy. That definition of subsidy is still being negotiated by the Congress and the President for the purpose of the American legislation.

I want to cite to the Deputy Prime Minister the words of one key American Senator, Max Baucus, who said, "We are going to hold Canada's feet to the fire". The agreement between the President and the Congress to implement the Prime Minister's trade deal with the United States does not save Canada from hostile unilateral American action on subsidies; it singles out Canada for hostile action. The Prime Minister is now on the verge of delivering the exact opposite he promised Canadians, not secure access to the American market but more vulnerability to American unilateral action on subsidies.

Why, in these circumstances, when the deal is still being negotiated between the two countries, when the President and the Congress are still arguing about it, when we still have not seen the American legislation, this headlong rush by Parliament when the deal has not been closed?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Leader of the Opposition talked about the duration of the negotiations which have been taking place between our two countries and the debate that has been going on in this House and throughout the country with respect to the free trade agreement. If he is so interested in getting on with the debate, let's get on with it. Stop the filibustering, stop the cheap procedural tactics, stop tying Parliament up. We want to get on with the work.

I know the Right Hon. Member may not want to work this summer. We are prepared to work. We want to work because there is important legislation that has to be done.

Mr. Turner (Vancouver Quadra): It's because you can't handle the business of the House, that's why.

Mr. Mazankowski: What is at issue here is the assurance that the principles of the agreement will be upheld by both—

Mr. Turner (Vancouver Quadra): Where is this hard-working Government this morning?

Mr. Mazankowski: Mr. Speaker, don't let the Leader of the Opposition start talking about attendance. Let's not start talking about attendance, because we can do the same thing.

What we are interested in is the assurance that the principles of the deal that have been negotiated will be upheld. The binational disputes panel is certainly a very important element to that. We have expressed some concerns about certain areas. Those concerns are being taken into consideration and we have every confidence that they will be rectified in a satisfactory manner for Canadians in the interest of all Canadians.

* * *

PUBLIC WORKS

BRIBERY ALLEGATION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Deputy Prime Minister and concerns the administration of the Department of Public

Works. Yesterday an article appeared in *Le Devoir* alleging that the former Minister of Public Works requested a $5,000 bribe from Mr. Glen Kealey, a PC organizer and riding association director in Hull and promoter of the $157-million MICOT project, in return for support for this project.

On May 2, 1988, Mr. Kealey wrote a letter to the Prime Minister, a copy of which I have in hand, in which he said:

> We also have had to deal with numerous conflicts of interest, involving the political interests of well known individuals.

Why was it that no RCMP investigation was commenced, and to this day there is still not an RCMP investigation concerning this very important set of allegations?

Mr. Murray Cardiff (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, I would just like to tell the Hon. Member that the RCMP are looking into this matter and it would not be appropriate to make any further comments at this time.

[*Translation*]

QUERY WHETHER RCMP INQUIRY HAS BEEN OR WILL BE INSTITUTED

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my supplementary question is for the Government and the Deputy Prime Minister. Earlier this week, I asked the Prime Minister when he was informed of this matter and whether there had been an RCMP investigation into it. First, the Prime Minister did not answer and second, two Ministers and today a Parliamentary Secretary stated that there was an RCMP investigation. Since this is not the case, can the Deputy Prime Minister finally enlighten and inform this House and tell us the truth? Is there an investigation? Will there be one and when?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, this question has been raised in the House on previous occasions. The Parliamentary Secretary has responded. The answer is very clear. He indicated that the RCMP are indeed looking into this matter and it would be inappropriate to comment on the issue at this particular time in light of that inquiry.

* * *

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—ACCESS TO U.S. MARKET

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the Deputy Prime Minister has suggested that it is crucial to maintain the spirit of the free trade agreement with the United States. Yet the United States itself, through its Congressional recommendations, has suggested attacks which will affect Canadian fish processors, potato producers, and the harmonization of plywood standards, attacks which will affect duty remissions, electricity, and cultural industries. One could list virtually every single sector of our economy and see attacks which are part of the recommendations of the United States Congress.

How can the Deputy Prime Minister persist, given these attacks, in telling the Canadian people that he and his Government have somehow achieved a significant improvement in access for Canadian business to the U.S. market when in fact this access has been made much worse and is likely to be made even worse by this set of recommendations from Congress?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I listened very carefully to the Hon. Member's question. First he suggested that the proposals put forth by Congress were suggestions. Then, in another part of his question, he said they were recommendations, and then he went on to say that they were attacks.

This is part and parcel of the congressional-administration dialogue that is going on. We have expressed certain concerns about the approaches that Congress might want to take, and what is important is the end result. We are satisfied that the end result will be satisfactory to Canadians, all Canadians in all regions of this country, and the Hon. Member should get on board and start supporting it.

• (1130)

PARLIAMENTARY CONSIDERATION OF BILL C-130

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the Minister said that the spirit of this agreement has to be maintained. Given that, and in light of these suggestions or recommendations which are also attacks on producers right across the country, how can he possibly justify this Parliament continuing to consider Bill C-130?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, it is indeed incumbent upon both parties to maintain the spirit of the free trade agreement. Of course there have been suggestions from various sectors on both sides of the border regarding certain relevant parts of the agreement. Nonetheless, the spirit of the deal has to be maintained and we are monitoring the situation very closely and making representations to ensure that indeed is the case.

MONITORING OF CANADIAN EXPORTS TO UNITED STATES

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I think there is appreciation for this last minute attempt to defend what Canadians want to see defended about this country. However, given that news reports this morning suggest that the extra monitoring of Canadian exports to the U.S. is not going to be dropped but instead extended to all

countries, how can the Government go on claiming that it has improved access to the U.S. market for Canadian producers when the result has been an increase in monitoring which will hit Canadian companies coast to coast?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, it is not a last minute attempt. The negotiations have been going on for quite some time. There have been many bilaterals and there will be further bilaterals. I can assure the Hon. Member that the rights of Canada and Canadians have always been maintained and upheld during the course of these negotiations.

The telling point here is the fact that Americans and certain sectors of the American economy are taking issue with certain aspects of the very good bargain we achieved on behalf of Canadians. That should be a clear indication to the Hon. Member that we have made a good deal for Canada.

* * *

[*Translation*]

AIR CANADA

IMPACT OF PRIVATIZATION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is for the Minister responsible for privatization and has to do with the Bill to privatize Air Canada. As you know, the Official Opposition is against this privatization of Air Canada, for several reasons. For example, there is no guarantee of what will happen to employees and their pension fund. Indeed, there is no guarantee on the services provided by the privatized company, much less on those provided by its subsidiaries, the regional carriers.

Today, we see in the media that Air Canada executives are very concerned about the application of Bill C-72 on official languages that they say would impose an unfair burden on them compared to their competitors. My question for the Minister is this: Before going ahead with the privatization of Air Canada, did the Government have a study done on the impact of Bill C-129 on the company or did it do one itself? Or did it rather decide to fly by the seat of its pants, even if it means destroying one of the national symbols that Canadians are proud of, if we believe Air Canada?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I appreciate the Hon. Member's question. Indeed, Air Canada has expressed some concern about compliance with the Official Languages Act and how that might affect its competitive position. I think we all recognize that Air Canada completely agrees with and has practised fully the principles of bilingualism. We want to ensure that is maintained, and we felt incorporating it in the legislation, which I believe is supported by all Hon. Members, was the appropriate way to go.

I think I am right in saying as well that Air Canada officials have indeed talked to the Hon. Member about this particular issue. He made reference to it in his speech expressing some concern about certain elements. It would seem to me that, as the Bill proceeds to committee, that is the place where this issue might be discussed more fully. If there are appropriate amendments which would uphold the principle of bilingualism and clarify certain aspects, perhaps with the help of the Hon. Member we might be able to achieve that.

IMPACT STUDIES QUERY

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I wanted to know if the Government had done or had someone do a feasibility study of the privatization and the impact of the Official Languages Act on the new privatized company. That was essentially the question I put to the Minister. If a study was done, then I take it that Air Canada was involved and now I am kind of concerned and worried, like many other Canadians, that all of a sudden the company is asking for amendments which it refused to give us when we were in committee looking at Bill C-72.

We invited them to come and they did not. I took it that they were satisfied. I now understand from what the company tell me that they are not able to compete on what they call a level playing field.

If there were studies can we have access to them? Will the Minister give them to us so we can tell who is telling us the truth here?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, we firmly believe that privatization will indeed strengthen the airline, allow it to build for the future, expand, and at the same time provide opportunities for individual Canadians, particularly the employees, to participate in the ownership of a very well established national and international airline.

With regard to whether there are any studies, Air Canada has lived within the spirit of the Official Languages Act to date and has carried out the principles of bilingualism in a manner consistent with that spirit. All we are asking it is to do likewise in the future.

* * *

THE ECONOMY

EXCHANGE VALUE OF DOLLAR—INTEREST RATE LEVELS

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, my question is directed to the Minister of Finance. He knows that his high interest rate policies, which have driven up the central bank rate to 9.49 per cent, a 3 per cent differential over the American central rate, and resulted in near record real interest rates, are primarily responsible for the Canadian dollar hitting 82 cents. Since there is almost unanimous opposition to the

dollar being at that level on the part of manufacturers, the Exporters Association, and every province west of New Brunswick, will the Minister of Finance tell us why his Government does not take some measures to reduce the real interest rates that Canadians have to pay?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member refers to a high interest rate policy. I want to remind him that interest rates are lower today than they were in October of last year. They are lower today than they were when we came into office three and a half years ago. We are following a balanced economic policy.

If I may, I refer him to the Ottawa *Citizen* headline, "Canada's Economy Second Best in the World". The OECD is projecting that our economy is going to be second only to and just slightly below Japan for 1988 and 1989. That is because we have followed a balanced economic policy designed to ensure that we have non-inflationary growth, and that creates the jobs that are so important to us right across the country.

I should also call his attention to the fact that this morning we had further indications of the health of our economy. Some 68,000 jobs were created last month, and that brings us to a total of a little over 1,300,000 jobs created since September of 1984.

Some Hon. Members: Hear, hear!

[*Translation*]

ECONOMIC DEVELOPMENT—GOVERNMENT POSITION

M. John Parry (Kenora—Rainy River): Mr. Speaker, my supplementary question is this: In view of the fact that yesterday, while the Prime Minister was announcing his assistance package as a way to secure a by-election victory in Quebec, the Quebec Premier was again blaming the Bank of Canada for its policy, why does the Government not take the necessary steps to make sure that interest rates are decreasing and that the economic development is shared fairly throughout this country and not just in the Toronto area?

• (1140)

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I cannot understand the logic which the Hon. Member has just put before the House of Commons. First he complains about the interest rate policy which we have been following in order to achieve the non-inflationary growth to which I referred. He does not like that. He does not like the results because the results are very bad for his political Party.

The second thing he complains about is the fact that we are addressing the concerns of regional development in the Province of Quebec. That is precisely the balance which Governments are trying to achieve and must achieve. You can be very focused in the direction of fiscal policy to direct funds to address regional disparities, which is what the announcement yesterday in Quebec was designed to do, and at the same time address a broad economic policy to deal with the inflationary pressures we are seeing in the country today.

That is the balance we have achieved. That is the reason why we have been able to get the successful economic performance about which the OECD is talking and projecting into 1988 and 1989.

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ENVIRONMENTAL AFFAIRS

NIAGARA RIVER POLLUTION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in the absence of the Minister of the Environment my question is directed to the Deputy Prime Minister. Canadians are alarmed to learn that the levels of dioxins along the Niagara River have gone up 10 times over the past two years. At the same time we learn, with dismay, that the Government has decided to cut by 42 people the number of scientists, technicians, and support people working in the conservation and protection service of Environment Canada.

How can the Government keep up its commitment to the Americans to clean the Canadian side of the Niagara of PCBs, dioxin, mercury, phenols, and other toxic substances, with a reduced staff?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, far be it from me to remind the Hon. Member once again, because he has been reminded by the Minister of the Environment, of the dismal record of the previous Government compared to what we have done as a Government. Particularly when it was under the Member's leadership there was very little done.

I could go on and talk about the list of achievements which have been instituted by the Minister of the Environment. They include the Niagara River Toxic Management, the '87 Protocol on Great Lakes Water Quality, the action with respect to the international protocol on the ozone layer, the clean-up of the St. Lawrence, the clean-up of the Windermere Basin, the establishment of a new Environmental Protection Act, a new National Parks Act, and establishment of four new national parks.

I could go on and on, Mr. Speaker. I find it rather picayune for him to suggest one minute detail to which he takes exception.

Mr. Caccia: Mr. Speaker, at the next election the people of the Niagara Peninsula will not judge how the Liberal Government performed before 1984, they will judge how this Government is performing or not performing during this term. This is not a picayune matter to millions of Canadians in the Niagara Peninsula who are represented by at least six or seven MPs in this House.

STAFF REDUCTION—FULFILLMENT OF CANADIAN OBLIGATIONS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, this matter is damned serious and the Deputy Prime Minister had better address it. How can Canada live up to its side of the agreement with the U.S. if it is reducing its staff in Environment Canada which is responsible for keeping up the Canadian side of the agreement?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, it is refreshing that the Hon. Member is not blaming the Americans for everything. He usually does when we deal with the acid rain abatement program. It is interesting to note the tremendous progress that has been made there in terms of a new awareness and the actions by the States of Ohio and New York. That is due to the persistent efforts of the Prime Minister and the Minister in charge of the environment.

Of course the undertakings and policies that we have provided will be fulfilled, along with many others. I could go on and mention the new federal water policy. I could talk about the Great Lakes Water Level Forecasting and Communications Program, the National Hydrology Research Centre, the $1 million three-year P.E.I. work sharing agreement. Every one of these things is a priority and will be carried out.

* * *

BANKS AND BANKING

CHARTERED BANKS—SERVICE CHARGES

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is directed to the Minister of Finance who, I am sure, like the rest of us, was shocked and horrified when he learned that the Bank of Nova Scotia got caught in the ecstasy of imposing service charges on its customers. As the Hon. Member for Nickel Belt indicated, Mrs. de Gruchy was charged $2 to get change for a $20 bill.

I think he was probably further shocked when the Bank of Nova Scotia spokesmen, Clyde Nunn, said yesterday that such a charge does exist for people who are not customers of that particular branch. The branch manager, Mr. John Cusson, went on to say yesterday that a person coming into his bank to make change for a $20 bill would probably be charged a service fee.

Is it not time that the Minister of Finance and his colleague, the Minister of Consumer and Corporate Affairs, start standing up for consumers, stop being spokespersons for Bob MacIntosh and the Canadian Bankers' Association, and do something about this?

I suggest that one of the first things he could do would be to meet with the presidents of at least the major banks in Canada and instruct them to back off from imposing these punitive service charges on their customers.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if the Hon. Member wants to tune in to *Question Period* on Sunday he will see that I comment on that very issue.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): I am trying to get my ratings up, Mr. Speaker. The Hon. Leader of the Opposition knows how important ratings are.

I said on that program that I thought that that action on the part of the Bank of Nova Scotia was outrageous and that, if that happened to me, I would certainly have my money out of that bank the next day.

These are things that we are looking at. A report was tabled in the House of Commons some three or four days ago.

Mr. Turner (Vancouver Quadra): You had better be better than that on the program or we're not going to watch it.

Mr. Wilson (Etobicoke Centre): The Right Hon. Leader of the Opposition does not want to pay attention to this important issue. I can assure you that Canadians do understand that this is an important issue and do not like the way the Leader of the Opposition gets frivolous about this type of issue.

Mr. Turner (Vancouver Quadra): Oh, oh!

Mr. Wilson (Etobicoke Centre): We are reviewing this particular report. When we are ready to make a response to the House of Commons we will be doing so.

REQUEST FOR MINISTERIAL ACTION

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, this is very interesting. The Minister of Consumer and Corporate Affairs suggested yesterday that they should put up a sign in the banks indicating that these charges are being made, or that consumers should boycott the Bank of Nova Scotia. The Minister of Finance now says that he is outraged at this, that he commented on television about it, and that he is going to look into and review the situation.

What is there to review? When the banks are imposing services charges on children to maintain or close out their small accounts, when they are charging senior citizens $2 to obtain change for a $20 bill, what is there to review, what is there to study? Why does the Minister of Finance not take some action, call up his friends who are presidents of the major banks in Canada, and tell them to stop this nonsense immediately?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am sure that the Hon. Member enjoys grandstanding in the House of Commons the way he has just done.

Mr. Riis: It's called doing something about it rather than reviewing it.

Mr. Wilson (Etobicoke Centre): The Government received a report from the parliamentary committee four days ago. We are going to act on that report. We have to review the recommendations of the committee. The committee took some time to put together the report that was tabled. Surely the Hon. Member would be upset if we had acted immediately following that without having given a report of that significance the consideration it deserves.

* * *

[*Translation*]

THE ECONOMY

CANADA'S ECONOMIC GROWTH—QUERY WHETHER DANGER OF INFLATION EXISTS

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, my question to the fine Minister of Finance could have been raised by the Leader of the Liberal Opposition, because newspapers articles help him a lot in his research more so than his research services. This morning, *The Globe and Mail*, *The Citizen*, *The Financial Post* and the *Toronto Star* reported the fact that the OECD, namely the Organization for Economic Cooperation and Development had indicated that among 24 countries, Canada was second only to Japan for its economic growth in 1987.

Mr. Speaker, my question is this: In view of our phenomenal rate of growth, is there any danger of inflation? I should like the Minister of Finance to tell Canadians whether he intends to prevent any repetition of the high inflation rates which existed at the time of the improvident Liberals.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the OECD presented a good report which demonstrates the success of the economic policy implemented these past few years by the Government of Canada, and I think the OECD feels that our future looks quite good. The organization foresees a growth of 4 per cent this year and 3 or 4 per cent next year.

I suggest there is a problem in the opinion of the OECD as far as inflation is concerned. As a Government, it is very important for us to understand the inflation problem and set up policies to fight inflation here in Canada, in order to avoid a repetition of the problems which existed in the 1970s, the 1981-82 recession and the major unemployment problem during those years.

It is the reason behind our policies.

• (1150)

[*English*]

RAILWAYS

NEWFOUNDLAND RAILWAY—FEDERAL-PROVINCIAL DISCUSSIONS

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, my question is directed to the Deputy Prime Minister, a former Minister of Transport who is familiar with the plans to close down the Newfoundland Railway.

The news reports in Newfoundland are saying that a deal is imminent and involves a compensation package for 500 workers, the twinning of the Trans-Canada Highway across the island, and $200 million to complete the Trans-Labrador Highway.

Is this deal imminent? Can he confirm that the elements include the twinning of the Trans-Canada Highway and the completion of the Trans-Labrador Highway? What is taking so long to decide the fate of 500 workers who work for that railway?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I can confirm that there have been discussions between the Government of Canada and the Government of Newfoundland, along with other interested parties, to see whether a satisfactory arrangement might be completed with respect to this very important issue. I can assure the Hon. Member that the interests of the workers will be paramount in any decision that might be taken. They have been very much involved in the discussions.

I cannot indicate to the Hon. Member at this time whether an announcement will be made or when, but the discussions are proceeding and progress is being made. I hope it will be a satisfactory one for the people of Newfoundland and Labrador, and will signify the federal Government's on-going commitments to the economic development and economic development infrastructure for Newfoundland and Labrador.

ROAD CONSTRUCTION—NATIONAL STANDARDS

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, if the Trans-Canada is twinned and the road is completed across Labrador, will the Deputy Prime Minister confirm that the Government of Canada has a constitutional obligation under the terms of union with Newfoundland to maintain a national transportation system in the province up to national standards? Will he confirm that if those roads are built they will not only be built but maintained by the Government of Canada up to a national transportation standard?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, there are a lot of "ifs" in the preamble of the Hon. Member's question. I can assure him that obviously one of the major components of the

discussion in this deal centres around the constitutional obligations of Canada toward the Province of Newfoundland and Labrador. Of course, as part of the Terms of Union that will be taken into consideration. That will obviously be upheld.

* * *

[*Translation*]

THE ENVIRONMENT

ACID RAIN—BILLS BEFORE AMERICAN CONGRESS—GOVERNMENT POSITION

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my question is for the Deputy Prime Minister. The Special Committee on Acid Rain went to Washington this week to discuss the bills now before Congress with Senators and members of Congress. There are four bills to reduce the emissions that cause acid rain.

Can the Deputy Prime Minister assure the House that the Government will continue to urge the U.S. Congress to pass a law this year, instead of waiting for a new Administration and a new Congress, so that some action is taken this year?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, of course the Prime Minister and many Members of Parliament, particularly the Member for Parry Sound—Muskoka who was Chairman of the committee, have provided distinguished leadership in that particular area. In spite of what the New Democratic Party and Liberal Members across the way suggest, progress is being made and awareness is at a much higher rate today than it was three or four years ago.

Our Government, with the support of Members of Parliament, can take a great deal of credit, particularly with recent pronouncements in the States of New York and Ohio.

REQUEST FOR GOVERNMENT PRESSURE

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, indeed there has been progress. There is an opening now. That is precisely why I am putting my question to the Deputy Prime Minister.

Will there be pressure for legislative action in the Congress this year? It seems there are more Senators than Congressmen willing to push for a law this year and no hope that we will get a better deal if we wait another year. Yet our Government seems to be stalling. Our Ambassador was prepared to wait.

Why is our Government not doing as much as American Senators and Congressmen to get a law through this year?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I can assure the Hon. Member that we will pursue this very important initiative with the very same vigour in the future as we have in the past.

* * *

PENITENTIARIES

LETTERS SENT BY CONVICTED MASS MURDERER TO PARENTS OF VICTIMS

Mr. William G. Lesick (Edmonton East): Mr. Speaker, my question is directed the the Parliamentary Secretary to the Solicitor General. It relates to the mailing privileges of inmates incarcerated in federal institutions.

I have received reports recently from parents of some of mass murderer Clifford Olsen's victims who have received from him obscene letters which visibly detail and describe the terrible and senseless brutality which he committed against their children. This is an outrage.

One letter I received described Clifford Olsen's letter as: "a sick perverted document directing hate toward myself and my family".

Will the Parliamentary Secretary inform the House if the Solicitor General is aware of this and what he will do to prevent its continued occurrence?

Mr. Murray Cardiff (Parliamentary Secretary to Solicitor General of Canada: Mr. Speaker, it is certainly unfortunate that these letters have gone out to families of victims. The situation is bad enough, and having to relive it makes it that much worse.

The Solicitor General is certainly aware of the situation, as are the wardens of our institutions. As a result of this, the warden has instructed that henceforth all of Olsen's correspondence, except with his lawyer and other privileged correspondence such as with Members of Parliament, will be scrutinized.

As a matter of routine, inmates' correspondence is not read unless directed by the warden. However, if persons receive a letter from an inmate and do not wish to receive further letters, they can correspond with the correctional offices and indicate that they wish no further correspondence from that particular inmate.

Mr. Deputy Speaker: There will be two questions by the Member for Notre Dame de Grâce—Lachine East and one by the Member for Vancouver East. That will end Question Period.

• (1200)

PENITENTIARIES

ESCAPE OF THREE CONVICTS FROM LAVAL INSTITUTION

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, in the absence of the Solicitor General my question is directed to the Acting Prime Minister. Yesterday three dangerous convicts escaped from the Laval maximum security penitentiary near Montreal, that is, the old St. Vincent de Paul Penitentiary. They escaped by using a forklift and garden hose which somehow were left unsecured, and by taking a female guard hostage and by using her machinegun and revolver.

I know the penitentiary service has announced an internal inquiry, but I ask the Acting Prime Minister if he would assure the House and the Canadian population that at this inquiry all parties will have an opportunity to be heard, particularly the union of guards at that penitentiary, and that the results of the inquiry will be made public? Would he also tell us what steps are being taken to audit and upgrade the security at this and all maximum security penitentiaries?

Mr. Murray Cardiff (Parliamentary Secretary to Solicitor General of Canada: Mr. Speaker, I think we should all be relieved that the correctional officer and the other woman hostage who were taken are both safe. We are very thankful for that. I think both of them should be commended for their bravery with respect to the actions that took place yesterday in the hostage taking incident.

As the Member has already indicated, a general investigation is being opened and convened to examine all the circumstances of the escape. I am sure all Members, and anyone who has input into that escape, will have the opportunity to make their views known to that investigation. There will also be an outside member appointed to that review committee.

REQUEST FOR ADDITIONAL SECURITY RESOURCES

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, according to certain guards and union officials, the catwalk at the penitentiary, and the control centre, were unsafe and understaffed. It was said it was impossible for the presently authorized staff to survey the situation properly from a security point of view. Therefore, I would ask the Acting Prime Minister, or some Minister who has the authority, if he will immediately take steps with the Treasury Board to get additional resources, not only for perimeter security at these institutions but also for programs which will reduce the tension within the penitentiaries and help prevent this sort of incident.

Mr. Murray Cardiff (Parliamentary Secretary to Solicitor General of Canada: Mr. Speaker, I am sure that with the general investigation, recommendations will be made, and if recommendations of that nature are made I am sure they will be taken care of.

Mr. Deputy Speaker: The Hon. Member for Vancouver East on one question, please.

* * *

MARINE TRANSPORT

BRITISH COLUMBIA CRUISE SHIP INDUSTRY

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Deputy Prime Minister who is also a transportation expert. The Minister will be aware of the continuing concern of Vancouver City Council and the B.C. cruise ship industry that the application of Bill C-52, the Coastal Trade Act, seriously threatens the cruise ship industry which brings $70 million in annual revenues to British Columbia.

In view of the fact that this Bill is now in the other place, will the Deputy Prime Minister personally undertake to secure a government review of the Bill in light of west coast concerns? And will he specifically guarantee that any government regulations that are passed to implement this Bill will not adversely affect this vital west coast industry? Will he particularly ensure a revision of the waiver system from the annual application to a longer term system that will allow more adequate corporate planning?

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, it is too bad my friend opposite could not get on the Question Period earlier, like about last week, because all aspects of this problem have been resolved as of last week.

Ms. Mitchell: It is a different question. You didn't listen.

Mr. Thacker: The Minister of State for Transport handled all the customs part of it.

Ms. Mitchell: No, they have not. You haven't been listening.

Mr. Thacker: At absolutely no time has Bill C-52 impacted upon the cruise industry on the west coast.

Ms. Mitchell: You go to the committee hearing next week and you will find out.

Mr. Deputy Speaker: The Chair has received notice of a question of privilege from the Hon. Member for Kenora—Rainy River.

Privilege—Mr. Parry

PRIVILEGE

ALLEGED INCORRECT ANSWER DURING ADJOURNMENT MOTION PROCEEDINGS

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, my question of privilege arises out of a statement made last night during the adjournment debate proceedings by the Parliamentary Secretary to the Minister of Transport (Mr. Thacker). I feel that my privileges may in some way have been infringed upon by letting stand on the record of *Hansard* a statement which is in fact untrue. More to the point, I believe that when a statement that is false is allowed to remain on the parliamentary record, the privileges of all Members of this honourable House are in fact impaired.

Hansard is used as a journal of record, and while obviously it records the partisan interpretations, the invective, the differing analysis of the three Parties, nevertheless I believe that where a statement is presented as fact, it should really be fact. The specific statement made by the Parliamentary Secretary to the Minister of Transport is found on page 16317 of *Hansard*. In talking of documentary evidence he stated:

> Despite persistent efforts by my officials to get a copy of this document, a copy has not been forthcoming.

The Parliamentary Secretary was talking about an export permit related document, in fact, a packing slip, and this document, which had been requested from my office by Mr. David Ryan, the Director of Export Control, on May 12, after my question, was unfortunately not sent to Mr. Ryan until May 17 because of a problem in identifying which part of the documentation was required and because of the intervention of a long weekend.

Nevertheless, this document was indeed, contrary to what the Parliamentary Secretary said, sent to Mr. David Ryan, the director of Export Control, and, indeed, the Government already had possession of a copy of that document, or should have had, if the export control process was working because right on the packing slip it says that a copy is to go to the Department of National Defence as part of the export permit process.

Therefore, should you, Mr. Speaker, find there is a *prima facie* case of breach of privilege involved in that statement, I would be prepared to move the appropriate motion. Should you not find such a *prima facie* breach of privilege, I would nevertheless request that you refer this question, not as a specific instance but as a matter of general practice, to the Standing Committee on Elections, Privileges and Procedure in order to determine what measures could or should be taken to ensure the veracity of the parliamentary record.

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I am sure this does not constitute a question of privilege. However, notwithstanding that, my colleague opposite has raised a problem and I am more than happy to refer it back to the officials and try to get the correct chronology. We will get to the bottom of it one way or the other.

Mr. Parry: Mr. Speaker, I thank the Parliamentary Secretary for that assurance and I should have pointed out in presenting the question of privilege that there was absolutely no reflection intended on his veracity or sincerity, since he was merely presenting the notes the departmental officials had given him.

Mr. Deputy Speaker: The Chair thanks both Members for their comments and their graciousness.

* * *

[*Translation*]

POINT OF ORDER

CORRECTION MADE BY HON. MEMBER FOR SAINT-DENIS

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, point of order.

Mr. Deputy Speaker: The Hon. Member for Saint-Denis (Mr. Prud'homme) on a point of order.

Mr. Prud'homme: Mr. Speaker, I said yesterday in the House on the debate on a Member's motion and the two votes that if I was mistaken, I would not hesitate to apologize today. I just wanted to tell you that I do not have to apologize because I was not mistaken. It is true that Raoul Wallenberg is already an honorary Canadian citizen.

So, Mr. Speaker, you know that the Speaker did me the honour of appointing me chairman of the legislative committee on the Bill to amend the Bretton Woods and related agreements. I have the honour to report to the House, to show that cooperation still exists and that there is no boycott and everything proceeds normally when people want to cooperate. If only the spirit of the legislative committee that studied the Bretton Woods and related agreements prevailed in this House, we would not have had this morning's unnecessary debate.

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

BILL C-126—PRESENTATION OF REPORT OF LEGISLATURE COMMITTEE

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I have the honour of reporting to the House that the report of the committee I have the honour to chair, on the subject of Bill C-126, an Act to amend the Bretton Woods and Related Agreements Act, will be tabled and that pursuant to order of

reference of Friday, May 27, 1988, your legislative committee has examined Bill C-126 and agreed to report, without amendments, Mr. Speaker, and of course a copy of the proceedings and testimony relating to this Bill is tabled and respectfully submitted.

● (1210)

[*English*]

GOVERNMENT OPERATIONS—SIXTH REPORT OF STANDING COMMITTEE

Mr. Felix Holtmann (Selkirk—Interlake): Mr. Speaker, I have the honour to present the sixth report, in both official languages, of the Standing Committee on Government Operations.

The report deals with the "loony" coin and its application. Briefly, we recommend that the Government of Canada and the Royal Mint speed up the use of the coin by the withdrawal of the Canadian dollar bill.

* * *

PETITIONS

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Benno Friesen (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I have the honour to present two petitions from constituents of mine living in Surrey—White Rock—North Delta, as well as people living in Vancouver, Langley, and points throughout the Fraser Valley.

They state that whereas the distinguished Justices of the Supreme Court of Canada, in striking down Section 251 of the Criminal Code of Canada, have left Canadians without any law restricting abortions; and whereas nothing in the Supreme Court decision has established abortion as a right; and whereas all human life is a continuum from the moment of conception to the moment of death, there is no point in time between conception and the birth of the infant at which point we can say that this is not a human life; wherefore, the undersigned, your petitioners, ever pray and call upon Parliament to pass into law legislation that will protect the life of the unborn child from conception, and at all stages of development, with the exception of the extremely rare situation in which an abortion is performed in order to save the life of the mother.

I have a second petition similar to the first. The wording is slightly different. It states that whereas on January 28, 1988, the Supreme Court of Canada struck down the abortion law and Parliament has now the duty to pass new legislation; and whereas the unborn citizens of Canada are now devoid of any legislation protecting their basic right to life; wherefore, the undersigned, your petitioners, humbly pray and call upon Parliament to pass immediately legislation that will protect the unborn child from the moment of conception.

[*Translation*]

Mrs. Claudy Mailly (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, today I wish to present a petition with about 900 signatures, most of which designate the names of people in my riding. There are some from Hull and some from Ottawa as well. This is a petition that was circulated by the movement *Coalition pour la vie*, and it states the following concerns: It says that the unborn child is a human being, that consequently it has a right to life and to the protection of that life, that the Supreme Court of Canada, in ruling that the federal legislation on abortion is unconstitutional, has left the unborn child without legal protection, and that the Supreme Court has nevertheless indicated that Parliament has the authority to pass legislation to protect the life of the unborn child.

I am therefore tabling these petitions on behalf of the undersigned to express their concerns regarding the vacuum left by the Supreme Court's decision.

[*English*]

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I have the pleasure to present two petitions today. The first is similar to the petitions that I have been presenting every day since January 1. It is signed by a number of constituents who represent the communities of Salmon Arm, Pritchard, Vernon and Kamloops, British Columbia. They are concerned that the present federal Government has no mandate from the people of Canada by which to conclude a trade deal. They believe that the Prime Minister (Mr. Mulroney) compromised Canadian sovereignty when he negotiated this deal.

They believe that the negotiated deal threatens the very fabric of our political and economic sovereignty, since it removes the power of the federal Government to control effectively foreign ownership, to develop Canadian energy resources in the best interests of Canadians, as well as to equalize opportunities between the regions of Canada.

I could go on and on. It is quite a lengthy petition. But I will not go on.

The basic thrust of the petition is that the petitioners think that Canada got a bad deal. They are asking Parliament to dissolve now to enable the people of Canada to have an opportunity to accept or reject the proposed trade deal during a national general election.

HOUSING TAX ALLOWANCE IN YELLOWKNIFE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I have another petition from the residents of Yellowknife, Northwest Territories, which points out that when Bill C-23 was passed, back in December of 1986, it substantially changed the rules relating to tax treatment on housing. The petitioners state that Yellowknife was designated as having a developed rental market and housing benefits that were valued at the fair market value.

They point out that to establish a fair market value there must be a willing seller and a willing buyer operating in a position of equality. In Yellowknife there is virtually a zero vacancy rate. The majority of housing in the rental market is controlled by employers. There is really no viable, fair market existing in that community.

The petitioners are calling upon Parliament to treat Yellowknife the same as the remainder of the Northwest Territories for the purposes of the tax treatment of housing benefits, or in prescribed areas.

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Jim Edwards (Edmonton South): Mr. Speaker, I have the privilege to present two petitions containing 58 signatures, which call upon Parliament to pass into law legislation that will protect the life of the unborn child from conception and at all stages of development, the exception being the extremely rare situation in which an abortion is performed in order to save the life of the mother.

CUT IN FUNDS FOR CHALLENGE '88 PROGRAM

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I have two petitions to present today. They bring to the attention of the House the serious concerns of people in greater Montreal.

The petition speaks for itself. It states that a 40 per cent cut in the budget of the Challenge '88 program in the Montreal region has a negative impact which goes beyond mere numbers of unemployed students and disappointed community organizers and organizations. It is a well known fact that almost the totality of cultural communities, visible or otherwise, live in this area. The increase in available grants to other Québec regions can therefore bring cultural communities very little comfort. They are thus being discriminated against in a way that is unacceptable from a Government wishing to appear committed to a multicultural policy.

Therefore, they call upon Parliament and the Government in particular to reconsider this ill-conceived cut in funds available to the aforementioned groups who are found in all parts of Montreal, and Ville St. Laurent, Dollard des Ormeaux, Laval, Côte St. Luc, Beaconsfield, Town of Mount Royal, Brossard and Saint-Léonard. I hope the Government will take their plea into consideration.

[*Translation*]

REQUEST FOR INSTALLATION OF SUPPLEMENTARY SAFETY DEVICES IN AUTOMOBILES

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, today I again have the privilege of tabling two petitions signed by residents of Rouyn-Noranda, sent to me by the Regional Health and Social Services Council of Abitibi—Témiscamingue.

Mr. Speaker, our highway safety campaign continues, because the undersigned are aware of the fact that since 1974, federal motor vehicle safety regulations allow the installation of airbags by drivers of private vehicles, and they believe that these devices would greatly reduce the number of fatal and serious injuries.

Wherefore the undersigned humbly pray and call upon Parliament to make the installation of airbags on the front seat and the installation of adjustable shoulder-seat belts for rear seat passengers compulsory.

This campaign is wearing me out, Mr. Speaker!

• (1220)

[*English*]

PROTECTION OF RIGHTS OF THE UNBORN

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I have the privilege to present three petitions today. The first petition is signed by approximately 25 residents of Balmertown and Red Lake areas. The second petition is signed by approximately 50 residents of those same areas.

The petitioners humbly pray and call upon Parliament to pass legislation that will protect the life of the unborn child, except in those cases where an abortion is necessary to protect the life of the mother.

NORTHERN TAX ALLOWANCES

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, the third petition is signed by approximately 75 residents of Kenora, Keewatin and surrounding areas. They call upon Parliament to designate all communities in tier three ridings as eligible for the northern residents tax allowance.

IMMIGRATION—SPONSORING OF RELATIVES

Mr. Dan Heap (Spadina): Mr. Speaker, it is my pleasure to present two petitions from residents of Spadina and nearby constituencies.

The first petition concerns immigration. It points out that the Government has promised to admit as members of the family class for immigration purposes unmarried sons and daughters of all ages. Two years ago, through the then Minister of Justice, the Government also promised to remove the unfair distinction between Canadian citizens and residents of three years' standing in regard to their rights to sponsor parents of any age.

Therefore, they call upon Parliament to ensure that the Government will fulfil its promises now.

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Dan Heap (Spadina): Mr. Speaker, my second petition is from people who are concerned that the Conservative Government, without a mandate from the people, has undertaken to negotiate a trade deal with the United States which, in the opinion of these petitioners, threatens Canadian sovereignty. In particular, it would reduce the ability of the Government to develop the regions of Canada and to develop

Canadian energy resources in the best interests of Canadians. Furthermore, it fails to secure access to the United States market, which was a key objective of the negotiations.

Therefore, the petitioners request Parliament dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Walter Van De Walle (Pembina): Mr. Speaker, I have the pleasure to present two petitions. One is from residents of Westlock, Vimy, Clyde, Jarvie, and Edmonton, Alberta. This duly certified petition calls upon Parliament to enact legislation to protect the life of the unborn from the moment of conception.

PARK 'N RIDE LEASE AT EDMONTON INTERNATIONAL AIRPORT

Mr. Walter Van De Walle (Pembina): Mr. Speaker, the second petition is from residents of the Cities of Edmonton, St. Albert, Fort Saskatchewan, the hamlet of Sherwood Park, and a number of surrounding communities. It contains some 1,800 signatures. The petitioners humbly pray and call upon Parliament to stay its desire to allow the Park 'n Ride lease at the Edmonton International Airport to expire and instead negotiate a new lease with the present tenant.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mrs. Claudy Mailly (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, question No. 335 will be answered today.

[*Text*]

ALTA NOVA ASSOCIATES INC.

Question No. 335—**Mr. Boudria:**

Since September 4, 1984, has Alta Nova Associates Inc. received any money from the Government and, if so, on what dates and, in each case (*a*) in what amount (*b*) were contracts involved and, if so, in each case (*i*) what was the nature of the services contracted for (*ii*) what was the amount involved (*iii*) were such contracts put to public tender and, if so, which ones?

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): No.

[*Translation*]

Mrs. Mailly: Mr. Speaker, I ask that the remaining questions be allowed to stand.

Mr. Deputy Speaker: The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

IMMIGRATION ACT, 1976

MEASURE TO AMEND—CONCURRENCE IN SENATE AMENDMENTS

The House resumed from Wednesday, June 8, consideration of second reading of, and concurrence in, amendments by the Senate to Bill C-55, an Act to amend the Immigration Act, 1976 and to amend other Acts in consequence thereof.

Mr. Deputy Speaker (Mr. Danis): On Wednesday, June 8, when Bill C-55 was under discussion, the Hon. Member for York West (Mr. Marchi) proposed two amendments to the House which the Chair took under advisement. The Hon. Member for Spadina (Mr. Heap) proposed a subamendment to one of the amendments, and the Chair also took it under advisement.

I have now had an opportunity to look at the amendments and the subamendment and I find that they are procedurally acceptable. I will therefore propose them to the House.

However, before doing so I wish to inform Hon. Members that since the Minister's motion is an all-encompassing motion as one message to the Senate, after consultation with the Hon. Member for York West he has agreed to combine his two amendments into one, and that is the form in which I shall propose them to the House.

Mr. Sergio Marchi (York West) moves:

That the motion be amended:

(a) in the proposed amendment to Senate amendment numbered 3 by deleting all the words after the word "be" in subparagraph (II) and substituting the following therefor:

"admitted to that country, if removed from Canada, and would have the right to have the merits of their claim determined in that country;".

(b) in the proposed amendment to Senate amendment numbered 11 by adding the following words at the end thereof:

"and in regard to an advisory list of safe countries as drafted and defined by the convention refugee determination division;".

Mr. Dan Heap (Spadina) moves:

That the amendment be amended in paragraph (a) by adding the following words at the end thereof:

"according to the principles of fundamental justice;".

He said: Mr. Speaker, I rise on a point of order. When we concluded the debate on Wednesday, at that time the Speaker indicated that there would be 10 minutes remaining for questions and comments following my remarks.

Mr. Deputy Speaker: Fine, we will do that. On questions and comments, the Hon. Member for Broadview—Greenwood (Ms. McDonald).

Ms. McDonald: I would like to ask the Hon. Member for Spadina (Mr. Heap) to elaborate on the subamendment he has proposed. The wording is very clear: "according to the

principles of fundamental justice". I wonder if he could explain to the House how this would improve the amendment of the Hon. Member for York West (Mr. Marchi).

Mr. Heap: I thank the Hon. Member for the question. I wish to make two brief background points and then address the particular words of the amendment.

Since 1951 when the UN Convention regarding the Status of Refugees was adopted, which was subsequently amended in a protocol in 1967 and signed by Canada and 100 other countries, the focus of refugee legislation has been on the individual. I could quote from the United Nations handbook on procedures and criteria for determining refugee status, but while there is much in there that is relevant, I will simply point out that the most familiar sentence: "No contracting state shall expel or return a refugee in any manner whatsoever to the frontiers or territories where his life or freedom would be threatened on account of his race, religion, nationality, membership of a particular social group, or political opinion." There is more that defines that, Mr. Speaker, but the practice has been to distinguish this from previous statutory definitions of refugee which would say that all people of a certain class, all people from a certain country, et cetera, are refugees.

• (1230)

In this case the emphasis is on the individual and the individual's story. Why does this individual claim a well-founded fear of persecution upon returning home for race, religion, political opinion, membership in a particular group or nationality? Second, the practice throughout the years since 1951 has consistently been that the United Nations High Commission for Refugees has urged that each case be examined individually. In fact, this was confirmed resoundingly by the Supreme Court of Canada for three years when it declared in the Singh case that because this is a matter where life and liberty are at risk, each person must have an oral hearing. That is to say, each person must have a chance to state his case and show his credibility, if he is credible, before the very people who will make the decision yes or no.

That is the background in this matter. What is at stake here in these amendments is that the amendment as proposed by the Government is faulty. The original amendment proposed by the Senate was that the claimant might be sent back to a country, not the country he was fleeing, but a so-called safe third country, if that country were willing to receive the claimant if removed from Canada or in which the claimant has the right to have the merits of his claim determined. The Government, unfortunately, has changed that back to say, "the country to which the claimant can be returned". To return the claimant does not mean the claimant would have any right to stay in that country. It might simply be to arrive at the airport and be bounced on the next plane out after his arrival to God knows where.

The word used in Canadian immigration law to reflect the entry of a person to a country with the right to remain there is that he shall be admitted, and not have the right to return. "Admitted" would be a stronger word, I believe, than "received". That is why I support the amendment of the Hon. Member for York West (Mr. Marchi).

Furthermore, in both the Senate amendment and the government amendment there is a weakness around the word "or" where it says "the claimant would be admitted or in which the claimant has a right to have the merits of the claim determined". That can break in half. I believe there are no countries willing to accept a claimant who has left that country and willing to give that claimant the right to have his claim determined there. Once he is out, the door is shut. The second half, the right to have the merits of the claim determined, looks good but it means nothing in present reality.

Therefore, the amendment by the Hon. Member for York West which would change "or" to "and" is vital. A claimant must be allowed to return to be admitted and to have his claim determined. What I wish to add are the principles of fundamental justice as indicated by the Canadian courts. This means not only whether he will have his claim examined on its merits, nor the circumstances of the country he passed through or the general laws of his country, but the actual merits and history of his claim. The Canadian courts have determined that that must be an oral hearing and there must also be the right of appeal. Therefore, the phrase "the principles of fundamental justice" sums up what went before in the motion of the Member for York West but also adds the oral hearing on the merits and the appeal. That is my reason for moving the motion.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I would have loved to have had a copy of the two amendments that have been fused by the Table, then I could better support the debate around the word "or" which my hon. colleague so movingly moved. While we are locating the "or", let's row this boat, which is a big problem anyway.

As the Minister said, this is a companion piece. In that companion piece of legislation is that infamous Bill C-84 in which we are planning to row the boat, and the "oars" would come in very handy along with Noah's Ark from where that Bill must have emanated. To continue the pun on words, Mr. Speaker, if I may, as the "or" hit the fan, what is sad is that this Bill does take us back in time. We really are back in Noah's Ark with people going two by two into unsafe boats. Lord knows what might happen to them in terms of their physical safety, never mind the mental anguish or the problem they had to get to the boats.

I think it is an archaic response. I am sad to note that the Minister, in her maiden entrance, I guess, into debate on Bills C-55 and C-84, put them together and linked them so closely. She makes it very clear that she finds these two Bills companion Bills. When she stood to move the second reading of, and concurrence in, amendments made by the Senate to Bill C-55, an Act to amend the Immigration Act, 1976 and to amend other Acts in consequence thereof, she started her remarks in

responding to the Message from the Senate with respect to Bill C-55 with, "I want to stress the degree of scrutiny to which this Bill and Bill C-84 have been subjected". These two vital Bills, which I consider a complementary package, have been considered from every possible angle. The only angle which the Minister missed was that the matter was being discussed and examined by her departmental staff who continue to mislead her with respect to what is in the best interests of Canada and Canadians.

Although I am pleased to stand to respond once again—it seems to me that this must be about the third time I have talked to this Bill—I stand to talk to it in the full knowledge that the Bill has been before this House for 11 months. During that time an incredible amount of discussion has taken place around the Bill and its clauses. We have had expressions of concern from all kinds of groups. We have heard from churches, non-governmental organizations, individual Canadians and Canadians who have relatives waiting. We heard from Canadians who have come from where human rights are not respected who told us that friends and families are subjected to serious harassment if not the potential for even more serious consequences.

There are three major problems facing Bill C-55. The first, to which a lot of these groups are referring, is the prescreening. The second is the safe third country concept, and the third is the whole principle of the appeal process.

• (1240)

Before I deal with that, I thought it might be interesting to think about how we arrived at a state in the world in which we are looking at supposed abuse—I should not say "supposed" because there is obviously abuse—of the refugee system in Canada. Such abuse was noted back in the early 1980s when the Liberal Government named Rabbi Gunther Plaut to take a good look at the changes in the world that were leading to this upheaval in the system and to the new masses of poor souls looking for safe harbour. Rabbi Plaut came up with some very solid, sound suggestions. The principles of those suggestions flowed from the fact that we already had an Immigration Act that had been updated to reflect what had happened after the Second World War.

The United Nations had put together a handbook on refugees and had a convention relating to the status of refugees which we all signed over 20 years ago. That refugee convention stated that no contracting state shall expel or return—and the French word, as you well know, Mr. Speaker, is *refoulement*, and that is a very key word, much more expressive in the fullness of its concept than the simplicity of the word in our own English language. No one knows how to use that language more effectively than you, Sir. I know how you love to play with the fullness of words. *Refouler* would be one you would appreciate for its fullness.

The convention goes on to say that no contracting state shall expel or return a refugee in any manner whatsoever to the frontiers of territories where his life or freedom would be threatened on account of his race, religion, nationality, membership in a particular social group or political opinion. That is why one would want to examine carefully each person, case by case, who came to these shores, whether by land, by sea or by air. That is why one would want to examine the justice of a refugee's cause and the reasonableness of his request.

There was one kind of refugee who sought harbour at our shores prior to enduring the Second World War, and a different kind is now coming to our shores. This started in the late 1960s and the mid-1970s with the boat people from Vietnam. We all recall the waves of people coming from other lands, people to whom we were not quite accustomed. Look how they have added to the beauty of this country.

The disaster of the *St. Louis* and the loss of life as a result of our insensitivity to the needs of over 900 young Jews on that boat which was returned without really giving much thought is a very black blemish on the history of Canada. We would certainly not want to repeat that. That is why I was saddened when the new Minister linked the two Bills, Bill C-55 and the other Bill.

I see another colleague at the back who asked me how I would put those two Bills together. I think it is an unfortunate reality that they were joined in matrimony, not, I hope, forever, but I hope at least they will be joined with some new amendments that will be forthcoming from the Minister.

The sadness is that this Minister gave us hope. She met with the Senate and seemingly indicated that she was prepared to bring about some reasonable amendments. What did the Minister do after she made those wonderful, glowing statements? She moved the adoption of amendments by saying that they represent the best possible changes to the Bill and include a number of government and Senate recommendations reflecting Canadians' concerns for the protection of genuine refugees without impairing our ability to control abuse.

Of course, that is the goal of all parliamentarians. That is the goal of the groups that have been speaking to the Government, the groups that came before the legislative committee. It has been the ongoing wish and hope that we would find the true, just, safe, secure and fair measures that are typical of Canadian approaches to refugees, to immigrants and to people in need in any sphere of concern, whether on the national or the international level.

It is sad that this Minister did not address in substance any parts of the Bill through her amendments. She closed her eyes and obviously blocked her ears. I might say that she is like those three monkeys, see not, hear not, speak not. She played with the legislation. She used the legislative magic wand. She tinkered about with this Bill but brought in no substantive amendments. She did not bring amendments that would have given heart to the people who have worked so very hard and who want to co-operate with this Minister, people who look to her for guidance and hope.

What did we get? The clauses that were of main concern remain as they were. There is a denial of the right of oral hearings as required. There is a denial of a clear definition of safe countries and of who would define a safe country. For Tamils, is Britain a safe country? Tamils who are living in my riding can tell us that it is not a safe country for many of them. My hon. colleague across the way, the Parliamentary Secretary, knows well of what I speak. We have heard from those groups internationally.

The so-called safe country concept remains, as does the problem with the oral hearings which do not touch on the issues in depth. There is the question of the right to counsel, and the question of a fair chance for refugees to state their cases or make their declarations at the beginning. All of these concerns, if met, would have humanized this piece of legislation. The Minister turned a deaf ear to these changes. Now we are supposed to stand up and applaud the new look of this lovely, young Minister who did not hear a thing or whose ears were blocked by the functionaries and bureaucrats in that Department who do not want to be dictated to.

I believe that Canadians, as people of goodwill, want these changes. The Canadian Council of Churches and the Canadian Council of Catholic Bishops have all made it very clear that the flaws and errors of the Bill have remained.

There was a case that occurred about three years ago which was so poorly handled and so unfair that the special committee set up by the House, the committee that wrote the *Equality for All* report, stated that dramatic changes were needed in our refugee procedure and in our immigration legislation. That is pretty sad. That report, consisting of more than 400 pages and over 85 recommendations, carefully considered, is just gathering dust instead of being examined and re-examined as an excellent guideline reflecting the true values and thinking of Canadians across Canada.

The first issue that is of great concern is the question of prescreening. How can we have a good determination system when we have barely had an opportunity to go deeply into the facts of a case? I do not think it is a fair process. Recommendations were made suggesting that there be a change in the prescreening which would involve a refugee board member and an immigration adjudicator. There is a sense that the immigration adjudicator should know his immigration law well and should be well informed as to the evolution of immigration.

The key is in allowing access to a refugee board with a very competent and clearly trained staff who can examine cases and relate them to the individual countries involved. This is a fundamental and important aspect of this Bill.

• (1250)

What does the Canadian Council for Refugees say? It is an organization made up of 96 different groups and at its annual convention over the weekend of June 8 it urged municipalities to aid refugees whose lives will otherwise be jeopardized by this legislation. That group is particularly concerned about a clause that would allow authorities to deport claimants to a safe third country picked by the Cabinet. I do not know why cabinet Ministers would want to put their necks on the line over this kind of definition. It is totally ridiculous as far as I can see. They are also getting pressure, as we know, from countries who want to do business with us. Then you get the Secretary of State for External Affairs (Mr. Clark) sticking his nose into cases where he had no business in the first place. He would not have been caught and he certainly should not be caught if we made sure that members of the Cabinet did not get their fingers stuck in this kind of pot.

Mr. Friesen: I agree.

Mrs. Finestone: Good, so you support the amendment that it be tightened up? Thank you.

Mr. Friesen: Who said that?

Mrs. Finestone: Another group expressing grave concern was B'nai Brith. They denounced the legislation and appealed to the Minister to make further amendments. The lawyer with that group's Institute for International Affairs said the Government could not have come up with a Bill more open to legal challenges than if it had tried. What is wrong with the Government? It must have a lot of lawyer friends. It does not matter what Bill I stand up here to speak to, it is like someone saying, "Open Sesame" to the lawyers to go to court. They are all going to be so busy we are going to have to produce many more lawyers just to deal with the holes and gaps in the Government's legislation.

Mr. Dick: What happened to the ones your previous Government hired?

Mrs. Finestone: I suggest you look in your own backyard first.

This legislation will be ensnarled in legal challenges for years to come under everything from the Charter of Rights, the Bill of Rights, Canadian law and international agreements. The Minister got up and said very clearly that she made sure this legislation was in agreement with all our international accords. Obviously she made a few mistakes. I am sure she knows how to read. They just gave her the wrong books to read.

The Coalition for a Just Refugee and Immigration Policy condemned the five amendments as politicization of the refugee problem. Amnesty International's Canadian refugee section said it will not sit on any consultative committee on refugees that the Minister may have in mind. The Canadian Bar Association, the National Action Committee on the Status of Women—

Mr. Friesen: Oh, now, there is a winner.

Mrs. Finestone: Don't sneer. You may not like some of the things they do but many of the things they do are in the interests of Canadian men and women.

Mr. Dantzer: So there, Benno!

Mrs. Finestone: You and I share this beautiful, privileged Canada, and we ought to listen to what all these groups have to say. Maybe we would learn. That is why we are here, to have our finger on the pulse of society. They do not like what the Government is saying. They do not like the way it is proceeding on the refugee Bill. They want changes to the prescreening. They want changes to the access to hearings. They certainly want a change in the way we define safe third countries. We should be doing our own work instead of allowing others to pick up the cudgel for us.

I would like to conclude by thanking my colleague, the Hon. Member for York West (Mr. Marchi), our immigration critic, my friend, the NDP critic, and all the groups out there who, as they plead a little bit louder, might get the Minister to look at the Senate amendments, take another look at her own amendment, and realize she has made a serious mistake.

Mr. Deputy Speaker: Questions and comments.

Mr. Friesen: Mr. Speaker, I want to re-emphasize an observation I made several years ago about the previous Member for Mount Royal. I think the current Member is a lot easier to work with than her predecessor in our work here. However, I just wonder to what extent she enjoys being locked in a time warp. What she was talking about today is certainly not the message we received from the Senate. She is still debating the messages she got from special interest groups across Canada who appeared both before our committee and the Senate committee. Undoubtedly their views have not changed, but she certainly was not taking into account the views of her own colleagues in the other place.

On page 5, Part II, under the heading "Observations", in the third paragraph, the last sentence of the Senate report says:

> We have concluded that the over-all structure chosen by the Government should be left intact.

The Hon. Member says we have to change what has been called the prescreening process. That is part of the over-all structure, and yet the Senate concluded that the structure is okay. They may have some criticism on fine points, but they want to leave the structure as it is. There is no doubt that the special interest groups across Canada are going to criticize that because they want to string out the structure. They want to make it a system that will produce five or six years of appeals. We have designed a system that will reduce that process to a maximum of about 18 weeks. That system will work.

In addition, the prescreening process includes a quality oral hearing right at the outset. I hope the Hon. Member recognizes that. The claimant is allowed legal counsel at that hearing. If they cannot find legal counsel, the Government will provide it. Counsel can coach the claimant to say, "I want to be declared a refugee". Nothing could be fairer than that.

On page 7 of the Senate report it says:

> The committee has concluded that the safe country provisions as they appeared in the first reading version of the Bill contained the minimum protections essential for compliance with the Charter and our international obligations under the Convention.

I hope my friend from Mount Royal reads that and reads it again. That is what her colleagues in the Senate said. There is no doubt that they quarrel with some other aspects of the Bill, otherwise they would not have recommended amendments. While we cannot accept all of their suggestions, our quarrel is not with the suggestions so much as it is that it took them nine months to make them. In the meantime, we have another 20,000 or 30,000 claimants in Canada. We have to take care of that backlog. Yet the Senate sat on the legislation, heard the same witnesses, read the same briefs presented to us, and it took them about nine months to do it. In the meantime, the system became warped and we were forced to deal with the backlog.

I hope my friend from Mount Royal will accept the fact that while the Senate does want to see some changes, and we have considered a few of them, they agree with the broad structure of the Bill.

Mrs. Finestone: Mr. Speaker, with all due respect, I know that my hon. friend is fulfilling a mandate he has received and a gag order that directs how he should speak. I think that in his heart he does not believe what he has just said.

• (1300)

Think back to the emergency which brought us back to this House. We were all in a state of collapse over the arrival of a few—

Mr. Friesen: Mr. Speaker, I rise on a point of order. Just to keep the debate historically accurate, the emergency which brought us back to the House was Bill C-84, not this Bill.

Mrs. Finestone: Thank you very much. We had a kangaroo court in this House which rushed that legislation through. It did not take heed of the amendments. It was sent to the other place and the Member said it took nine months for the Senate to sit on the legislation. No, it took nine months to hear what was being said. The Government held hearings but did not hear and did not take up any of the amendments. The Senate actually heard, and thank goodness it did. It sent the legislation back here. The Member spoke as though the Minister had taken into account all the things the Senate said which would have improved this Bill.

There is no question that this Party, and all Members of this House, want quicker solutions. They want a system which will eliminate the backlog and will be fair. They want to rid us of the unscrupulous behaviour which puts human lives in danger. However, we want to do it with fairness and justice from the Canadian point of view.

The government has not done that in this Bill. The Senate recommended 18 amendments and the Government accepted

only two, and those were housekeeping matters. I suggest that the Member reread the real story rather than what was said by the Minister.

Mr. Heap: Mr. Speaker, I listened with interest to the Hon. Member. I realize that she has some knowledge of the background of this matter, probably from her own city where there are many refugees from different countries.

What does she think of our Government prescribing the United States of America as a safe country to which to return a Salvadoran who is claiming refugee status in Canada? We must bear in mind that the United States' record is to find 85 per cent of Nicaraguan refugees claimants to be refugees, about 50 or 60 per cent of Polish claimants to be refugees, and 3 per cent of Salvadorans to be refugees.

Would it be reasonably safe, as prescribed by the Government's unamended clause—not the clause amended by the Hon. Member's colleague from York West or as amended by my subamendment—to send a Salvadoran back to the United States? Or, in the alternative, does the Member think that the Government should declare the United States as a country unsafe for Salvadorans?

Mrs. Finestone: Mr. Speaker, I thank my hon. colleague for that question. He is a very knowledgeable man. I am not an expert in this field. Needless to say, both he and my colleague in this political Party believe we need that amendment. I certainly agree that we need it. That is why I felt so strongly about removing the Cabinet's obligation, let alone responsibility, to name safe third countries.

The United States is in a political bind because it has determined a protection move. Whether we agree with it or do not agree with it is not the issue. It has determined that it wishes to do something with respect to people from Nicaragua and the Government of Nicaragua and has taken sides. Therefore, those are their friends and anyone from Nicaragua, depending upon which side of the aisle they sit, will receive safe harbour.

However, the United States is not so friendly with El Salvador. It does not have the same political, economic, or social interests in El Salvador. Therefore, El Salvadorans sent back to the United States are not safe. They are trans-shipped immediately into orbit. They are back in serious trouble.

I suggest very strongly that it is an error to put the Government in such a position. We do political and economic business and have strong social ties with many countries, the human rights records of which we do not like, and we have something to say.

I strongly support the amendments which have been put forward along with the subamendment. I hope that the Government will see fit to do the same thing.

Mr. Friesen: Mr. Speaker, I rise on a point of order. I hope that my friend will withdraw the remark about a gag being placed on me because that is certainly not the case.

Mrs. Finestone: I certainly withdraw. I know that could not take place. The Hon. Member is a most outspoken gentleman.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have a sense that this House has heard a great deal on this Bill and has debated it and its companion legislation, Bill C-84, in considerable detail and at considerable length. I also have a sense that we have, occasionally, within the House of Commons, questions of morality which face us and on which we have to reflect our country.

They are often very difficult cases which, I am certain, are not popular. They are cases which, in the pre-election period, people may not want to confront. Yet, I think that in this case there is such a contradiction of everything which we as a country have stood for in terms of the protection of the individual under the due process of law, that this Bill simply becomes an unacceptable and, frankly, immoral imposition on the people of Canada.

I do not say that kind of thing about the trade legislation which I debate. That is an issue of economic and political choice. I disagree with the economic and political choice which is made. I think that the consequences of that choice are massive. I am prepared to debate it and we certainly have debated it in terms of questions, opposition days, and so forth.

The same is true with various of the privatizations which have come before this House. There have often, I think, been grievous mistakes for which future governments and future Canadians will end up having to pay. I think that is true, for instance, of the Air Canada legislation which was given second reading in this Parliament this week.

However, with this Bill we are dealing with something far more fundamental, something which cuts at the heart of our concept of the country much more than many of the other Bills which we have debated. I myself thought, frankly, that the Government, at some strategic point, would recognize that you cannot turn your back on hundreds of years of the building of due process of law within this country and within the countries from which many of us have come, whether Britain, France, or the hundreds of other countries from which we have come.

• (1310)

This is the final chance for the House of Commons to again consider again this legislation and pass judgment on what the Senate has suggested to us. This Bill still has as its fundamental purpose the effect of eliminating the potential for an independent hearing on the merits of the case of refugees who reach this country. Regardless of what the Senate may say, not only is it a negation of our traditional principles of fundamental justice, it is so un-Canadian that I cannot believe how the Government can continue along this path in spite of the opposition from so many groups to which we have looked for moral leadership in the past.

It is partly a personal consideration that I bring to bear when I look at a Bill like this. My grandparent's grandparents

came to Canada from Germany after the failed revolution of 1848. There was no question about admitting them to our country because they were not just refugees, they were refugees who had challenged an established regime. While they may not have been revolutionaries themselves, they certainly supported that democratic revolution and had to flee.

In 1988 or 1989, when the same kind of people come to this country, will they get the same kind of treatment that my grandparent's grandparents received? According to this Bill, there is absolutely no possibility that that will take place. I consider that a deeply unhappy blot on this Parliament, which was elected to try to bring change in our approach to the future.

Apart from my own family, I see this in my constituency where constituents have crossed from Eastern Europe, often at tremendous personal risk, and have been accepted here as refugees. I see others who have crossed from Central America, at great personal risk, and have had the right to a fair hearing in this country. That right is being eliminated by this Bill.

I say to the Minister who is shaking her head that the hearing which people will receive when they reach the border is not a hearing to consider the merits of their case. Because of that, it is not a full scale hearing before an independent body where they can put as much of a persuasive argument as possible that would allow some kind of assessment of their claim with justice and due process of justice being seen to have taken place.

I recognize the extreme pressures on the Government with respect to this issue. We are talking about a world in which there are millions of refugees whose dismal, difficult, dangerous position, whether it is in Thailand, Sudan or Latin America, is very much a blot on how the world community has operated.

I can see the pressures from the point of view of the Government to try to set up some kind of barriers that will somehow give us a handle on the great number of people in the world who want to be some place else because of the lack of democracy, lack of human rights, lack of equality within their own countries.

I understand as well the pressures brought to bear by the immigrant communities in my constituency who say that it is not right that someone claiming to be a refugee can stay here for five years before getting a hearing, go through various appeals and so on and ultimately be able stay in this country because of some sort of ministerial amnesty. They do not have as logical reason to be in this country as a relative of one of my constituents may have. There is a great sense of opposition and anger about that, which I must say that I share.

It is not right that governments in this country have so badly bungled the whole issue of refugees. The last two Governments in particular have simply been incapable of finding solutions that are both consistent with our traditions of natural law, of due process, of humanitarianism, and our tradition of fairness to existing immigrants in this country.

• (1320)

I think the particular amendments which have come before us are in fact amendments which improve the situation somewhat within a rather unfortunate Bill. The amendments from my colleague in the Liberal Party are amendments which make it much more of an independent process with respect to the determination of whether a refugee has a valid claim and makes absolutely certain that if a refugee is sent back to a third country, that third country admits the refugee and has a system in place which allows that refugee to have his or her claims determined fairly within that country.

The amendment which my Party colleague, the Hon. Member for Spadina (Mr. Heap), has added is, I think, crucial because it makes the point that our system has to include an assessment that recognizes the principles of fundamental justice. Chile may well have on its books, in print, a system in which the merits of refugee claims will be determined in Chile. We may well receive assurances that these people will be admitted to Chile, but all of us in this House, after some of our colleagues from all Parties have gone to Chile, surely know that we cannot trust that the principles of fundamental justice are in fact observed within that country. On that basis, it should not be possible, if the amendment from the Hon. Member for Spadina is accepted, to send a refugee back to Chile.

The same thing, I am certain, would be true in El Salvador, Guatemala or Honduras, countries about which I know something, and which do not reflect in their justice systems the principles of fundamental justice which are reflected by and large, with the exception of this Bill if it goes through, in our country.

For reasons which, frankly, are deeply personal, and for reasons which reflect the concerns of my constituents, we want to see a fair system to assess refugees, we want to get rid of this nonsense of massive amnesties periodically which simply indicates our system is not working properly. In the context of those kinds of concerns, I urge this House very strongly to adopt the amendment which has been brought forward as a subamendment by my colleague, the Hon. Member for Spadina, and to subsequently adopt the amendments which have been moved by the Hon. Member for York West (Mr. Marchi). I think we will at least come closer, then, to seeing to it that there is not a completely black blot on the future of this country as it is looked at from around the world in terms of the due process of law which should be reflected in our refugee legislation.

Mr. Friesen: Mr. Speaker, I listened with some attention to my colleague. As a former university professor, I would hope he would still hold to the maxim that when one debates a subject like this, one ought to go as much as possible to the primary sources and not rely on secondary or tertiary sources

for one's comments and evidence. I am confident the Member's remarks reflect very accurately the secondary and tertiary sources he has read, all the statements by the pressure groups, the lobbyists. He has faithfully recited their points of view. However, I can assure you, Mr. Speaker, that none of it, or very little of it, reflects anything in the primary source, which is the Bill itself.

The Member has hardly read the Bill. If he had read it analytically, carefully and critically, he would not have made the remarks he made today. He could not do it regardless of what would jade his outlook or from his ideological perspective.

The Member began, for example, by saying his forbear came here in 1848 as a result of the failed revolutions in Germany. I understand that since my grandparents and great grandparents came from much the same kind of background. However, he went on to say that the refugees today are the same as those in 1848, as if nothing has happened in the world since 1848 that would change the outlook or behavioural practices of people wanting to come to Canada.

Let me list just a few of the concepts which have now formed the behavioural patterns of people. For example, nihilism, which basically says it does not matter since nothing matters anyway. So you can do what you want. It is all a black future. There is no good consequence of anything, anyway, so go ahead and do what you want. There is existentialism, which makes everyone's individual outlook paramount. There is no uniform absolute. Nothing is clearly right or wrong. Therefore, the expression of your own particular authenticity is the most moral thing you can do. There is no absolute morality so it does not matter if you incite violence or peace in its own self. That is a very popular concept.

There is dialectical materialism. It began to be popular around 1848 but was not pervasive at that time. But for the last 150 years witness eastern Europe and the effect of dialectical materialism, where the state is supreme and individual rights are nothing. They have value only to the extent and to the degree they support the state. How about situational ethics, again where nothing is right or wrong except the situation in which you happen to be. It depends on the situation. Finally, the Marxist theology of Latin America which espouses violence for their cause. I want to remind the professor that when we have that cauldron of beliefs in the system, the thought forms of people coming to Canada have changed in the last 150 years, and Canada deserves some protection from people whose thoughts forms have changed, if they no longer hold to absolute rights and wrongs.

The Canadian people deserve the right to choose carefully on the basis of what is good for Canada as well as good for the refugee claimant in order that they can live in a sense of security and growing tolerance and understanding, but with the knowledge that the people who come here, come with some solid basis of understanding that there is a consensus in Canada of what is right or wrong. We want them to share in that consensus.

• (1330)

Mr. Langdon: Mr. Speaker, this is fascinating. It actually brings out, perhaps for the first time, what really lies behind the Government's concern. We have here a suggestion that when it is all boiled down, thought police will sit at the borders and will look for traces of nihilism in refugees who come before us. They will look for traces of existentialism, particularly, for example, Christian existentialism because it is the most dangerous of all. They will look for dialectical materialism. If someone happens to have a belief in dialectical materialism, the thought police will get him at the border and save Canadians from those thoughts ever penetrating our country. They will be looking for traces of situational ethics. I can see that we will soon be getting to a position wherein the Parliamentary Secretary will have to resign from the House and take responsibility for running these thought police. He is the person who can clearly recognize these people.

The thought police will be looking out for those who believe in Marxist theology. This would include, of course, priests and bishops, to those Members who might not be aware, who believe that it is right to have a system of democracy and equality within the countries in which they live. If the Hon. Member, as I think he has, has visited a number of Latin American countries from Paraguay to Chile to El Salvador—

Mr. Friesen: Nicaragua.

Mr. Langdon: Perhaps the Hon. Member has been to Nicaragua and has noticed Marxist theologists there.

The point that I make is that in many countries of the world that push for change, which is coming from the church—and the Hon. Member is absolutely right—is a push for fairness. It is a push for democracy. It is a push which was led, supported and endorsed by the Pope as he travelled throughout Latin America on his recent trip.

I suggest as well that if the thought police are going to be active, perhaps there should be a few more topics which the Hon. Member has missed. Since 1848 there has been a minor phenomenon of Fascism. Surely the Hon. Member would add that to his list.

Mr. Friesen: Got to get rid of them.

Mr. Langdon: Then there are the Nazis, anyone who believes in Naziism. What about Islamic fundamentalism?

Mr. Friesen: Terrible.

Mr. Langdon: So the Hon. Member is against introducing people who could cut off hands, et cetera. What about Sikhs?

Mr. Friesen: Well, I don't know.

Mr. Langdon: Mr. Speaker, frankly, the Hon. Member is showing just how ludicrous is the approach that he puts forward.

Refugees come to this country. They should have the right to be assessed on whether or not they face conditions in their country, as the Convention on Refugees states, a Convention which we signed, which would lead to their being seriously harmed or eliminated if they were returned to that country. That is the basis of refugee status. That is the basis on which we should be making our assessments. We should be doing it by our traditions which recognize due process of law and not this nonsense about thought police which was suggested by the Hon. Member.

Mr. David Berger (Laurier): Mr. Speaker—

Mr. Friesen: You have until 1.55 p.m.

Mr. Berger: I was just making a note of the time because all I need is to listen to the Parliamentary Secretary for a few minutes to get me so fired up that I could go on for hours and hours. Thus I have to try carefully to take note of the time so that I can get in everything that I want to say in the course of the 20 minutes that are available to me.

We just had a demonstration from the Parliamentary Secretary of demagoguery at its best, as only he is capable of. It is the kind of demagoguery that has been practiced by the Government since it introduced its refugee legislation in May of 1987. It is the kind of demagoguery that we are accustomed to from the former Minister of Employment and Immigration, the Hon. Member for Roberval (Mr. Bouchard). It is the kind of demagoguery that we are accustomed to from the former Minister of State for Immigration, the Hon. Member for Dollard (Mr. Weiner).

It is the kind of demagoguery that we are accustomed to from this Parliamentary Secretary who in previous debates on Bill C-55, and perhaps on Bill C-84, referred to numbers in the order of 5 billion people in the world who might come to Canada if we do not put up these walls around our borders that are represented by Bill C-55 and Bill C-84. I have already taken him to task on bandying about figures of that nature. I invite Hon. Members of the House to take a look at *Hansard* to see what the Parliamentary Secretary said.

Again, we are talking here about the Parliamentary Secretary to the Minister of Employment and Immigration (Mr. Friesen)—

Mr. Friesen: Mr. Speaker, I rise on a point of order. I think that my hon. friend would want to be accurate when he wants to poke me. If he will go back to *Hansard* of August or September last year, he will see that what I referred to was the open-endedness in Canada that the Singh decision brought to the system wherein everyone is entitled to an oral hearing. Anyone coming to Canada would be entitled to that oral hearing. Therefore, it does open it up to 5 billion people. That has nothing to do with Bill C-55 or Bill C-84.

Mr. Berger: Mr. Speaker, the Hon. Member stands condemned by his own words. He has put his foot in it again. As I said, this is a Parliamentary Secretary to the Minister of Employment and Immigration. He is a person who, presumably, holds a position of some responsibility, and should put the facts before Canadians in a truthful fashion, to put the facts before Canadians in a manner so that they will not be mislead and that does not play to the fears that some people may have.

For him even to suggest it, to use a figure of that nature, to talk about the whole population of the world and to suggest that somehow if we had a full hearing on the merits that there is the potential that all the people in the world would come to Canada indicates to me the kind of irresponsibility and demagogic fashion with which the Government has treated Canadians over the past year and a half since this Bill was introduced.

• (1340)

It reminds me of a definition or a quip that I read a week or two ago which said that a demagogue is someone who rocks the boat and then tries to convince everybody that there is a storm out there. This is exactly what the Government has been doing for the past 15 or 16 months. They have been trying to convince Canadians that there is a storm out there, that we Canadians have to protect ourselves or we will be flooded, deluged, with hundreds of thousands of people who will sweep over our borders.

I am reminded of a comment by Rabbi Gunther Plaut to the Canadian Council of Refugees at the meeting one year ago in which he noted how the Government uses language of this nature relating to climate, a wave, a deluge, the type of language which is designed to cull up some sense of a natural disaster or of something that is beyond the control of human beings in order to inspire or build up feelings of fear in people's minds.

I condemn in the strongest language this attitude. The Parliamentary Secretary continued that in comments he made just after the intervention of the Hon. Member for Essex—Windsor (Mr. Langdon). He talked about Canadians deserving some protection from people who may incite violence. He talked about the changed circumstances since 1848. He talked about the kind of philosophies, dangerous philosophies presumably, that people hold these days. He said that Canadians deserve some protection and that we have the right to choose carefully, and the right to live with a sense of security. Again, Mr. Speaker, he was playing and pandering to the fears of Canadians in a fashion that can only be described as the height of irresponsibility.

Many things have changed since 1848. One of the things that has changed is the Geneva Convention of 1951, which is a significant deviation from the principle that existed before that convention, that a sovereign country had absolute control over who it permitted to enter its borders. The Geneva Convention

was implemented after the last world war. As we know, during that war hundreds of thousands of people became victims because they had nowhere to go. No country would accept them. It was felt necessary to provide individuals with the capacity to effect some salvation on their own, not to have to wait for the permission of a country, not to have to wait to be chosen by a consular official or an officer in an embassy, and not to have to stand in line in order to be patted on the head and told: "Yes, you can come to our country".

The idea and the fundamental revolution that was represented by the Geneva Convention was that somehow we were going to take away a little from the sovereignty of nations, that absolute sovereignty which said that a nation, a state alone controls its borders. We were going to allow people who regard themselves as refugees to move to a safe haven, to pack up and leave overnight, if necessary.

I gave the example in a letter to the papers, which I was fortunate to have published several weeks ago, of Billy Wilder, the famous film maker who received the Irving Thalberg Award at the Academy Awards this spring. He told the story of a consular official in a small Mexican border town where he had to go to apply for immigrant status and permanent residence after having been in the United States for six months. He talked about the trepidation that he felt when he went before this consular official. He came with very few documents. He came with perhaps his application form and one or two letters of reference. He presented this to the consular official who did not respond. There was what Wilder felt was an interminable period of silence. He decided to take his courage into his own hands and he explained that when he was told the Nazis were coming, he only had 15 minutes to pack a few things and leave. He did not have enough time to find his birth certificate, school records, or other documentation. These are the types of circumstances under which refugees have to leave.

The Geneva Convention was a significant change in international law in the sense that it provided individuals with the capacity to pack up and leave and to move to a safe haven without having to ask permission beforehand. The only obligation that states undertook under the Geneva Convention was not to *refoulé* a refugee, not to turn back a person in need of protection, that is, states very jealously guard their sovereignty.

A state does not have to give a person permanent residence, citizenship, or a work permit. Under the Geneva Convention all the state obliges itself to do is not to send back a refugee. In order to implement that obligation, it is necessary for the state to have some procedure to determine whether the person is indeed a refugee, or is not a refugee, because refugees do not come with the word "refugee" stamped on their forehead. Yes, people make claims, some of which may be valid claims, and other claims may not be valid. A state has the obligation to examine the claim and have some procedure for determining whether indeed that person is or is not a refugee.

• (1350)

This whole debate is about refugee groups and people who work with refugees in this country and who have been arguing for a revision in our system for many years now. They have asked that there be a quick procedure, one that would deal with claims in the course of, say, five or six months.

In this Bill we are studying today, which has been before Parliament for the past year, the Government has not provided such a procedure. It has set up a screening procedure whereby only certain persons will be eligible for claims. Only persons who pass through what are known as safe third countries will not be eligible to have their claims determined in Canada. Therefore, we have had estimates over the course of the past few months which have been made public. We see that as many as 75 per cent, 80 per cent or even 90 per cent of claimants who come to Canada will not be eligible to have their claims determined under this legislation. The Government is really reneging on the only responsibility it has under the Geneva Convention of 1951, which is to determine on the merits the claims of people who claim to be refugees. Therefore, this Government risks and inevitably will send people who are refugees to persecution and even death because there is no procedure to permit the Government to determine who is or who is not a refugee.

I have another word or two about Canada's role, Mr. Speaker. I believe we have a special responsibility. We are a huge country with a small population. If not Canada, I put the question to the Parliamentary Secretary: "Which country will continue to provide a haven for refugees?" Which country will uphold the principles of the Geneva Convention?

If we in Canada cannot find it within ourselves to respect the rules of the Geneva Convention, will any other country in the world do so? Will other countries be justified in saying that if Canada will not respect the Geneva Convention, why should they? Costa Rica has a large number of refugees, as does West Germany and France, what will they say? I read about Italy the other day. There are perhaps one million refugee claimants who have flocked there from all parts of the world. What will the Italians say if Canada passes this legislation? Countries are going to refuse to let anybody enter because, if Canada cannot accept refugees with its wealth, its resources and small population, why should they?

I would like to remind the Parliamentary Secretary and Members of this House that our so-called refugee problem is very small in comparison to that which exists in many parts of the world. I come back to this because I believe the Member was engaging in a bit of fear-mongering when he referred to the billions of people. Over the past couple of years we have had perhaps 18,000, 19,000, or 20,000 claimants who have arrived on our shores. That might seem like a large number. But think about it, Mr. Speaker, you could fill one hockey arena with 19,000 or 20,000 claimants. It is not exactly an overwhelming number. Compare that to a tiny country like Costa Rica which has several hundred thousand claimants on

its territory, refugees who are seeking protection and who have sought safe haven there. Costa Rica has not sought to turn those refugees back. It has not closed its border to refugee claimants. What about Pakistan? There are 2 million or 3 million Afghans on Pakistan territory. How can Canada compare itself to a country like that?

I can only conclude by saying that this Government has not in its amendments dealt with the principal objections to this legislation. It has not dealt with its major flaws. This legislation is not worthy of our country. It not worthy to become the law of the land. If it does, unfortunately, at some point become the law of this land, I hope Canadians will turf out the Government so that a more responsible Government can amend it before any great damage is done.

Mr. Friesen: Mr. Speaker, there were so many inaccuracies with respect to the legislation which the Hon. Member enumerated that it was difficult to keep up to him and certainly there is not enough time to correct them all.

Let me point out two things. The Member spoke about playing to the fears that people may have. That is exactly what we have been experiencing from opposition Members for most of the past year. They have been recycling the fears expressed by pressure groups and lobbyists that are totally inaccurate. If the Member had attended the committee hearings, he would have heard the question put to the Canadian representative to the UN Commissioner of Human Rights about whether or not this conformed to the UNCHR. His answer was yes, that they have played to the fears of refugee claimants going into orbit, being bounced from country to country, all of which is untrue—to put a better complexion on it, it is inaccurate. That in the context of parliamentary language is probably a little more acceptable.

I want to re-emphasize that if anyone has been playing to the fears of people, Members like that are the ones who have repeated the inaccuracies time and time again because of the communities they are playing to.

The Hon. Member criticizes me for saying Canada has a right to choose. Let the Member look at the 1976 Bill. His colleague from Labrador sat on the committee with me when we toured Canada and drafted the legislation. One of the underpinnings of that entire Bill was that Canada has a right to choose. We do have a right to choose. The fact is it ought to be fair, equitable, and unprejudiced, not based upon bias of any kind but according to Canadian law. That is exactly what we are debating.

• (1400)

In closing, I would like to ask the Hon. Member to name me one country in the world that has a more generous refugee policy than Canada, just one.

Mr. Berger: Mr. Speaker, balderdash is the only word to use to describe the comments of the Hon. Member. He referred to inaccuracies in my statement, so many of them that he said he could not identify them. I would ask him to identify one inaccuracy in what I said.

I am not going on what I picked up from listening to pressure groups, as the Hon. Member disdainfully calls them. I am not simply going on what pressure groups or lobby groups or church groups that work with refugees say about this, although I do take advice from these people and I do listen to them because I respect them. These are people who are committed and devoted, many of whom have spent their whole lives working with refugees.

There was a show on *The Journal* at Christmas time about Nancy Pocock of Toronto. When people leave Central America, they are given her name and telephone number. When they come to Canada, that is all they have when they get here. They go to her house and spend the first few days or weeks in Canada getting their bearings there.

Yes, I listen to people like that because those people have been exemplary citizens of Canada, a credit to Canada. They are great assets to this country and they make me damn proud of the work they have been involved in.

I do listen to those people, but I read the Bill and I read the 1951 UN Convention. I have attended seminars and conferences and I have read the testimony of the witnesses who appeared before the committee. I am capable of coming to my own conclusions about this Bill. I know, on the basis of my own judgment, that it does not uphold Canada's obligations under the 1951 Geneva Convention.

I would like to answer the Hon. Member's question. He asked me to point to one country that has a more generous refugee policy. I referred in my remarks to Pakistan which has maybe three million or four million Afghan refugees on its soil today. Maybe that is one such country. However—

Mr. Friesen: Who's looking after them?

Mr. Berger: The Hon. Member asks who is looking after them. That is an irrelevant question. In many cases, the world community looks after refugees. The United Nations High Commission on Refugees, which has a mandate from the UN and the world community, looks after refugees, perhaps paid for by contributions of some of the wealthier countries in the world, including Canada.

The Hon. Member's question reminds me of a comment I heard at a conference on human rights and the protection of refugees under international law which was organized by the Canadian Human Rights Foundation in Montreal last December. I attended that conference, but I am not sure if the Parliamentary Secretary was there. A comment was made by one of the speakers at the conference that the standards of the countries of Europe or of any other country for that matter are not necessarily the standards by which we should judge our own practices. I think that is a significant statement, and I would like the Parliamentary Secretary to listen to it. I repeat, the standards of other countries or those of the countries of

Europe are not necessarily the standards by which we should judge our own practices. That is why I reject the Hon. Member's question.

As I said earlier, I challenge the Hon. Member to show me any other country which is in a better position to be generous to refugees. Show me any other country in the world with a smaller population relative to the space we occupy. We have plenty of space in which people may settle. Show me one other country that is in a better position. Show me one other country in this world that has a greater responsibility to uphold the principles of the Geneva Convention, to show leadership.

I would remind the Hon. Member that it was Canada which received the Nansen Medal several years ago, it was not Germany or the United States. In fact, it was not even Canada, it was the people of Canada.

Mr. Deputy Speaker: Is the House ready for the question on the subamendment?

Mr. Friesen: Mr. Speaker, I rise on a point of order. There has been agreement among the Parties to end with the speaker who just spoke, but I also serve notice, both to the Table and to the opposition Parties, of my intention to table amendments that I have given to the Table and to the opposition Parties. I would like to table them now.

I have just been informed by the critic for the New Democratic Party that he wants to add a subamendment to one of the amendments. I would ask for advice from the Chair on how to proceed with this. I should table the amendments today, because I think a vote will be taken on this on Monday evening. I would take instruction form the Chair on how to deal with this.

Mr. Heap: Mr. Speaker, the copy that was given to me was, of course, embargoed, and that has necessarily restricted my inquiry into the meaning or implication of the amendments proposed by the Government, and I wish to seek advice on at least one of them in connection with what I have in mind as a subamendment. It has not been possible for me to do that because they have not been tabled and it will not be possible for me to have that effectively until Tuesday.

My difficulty is that while I am prepared to see these amendments entered for debate, notwithstanding that they are an unusual procedure and therefore need unanimous consent. I am not prepared to see them entered if it means that they would be debated today or debated on Monday and voted on Monday night. If there is any way that we can arrive at an understanding that tables them today but defers debate on them until after Monday night, I would be prepared to proceed with that.

Mr. Deputy Speaker: Would the House let the Chair proceed with the vote on the subamendment? We appear to be taking for granted that we will be voting Monday night. If we do that first, then we will see.

Mr. Friesen: Mr. Speaker, I find this somewhat unusual because the Hon. Member, while he may have been at some disadvantage in that it has been embargoed and therefore not debated, was given notice by me the other day of my intention to do so. He has had a copy of these amendments for 10 days, I believe, certainly for a week, and could have studied them at length. He has just five minutes ago told me that he has a problem with one of them. Could we not come to an arrangement whereby we do a voice vote on all of them today and allow the Hon. Member, for example, to submit a subamendment to the one about which he has a question and then proceed with the vote on Monday night?

• (1410)

Mr. Deputy Speaker: If the House does not mind, the Chair would like to settle the question on the subamendment. Once we have done that, maybe we can move along.

May I dispense with the reading of the main motion?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: May I dispense with the reading of the amendment?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: The question is on the subamendment. Is it the pleasure of the House to adopt the subamendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: The vote on the subamendment will be deferred until Monday night at six o'clock.

Now that that is settled, we will go back to the Parliamentary Secretary.

Mr. Friesen: Mr. Speaker, I would like to move the amendments we have given to the critics of the opposition Parties. I hope I do not have to read them all.

Mr. Deputy Speaker: The Parliamentary Secretary would like to introduce a series of amendments. In order to do that, we need unanimous consent.

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: There are two ways to do this. One way would be for the Parliamentary Secretary to introduce the amendments. Unanimous consent can be given for that. Then, if the Parliamentary Secretary wishes those amendments to be debated today, the Chair would require unanimous consent again. I think we have unanimous consent for the Parliamentary Secretary to introduce the amendments today.

Mr. Murphy: Mr. Speaker, I think there is some confusion. In earlier discussions with the Deputy House Leader, it was our understanding that the only business to be conducted today was debate on the subamendment standing in the name of the Hon. Member for Spadina (Mr. Heap). We would then force a vote on the subamendment, which we have just done. As a result, we would then be voting on that subamendment at six o'clock Monday as the rules require. Any deviation goes against the spirit of what we negotiated with the Deputy House Leader earlier in the day. Unfortunately, if we allow the Parliamentary Secretary to introduce these amendments today, then debate would be possible on Monday on those amendments. That was not our understanding when we made our arrangement with the Government earlier today. That was done on the basis of what was convenient for the critics, and for us to change that now would go against the spirit of the agreement.

We do not want to keep the amendments from the floor, but we do not want to allow the Government to start the debate on Monday when we have had no assurances from the Government that it would not do so.

Mr. Friesen: Mr. Speaker, the NDP House Leader was in the Chamber the other day, as was the Liberal Party critic, when I gave notice of our intention to move these amendments. The NDP House Leader nodded assent and the Liberal Party critic certainly did not object. I did not see any great visible reaction. He was certainly aware of them because he had received copies.

I understand the agreement today dealt with all aspects of C-55. The Parties were aware that this is part of that Bill and I see no breach of the agreement if we deal with these amendments today.

[*Translation*]

Mr. Guilbault (Saint-Jacques): Mr. Speaker, there seems to be some confusion about the agreement reached by the parties. We all seem to have our own version. I will give you mine, since I was involved in the discussions with the two other parties.

It is my understanding that today we would get as far as the vote on the subamendment, that a vote would be called and that we would then call it three o'clock. This was quite straightforward. If I understood correctly, according to the agreement, since we have finished debating the sub-amendment and a vote was called a few minutes ago, we can now call it three o'clock. If anyone has a different interpretation . . . It seems to me it is as simple as that. And it certainly has to be simple for me to understand it!

[*English*]

Mr. Deputy Speaker: The Hon. Minister of State will clear up the matter.

Mr. Lewis: Mr. Speaker, we want to avoid any understanding which was reached being misunderstood and disrupting things in that way. It was my understanding, and I may perhaps be in error here because I did not realize there was going to be debate on the amendments, that they were going to be accepted as read.

What we were trying to resolve was that there would be no more business other than C-55 before the House. Perhaps we can have the amendments introduced and then suspend the sitting today. If, upon reflection over the weekend, there is a necessity for more debate and discussion, we can discuss it. I think that might be in the best interests of this place. Simply have them introduced and call it three o'clock.

Mr. Murphy: Mr. Speaker, I am not sure if the Deputy House Leader has resolved our problem. It was our understanding that these amendments now being introduced by the Government would not be debated on Monday. If the Government House Leader can assure us about the business of the House on Monday, then perhaps we can give unanimous consent.

Mr. Lewis: Mr. Speaker, the business of the House will be debate on item of business no. 26 on the Order Paper, the motion to extend the sitting, in the event there is a ruling from the Speaker and that ruling is that the motion is procedurally correct. Pending a favourable decision we would debate the Government's response to Senate amendments to Bill C-84.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, this information is quite useful. On the other hand, whatever the government menu is for Monday, my understanding is that we are not discussing C-55 because there is a deferred division at six o'clock. Until then the Bill cannot be debated.

Mr. Lewis: That is right.

Mr. Guilbault (Saint-Jacques): That is the way I understand the rules. I do not know if this is clear. If we all operate according to the same rules, there should be unanimous consent to see the clock as three o'clock.

Mr. Deputy Speaker: The Chair understands that there is now unanimous consent to give the Hon. Parliamentary Secretary consent to introduce further amendments to Bill C-55 on the condition these not be debated on Monday.

Mr. Guilbault (Saint-Jacques): Cannot be debated.

Mr. Deputy Speaker: I know, but is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: Then the Hon. Parliamentary Secretary.

Mr. Friesen: Mr. Speaker, I wonder if we can dispense with the reading of these amendments?

Mr. Deputy Speaker: May the Hon. Parliamentary Secretary dispense with the reading of the amendments?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: Can the Chair dispense with the reading of the amendments?

Some Hon. Members: Agreed.

Mr. Benno Friesen (Parliamentary Secretary to Minister of Employment and Immigration) moves:

That clause 14 of Bill C-55 be amended

(a) by striking out line 38 on page 18 and substituting the following:

"landing of that person and any member of that person's family who is in Canada at the time of the application, unless the Convention refugee is"

(b) by striking out lines 24 to 26 on page 19 and substituting the following:

"cant and any member of the applicant's family for whom landing is sought if the immigration officer is satisfied that neither the applicant nor any member of the applicant's family who is in Canada is a person"

(c) by adding, immediately after line 8 on page 20, the following:

Interpretation "(8) For the purposes of this section and section 48.05,

(a) a person is a member of another person's family if the person is

(i) the spouse of that other person, or

(ii) the child of that other person, or

(b) "child", with respect to a person, means

(i) a person of whom that person is the natural parent, whether the person was born within or outside marriage, and who has not been legally adopted by any other person, and

(ii) a person who was legally adopted by that person,

but does not include any person who is or has been married;

(c) "spouse", with respect to a person, means a person of the opposite sex to that person who is married to that person by a marriage that is recognized by the law of the country in which it took place, other than a marriage occurring at a time when either person was already married."

(d) by striking out line 17 on page 20 and substituting the following:

"mining eligibility to be grant-"

(e) by striking out line 23 on page 20 and substituting the following:

"for a determination whether the person or any member of that person's family who is in Canada at the time of the application is,"

(f) by striking out line 28 on page 20 and substituting the following:

"shall determine that the applicant and any member of the applicant's family for whom landing is sought is, but"

(g) By striking out line 32 on page 20 and substituting the following:

"member of the applicant's family who is in Canada is a"

(h) by striking out lines 12 to 15 on page 21 and substituting the following:

"(d) the person or any member of the person's family for whom landing is sought

was determined not to be eligible to be granted landing for a reason other than the removal order; or

(e) the person and each member of the person's family for whom landing is sought were determined to be,"

(i) by striking out lines 25 to 29 on page 21 and substituting the following:

"(a) grant landing to the person and each member of the person's family for whom landing is sought, where the person is a person described in paragraph (5)(d) or (e) and the adjudicator is satisfied that, but for the removal order, the person and each member are eligible to be grant-"

And

That clause 18 of Bill C-55 be amended by striking out line 37 on page 28 and substituting the following:

"hold office during good behaviour for a term not"

And

That clause 29 of Bill C-55 be amended by adding, immediately after line 46 on page 55, the following:

"(7) Section 115 of the said Act is further amended by adding thereto the following subsection:

Advisory committee "(5) The Minister may establish and appoint the members of a committee to advise the Minister with respect to the prescribing of countries under paragraph (1)(r).""

And

That Bill C-55 be amended by adding, immediately after line 31 on page 56, the following:

"32. Section 123 of the said Act is repealed and the following substituted therefor:

Delegation of authority "123. The Minister or the Deputy Minister, as the case may be, may authorize such persons employed in the public service of Canada as the Minister or the Deputy Minister deems proper to exercise and perform any of the powers, duties and functions that may or are required to be exercised or performed by the Minister or the Deputy Minister, as the case may be, under this Act or the regulations, other than the powers, duties and functions referred to in paragraphs 19(1)(e) and (2)(a), subsections 39(2) and 40(1), subparagraph 48.01(1) (e) (iii) and subsections 82.1(2) and

83(1), and any such power, duty or function performed or exercised by any person so authorized shall be deemed to have been performed or exercised by the Minister or Deputy Minister, as the case may be.""

Mr. Deputy Speaker: May the Chair call it three o'clock?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: It being three o'clock, the House stands adjourned until Monday at eleven o'clock.

The House adjourned at 2.20 p.m.

HOUSE OF COMMONS

Monday, June 13, 1988

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

NUCLEAR POWER ACT

MEASURE TO ESTABLISH

Mr. Nelson A. Riis (Kamloops—Shuswap) moved for leave to introduce Bill C-296, an Act establishing a moratorium on the continued development of nuclear power in Canada with a purpose of establishing a public inquiry into nuclear power that is followed by a national referendum.

Mr. Speaker: Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Riis: Mr. Speaker, this Bill is a reaction to the Government backing down from its commitment to conduct a public inquiry into the nuclear fuel cycle which was made during the last general election. I thought it was appropriate, some four years later, that we have a debate on this point.

The Bill essentially calls for a moratorium on any new use of nuclear power in Canada. It calls for establishment of a public inquiry into the use of nuclear power in Canada in the future. This follows on the tradition of countries like Sweden which has gone as far as holding a national referendum on the issue. We want to allow the people of Canada to let their views be known. On such an important matter of literally life and death, at least a public inquiry ought to take place. If not, we should consider a general referendum on the issue.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Speaker: Call in the Members.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 380*)

YEAS

Members

Blaikie	Kaplan	Riis
de Jong	Keeper	Rompkey
Foster	Langdon	Rossi
Garneau	Marchi	Tobin
Gauthier	McCurdy	Waddell—24
Guilbault (Saint-Jacques)	Mitchell	
Heap	Nystrom	
Hovdebo	Orlikow	
Jewett	Penner	
	Pépin	

NAYS

Members

nil/none

• (1140)

The Acting Speaker (Mrs. Champagne): I declare the motion carried.

Bill read the first time and ordered to be printed.

* * *

CRIMINAL CODE

MEASURE TO AMEND

Mr. Léo Duguay (St. Boniface) moved for leave to introduce Bill C-297, an Act to amend the Criminal Code (safety interlock device).

The Acting Speaker (Mrs. Champagne): Shall the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Duguay: Madam Speaker, I am pleased to introduce this Bill, an Act to amend the Criminal Code, installation of safety interlock devices.

Yesterday, in Canada, approximately 400 people were arrested for driving under the influence of alcohol. One of the things that concerns all of us is that many of those people will be on the road today.

The purpose of this Bill is to allow judges in Canada to cause the installation of the safety interlocking device on cars. This device, when installed, prevents the car from starting if the driver of the vehicle has a breath alcohol level concentration exceeding 40 milligrams of alcohol per 100 millilitres of blood.

This is one more step to help Canadians prevent the ravage of the innocent that drunk drivers cause us all. As the commercial goes, Madam Speaker, "If you drink, that is your business. If you drink and drive, that is our business".

The Acting Speaker (Mrs. Champagne): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

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

* * *

BUSINESS OF THE HOUSE

ADDRESS OF U.K. PRIME MINISTER TO BOTH HOUSES

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Madam Speaker, there have been discussions among the Parties. I think Your Honour will find that there is unanimous consent for the following motion to be put to the House immediately. I move:

That, further to the Order of the House of June 2, 1988, the address of the Prime Minister of the United Kingdom, to be delivered in the House Chamber to Members of the House of Commons and the Senate, be at 11.00 o'clock a.m., on Wednesday, June 22, 1988.

Mr. Nelson A. Riis (Kamloops—Shuswap): Madam Speaker, as has been the practice whenever the Government brings forward a thoughtful initiative, we indicate our willingness to co-operate. Once again, I want to say that there have been discussions. It seems to be a reasonable request on behalf of the Government. We will certainly co-operate 100 per cent.

The Acting Speaker (Mrs. Champagne): Does the Hon. Minister of State (Treasury Board) have the unanimous consent of the House to move the motion?

Some Hon. Members: Agreed.

The Acting Speaker (Mrs. Champagne): The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

ENERGY, MINES AND RESOURCES

CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. Ian Waddell (Vancouver—Kingsway) moved:

That the second report of the Standing Committee on Energy, Mines and Resources, presented to the House on Tuesday, December 16, 1986, be concurred in.

He said: Madam Speaker, I wish to speak on this motion today on behalf of the New Democratic Party because I think and believe that the Mulroney-Reagan free trade deal that has been negotiated with the United States makes this report irrelevant. Indeed, it indicates the weakness in the trade Bill with respect to energy. If we look at the report, a copy of which I have in front of me, we will see that it deals with various recommendations of the Commons committee, which is a standing committee chaired by the Hon. Member who I see across the House from me, the Hon. Member from Calgary. I acknowledge her presence and her chairmanship of the committee. She did a good job in chairing that committee.

• (1150)

In the report that is under debate the committee recommended that a Ministry of Mines be created as a separate portfolio with its own distinct Department. The committee recommended that the Government, in co-operation with the provinces, the Territories, and the private sector develop a federal mineral policy based upon a function contained within the Department of Energy, Mines and Resources. My point is that, as a result of the free trade deal, we cannot ever have a federal energy policy in this country. The federal energy policy will simply be the American policy. It will simply be the market economy. That will be it.

Mr. McDermid: Wrong.

Mr. Waddell: The Hon. Member for Vancouver Centre (Miss Carney), the former Minister of Energy, stated that the free trade deal enshrines the present Government's energy policy. The present Government's energy policy is in fact the market policy, that is, that the Government should not intervene in any way in the market and the market will look after itself. What is the point then of having a new initiative, as this report says, by a federal Department? In fact, there can never be another national energy policy—

Some Hon. Members: Hear, hear!

Mr. Waddell: —no matter what kind of position it is.

I hear the Members opposite. I hear this myth, and let me take a minute to deal with the National Energy Program, which an Hon. Member from Saskatoon yells we supported. First, we did not support the National Energy Program.

Some Hon. Members: Oh, oh!

Mr. McDermid: Why are you worried about implementing another one?

Mr. Waddell: I invite Members to take a look at the votes. There were eight votes on the National Energy Program. We never supported the program in terms of those votes. As a matter of fact, I think we voted against six of the items, and I think that the Conservative Opposition voted against six of the items. Members can yell all they want. I was there and, in fact, so was the NDP energy critic at the time of the votes.

Members will recall that the National Energy Program was a program that the then Prime Minister, Mr. Trudeau, and the then Premier of Alberta Mr. Lougheed clinked champagne glasses over and agreed to. When the Conservatives yell at me and have this myth about the hated National Energy Program, they should remember there was a deal between the federal Government and the provincial Tories in Alberta.

There was a great deal of pressure on the provincial Tories. There were energy wars, as there will be in the future of this country. The fact is that they made a deal, and the people who enacted the National Energy Program were the Liberal Government, which was a majority Government. The New Democratic Party was in opposition, with the federal Conservative Party opposing the National Energy Program.

I will tell Members opposite why we opposed it. We opposed it for two reasons. I see that the Hon. Member for Burlington (Mr. Kempling) is leaving. He will not listen. Why does he not listen? He might learn something about energy.

Mr. Kempling: Say something intelligent and I will stay.

Mr. Waddell: There were two problems with the program. One, it was based on prices going up, but oil prices stabilized and went down. No one thought about what would happen if prices went down. That was one of the great flaws in the program. They thought it would go up to about $73 a barrel and everyone was going to have much money from these oil prices going up, but they did not go up.

The second problem was that in the National Energy Program the Government enacted a program called the Petroleum Incentive Program grants, PIP grants. These grants amounted to $8 million—as expensive as the nuclear subs we are supposedly going to get. If that $8 billion is included with some previous grants, it amounts to approximately $13 billion to the oil industry. It was a program to get people to drill offshore and in the North. Our position was that this was a mistake and a waste of money. In fact, the drilling should have carried out in the western sedimentary basin in Alberta and Saskatchewan. That was the position of the NDP. We suggested that if the Government wished to spend $8 billion to Canadianize, Imperial Oil could have been bought for that amount of money.

Mr. McDermid: That's what you would have done.

Mr. Waddell: Instead, the Government wasted $8 to $13 billion to drill a lot of holes in the Arctic and offshore, most of which did not produce, and some of which did. That was the way the Government was going to encourage Canadianization of the industry. Of course, that did not happen. Those were our criticisms of the National Energy Program.

We were in favour of holding the gasoline prices down for Canadian consumers. What happened was that Canadian consumers saved billions of dollars. I hope the Canadian people are listening to this because here is what happened. The Canadian Government said, in the early 1980s when the oil price rose, that it was going to protect Canadians and Canadians were not going to have to pay world prices. It is our oil. It does not belong to the American multinationals or to the United States of America. It belongs to the Canadian people generally. "We are not going to let Canadians pay these high world prices, we are going to give them a break at the pumps". The National Energy Program was very popular from that aspect. At the time polls were conducted and 73 to 80 per cent of the Canadian people supported the program. The Tory Party, which speaks for a very small group of multinationals and large oil companies in Alberta has spread the myth around that the whole program had to be scuttled, changed, and we had to have a total free market economy.

Canadians should wake up to what is happening. Big oil has won. Big oil and the Conservative Party are like this. They neck with each other. As a matter of fact, the Canadian Petroleum Association, which represents big oil, when talking about the Conservative energy policies of the Mulroney Government, says that "they are our policies. They are exactly what we want". That is exactly what they got.

Mr. McDermid: Quote IPAC.

Mr. Waddell: IPAC is also dominated by foreign oil companies when you look at it.

Some Hon. Members: Oh, oh!

Mr. McDermid: Come on. You don't know your elbow from your ear.

Mr. Waddell: If you look at it and figure out what is going on.

Mr. McDermid: Check with the 700 independent Canadian oil companies and see what they say about it.

Mr. Waddell: I wish to return to the free trade deal. Under the free trade deal we are going to let the Americans set our energy policy. In fact, we are going to share the ace card that

we have on mineral resources, our oil resources, and even our water resources with the Americans.

Mrs. Sparrow: That's not true.

Mr. Waddell: On this ground alone the Canadian people should reject the Mulroney-Reagan trade deal. Canada should wake up, because in the next energy crisis we will be paying the top world prices. Furthermore, perhaps we will have gas jams. One will have to line up at a gas station to get gasoline in Canada, just as one had to do in California in 1972.

When Premier Lougheed, the former Premier of Alberta, appeared before the committee examining the Mulroney trade deal, he made his position perfectly clear. He said: "The biggest plus of this agreement is that it would preclude a federal Government from ever bringing in a National Energy Program . . . Those who want to have another NEP, fine. But you cannot do it . . . This agreement forces the market-place to decide on pricing. I think this is a very big positive". That is very interesting.

A small oilman, a fellow named John Mercier, appeared before the committee. He said: "If our former Premier, Peter Lougheed, said that the reason the free trade agreement is good for Alberta is because we will never have another National Energy Program, it would really disturb me . . . If he means it, he has joined other people in saying that Confederation is not going to work. Instead of going into battle with Ontario for Alberta's rights—" that is the fight within Canada for energy policy and the control of energy pricing—"are we going to allocate the authority to some administrator in Washington?" In other words, Premier Lougheed was telling the committee: "I prefer to deal with Washington rather than deal with Ottawa".

Mr. McDermid: That's totally untrue, and you know it.

Mr. Waddell: Well, that is the import of his remarks. Ralph Loffmark, a distinguished British Columbian and former Minister in W.A.C. Bennett's Government, also appeared before the committee. He said: "I find it difficult to accept the argument of the Alberta people that a national energy policy that had one price across Canada was not fair to the Alberta people. Let us look at that not being fair". He asked how in the world we can object to our own national energy program of a few years ago which we are told has now been dismantled, and then turn around and implement exactly the same thing. Instead of the Ontario people getting cheap gas and oil now, though, it is the Americans.

• (1200)

Mr. McDermid: That is totally untrue.

Mr. Waddell: The Hon. Member might think it is totally false, but that is what Ralph Loffmark, a former Energy and Economic Minister in the British Columbia Bennett Government, said.

Let us look in some detail at the free trade deal. Article 901 says that basically every kind of energy product is included in this agreement, oil, natural gas, coal, electricity and uranium. Articles 902 and 903 say that Canada basically gives up the right to use either minimum export or import prices as well as the right to employ export taxes or export quotas in developing its energy policy. This means that Canada is supplying the United States with a *de facto* subsidy. We sell the United States energy based on its market prices, this being the most accessible of the oil and gas resources. These resources will eventually have to be replaced by higher priced replacements which we will be forced to develop. We cannot, of course, put in place a made-in-Canada energy policy.

This is the problem. Conservatives do not like a made-in-Canada energy policy. The Opposition likes it in various forms. So instead of Conservatives campaigning against it, winning an election and not having it, or us campaigning for it, winning an election and keeping it, they fixed the election through the free trade deal. If the Opposition ever gets in to power, it can never enact a made-in-Canada energy policy because of the free trade deal with the United States. That is the problem with the free trade deal. That is why the Conservatives want the free trade deal. They want to make their policies permanent.

The Conservatives are fixing the rules of the games. They are playing a different game. In fact, they are joining the United States and giving up Canada's sovereignty.

Mr. McDermid: There's a six-month escape clause. Come on, be honest with the people for a change.

Mr. Waddell: A six-month escape clause? I will be honest with the people.

Mr. McDermid: Then tell them about it. If you ever came into power, heaven forbid, you could cancel it.

Mr. Waddell: You can make a speech next.

Mr. McDermid: Tell them the whole story.

Mr. Waddell: Do you want to hear the whole story or not? I am telling the whole story.

Mr. McCurdy: It's hot outside, it'll be hotter in here pretty soon.

Mr. Riis: Madam Speaker, I rise on a point of order. I have been listening to some thoughtful comments being made by the Hon. Member for Vancouver—Kingsway, and the Parliamentary Secretary obviously has some important comments to make. If he is patient and waits for a few moments, he will have a chance to make his speech.

The Acting Speaker (Mrs. Champagne): The Hon. Member was fortunate if he could understand what the Hon. Member for Vancouver—Kingsway was saying. The conversation going on across the floor made it very difficult for the Chair to

understand what was being said. The Hon. Member for Vancouver—Kingsway has the floor.

Mr. Waddell: Thank you, Madam Speaker. I was arguing that the free trade deal fundamentally changes the rules of the Canadian parliamentary system, and I used that as an illustration of the energy policy.

The Conservatives have one sort of energy policy and the New Democrats have another. If we get into power, we will no longer be able to change the energy policy, even if elected by the Canadian people. The Parliamentary Secretary has said that I should be honest, we could repeal the free trade deal. We could not change the policy though because energy is enshrined in the free trade deal. The Parliamentary Secretary says that there is a six-month clause allowing us to tear up the deal, but the problem is—

Mr. McDermid: Here we go, listen to this.

Mr. Waddell: No, I think it is fair enough to say this, and I think I am being honest enough to say it. It will be very hard to change that free trade deal. It is all very well for the Leader of the Opposition to say that he would tear it up, but personally, I am not so sure that a Canadian Government would be able to do that. There will be enormous pressure from the Americans. They will say: "You tear that up and we will cut off your trade entirely," and what will the Canadian Government be able to do? It will be very difficult to do anything, so that is the problem.

Let us return to this report which proposes a mineral policy and an energy policy, and let us look at what the free trade deal does clause by clause, because it makes it impossible.

Article 904, another key article in the agreement, will require Canada to continue shipping to United States customers in the same proportion as in the previous three years if production is restricted due to shortages or conservation purposes. If, as is the case now, the U.S. imported 30 per cent of our light crude oil over a three year period and a major crisis developed, say in the Persian Gulf, we would have to give the United States 30 per cent of our light crude in the fourth year. No Government, either national or Albertan, would be able in time of need to reserve its resources for its own exclusive use.

Mr. McDermid: That's been in effect since '74.

Mr. Waddell: If Members of the Government would just listen—they are really sensitive about this, and they should be sensitive.

No Government, either national or Albertan, would be able to reserve its resources in time of need for its own exclusive use. As can be seen, this article goes on to prohibit higher prices to U.S. customers due to government action. Officials, including Ambassador Ritchie who appeared before the Commons Special Trade Committee, confirmed that this means that any bonus pricing to attract new industry is strictly prohibited.

Let me translate that into plain English. A Canadian Government may want to give cheap energy to a Canadian company to encourage development in British Columbia, for example, because that is our birthright. We have those cheap resources that the Americans do not have, so we want to favour a Canadian company. We want to get some regional development in Canada, to spread everything out, because we in Canada believe in that. We believe in equality. What will happen is that we will not be able to do that because of this deal. These are the insidious things in the deal that the Canadian public should read closely, and that is why the New Democratic Party is taking the time of this House to try to explain this. I challenge the Government to call an election on this so that we can go to the hustings and fight for the future of Canada.

The western provinces are all in favour of the free trade deal, according to present Conservative Premiers, but they should read this very carefully. The Minister of State, in an effort to distract me, is suggesting that some of the students are leaving the gallery.

Mr. Lewis: They've had enough.

Mr. Waddell: No doubt they are going out to get a copy of this terrible free trade agreement so that they can read it in detail.

I believe that Article 903 will strongly impinge on the provinces' rights to control their own resources. It specifies, for example, that no tax, duty or charge can be imposed on the export of energy unless it is imposed also on domestic consumption. On the question of provincial compliance with the free trade deal, the position of the Government, as I understand it, is as follows:

> It is our expectation that the Provinces will not take actions incompatible with the spirit and intent of the free trade agreement.

I was proud to be with my Leader on the previous constitutional matters of 1981 when we presented an amendment, Section 92(a) of the Constitution, which gave powers over energy exports to the provinces. I believe that the free trade deal will in fact change that, and in that way it is unconstitutional.

I could go on to talk about Article 905, which cripples the power of the national energy program, Articles 906 and 907, which talk about security measures, but I will wind up by saying that this report is out of date because the free trade deal emasculates the power of the Canadian Government to legislate on energy for Canada. We have given it to the Americans and we are fools to do that. That is why this free trade deal has to be defeated and that is why we in the New Democratic Party will do everything in our power to do so.

• (1210)

Mr. McCurdy: Madam Speaker, first I would like to congratulate my colleague for revealing to the Canadian people one of the elements of the free trade deal which I have not quite noticed being widely publicized in the literature being purchased by the Government to convince Canadians that they should buy this kettle of fish. If this deal is so great and if the provisions set out by my colleague are so much in the interests of Canada, why has the Government not simplified those sections and made sure they are explained across the country? Perhaps the most criminal portion—I do not see any other way of describing it—of the so-called free trade deal is the literal giving away of a competitive advantage in the form of energy to the United States.

An Hon. Member: Nonsense.

Mr. McCurdy: In my view Canada has the potential for a tremendous future based on its ability to develop an economic strategy that would allow economic development in the regions. This provision of the free trade agreement has to be considered contrary to that. I would like to say parenthetically that those in the West and the East who believe that this free trade deal will, through the sale of our energy whether oil or natural gas, lead to the industrialization of the West, had better take a look at American states to see how much they have been industrialized as a result of the American market economy.

I would like to refer to another aspect of energy. I think all Members of this House would have seen *The Journal's* report last week on the greenhouse effect. Over the next three decades Canada could be experiencing fantastic, dramatic, and in some instances tragic, changes in climate as a reflection of climatic changes that will occur around the world. It has been estimated that in southern Ontario we may have an 8° increase in temperature and in the North a 15° increase in temperature. This says to me that, however promising the sale of natural gas and energy is to the United States, the outcome could be fatal for us all either in terms of literally cooking ourselves to death or being engaged in tremendous conflicts internationally over what to do and how to control this eventuality.

Not too long ago, Madam Speaker, you will note that in this House we discussed a motion introduced by yours truly on the development of hydrogen technology. One of the outgrowths of the petroleum industry in Canada is that we have developed a huge lead over most countries in the world in the development of hydrogen technology. This is unquestionably the energy form of the future to replace petroleum and fossil-based fuels which can do nothing else but eventually cook us all.

We should be exploring the competitive advantages we do have in the petroleum industry and hydroelectric power so we can develop the hydrogen technology that will serve the western world. This will establish a basis not only for a national mission in science but a basis for an entire economic thrust into the future for Canada. One of the notable features of the free trade agreement is that it robs us of those kinds of mechanisms necessary to do what the report of the hydrogen committee demanded that we do, namely, not only develop this technology but ensure that the ownership of it resides in Canada. Of course, the free trade agreement means that any initiative we may take with respect to hydrogen technology will be immediately sold to the south. There are no limits either on acquisition or any basis on which we can give preference to procurement which, after all, is the basis on which any nation builds the kind of mission that we are talking about concerning hydrogen technology.

I point out to my colleague that the dimensions of the sell-out of this free trade agreement with respect to the future of Canada is almost definite in its dimensions, particularly with respect to energy. The hope of Canada some day leading the world, not only economically but in offering a new model of what a nation can be economically and socially, is being dashed by this agreement.

Mr. Waddell: I have a brief reply, Madam Speaker. As the Hon. Member said, indeed there is a new dimension of a sell-out. Companies will not develop technology because big American companies will be here controlling it all. Look at Amoco taking over Dome. The pattern will start again with American companies taking over our Canadian energy companies. The Government will eventually sell Petro-Canada. If it is re-elected, the Conservatives will probably sell Petro-Canada either to the Americans or to their friends. That is what we are faced with.

What did we get out of putting energy on the table in the free trade deal? We got secure access to the American market to sell our oil and gas. But let us think about that. The Americans need our oil and gas. They are short of energy. All kinds of statistics are there. We have a huge surplus of energy which we are selling to the United States. The United States will need it. What did we bargain for? The access is ridiculous. We do not need to bargain for access because the Americans will take the access. We have 18 years of proven oil reserves left, 35 years of natural gas reserves and a 105 years of coal. If you compare that to what is in the Middle East, the ratio of Canadian oil reserves to current annual production is about 12. OPEC had at the end of 1986 reserves-to-production ratio of 73. Saudi Arabia is at 97 and 217. We have oil and gas now and we will have to develop hydrogen. But they will be gone. What will we do? We will be selling out our energy to the Americans to beat hell. We have agreed that if there is another crisis we have to share energy with the Americans. We have to be crazy to enact this kind of deal. We got nothing for it. The Americans want our energy. They have always wanted a continental energy policy. What did they get with this Mulroney-Reagan trade deal? The Americans got a continental energy policy. The Prime Minister (Mr. Mulroney) sold out this country to the Americans.

The Acting Speaker (Mrs. Champagne): The Hon. Parliamentary Secretary.

Mr. Waddell: Is this debate?

Mr. McDermid: No, this is not debate. This is the period for comments and questions. I sat very patiently and listened to the diatribe that came from my friend, the Hon. Member for Windsor—Walkerville (Mr. McCurdy).

Mr. Langdon: You sat, but not patiently.

Mr. McDermid: That is right.

There are a number of things that should be understood by Canadians. The New Democrats do not tell the whole story.

First, the provinces own the resources and control them. The Hon. Member knows very well that the provinces tell people where and when they can drill. If they are lucky enough to find anything, the provinces tell them how much they can pump and ship and so forth. The management and the conservation of those resources is still entirely within the power of the provinces. There is no question about that.

An Hon. Member: Talk about prices.

Mr. McDermid: The New Democrats are yelling for me to talk about prices. If they want to set my agenda for me, then we will talk about prices. There is a world price set for oil. For a number of years because of the policies of the previous Government the West was getting a lot less than the world price for oil. What happened to the West? The West was almost brought to its knees. We sell the West cars at world prices made in the Hon. Member's riding. We do not give the West a special Canadian price for cars made in Ontario that are shipped out. But we want oil here at a cheaper price. That is the way the NDP operates. That is the New Democrats' policy. Nationalize everything and dictate everything to the provinces. That is what they want to do and that is what they are afraid they cannot do any more.

Mr. McCurdy: You want Washington to do it.

Mr. McDermid: And thank goodness, Madam Speaker, they cannot. Let us talk about prices. The New Democrats say we cannot sell our energy across the border for less than what is being charged here. That is totally wrong. The Americans are paying market price for hydro. It is a lot more than consumers are paying in the Province of Quebec, for example. That is allowed under this agreement. There is nothing in this agreement that prevents that, nothing at all.

An Hon. Member: Have you read it?

Mr. McDermid: I have read it. I am willing to wager that I have read it more times than the Hon. Member has. The NDP do not want us to ship energy to the U.S. It wants to keep it to themselves.

• (1220)

Some Hon. Members: Oh, oh!

Mr. McDermid: I struck a nerve over there. They do not want to ship energy to the U.S. Listen to them holler. They want to keep it here.

Mr. Riis: That is untrue.

Mr. McDermid: They want to keep it to themselves. Cut off our best customer. There is absolutely no incentive whatsoever for anyone to do exploration and find more sources of energy if they cannot sell the product they have. Of course they want to sell it. Why shouldn't they? The NDP policy is absolute nonsense. They would arbitrarily cut off their best customer. That is it. We are going to keep it all to ourselves. That is the narrow thinking of the Shirley Carr-Ed Broadbent Party. That is the way they think in the Bob White-Ed Broadbent Party. We know that the policy is coming from the CLC. There are no thinkers over there so they have to get it from somewhere. That is the energy policy of the NDP.

Which oil company are they going to nationalize? Is it Imperial Oil? They will spend billions of taxpayers' dollars nationalizing another oil company. We need that like a hole in the head, too.

The Acting Speaker (Mrs. Champagne): The time for questions or comments has expired, but I will allow a one-minute rebuttal to the Hon. Member for Vancouver—Kingsway (Mr. Waddell).

Mr. Waddell: The NDP policy is to provide sufficient, reasonably priced energy to the people of Brampton and favour the Canadians living in Brampton over the people who live in California. That is our policy.

Mr. McDermid: Gas prices just dropped in Brampton.

The Acting Speaker (Mrs. Champagne): Resuming debate.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Madam Speaker, I want to put a few things on the record so that in the future people will know exactly what has taken place here today. Someone in the NDP talked about dimensions. We are seeing a new dimension of irresponsibility here. I want to lay out exactly what has happened today so that when the time comes to wear it, my hon. friends opposite will know how to wear it.

Mr. Waddell: On a point of order, Madam Speaker, I would like to know whether the Hon. Minister is debating my motion. If he is, I suggest he deal with the energy policy.

Some Hon. Members: Sit down!

The Acting Speaker (Mrs. Champagne): The Hon. Member might want to do what the Speaker was about to do, which is to listen to the Hon. Minister and then make a judgment as to relevancy.

Mr. Waddell: Madam Speaker, I am not clear whether we are still debating my motion. I would like to know if we are still on my concurrence motion.

Mr. Blenkarn: You never were on it.

The Acting Speaker (Mrs. Champagne): I said "Resuming debate". The Hon. Minister has been recognized for debate on the concurrence motion.

Mr. Lewis: Madam Speaker, we are presently debating my hon. friend's motion for concurrence in the report of the Standing Committee on Energy, Mines and Resources. I want to point out exactly how we got to that motion in the order of proceedings. During the time for Introduction of Private Members' Bills the Hon. House Leader of the NDP rose to introduce a Bill on the subject of nuclear energy. That is a very important issue. No matter which side of the issue you are on, the question of nuclear energy and whether it should be investigated is very important.

The usual request for the right to print the Bill was made, but that was denied by members of the NDP. Not members of the Liberal Party, not members of the Conservative Party, but members of the NDP denied it in order to trigger a vote which would delay proceedings of the House. When people read today's record they will find the motion to introduce that Bill was agreed to unanimously by Members of the House who came to vote. We then moved on after that delay to the motion of concurrence which my hon. friend spoke to at length.

What we are really talking about, though, is whether or not the NDP wants a 10-week holiday this summer or whether it wants to do the business of this House and the business of the Government.

Mr. Riis: On a point of order, Madam Speaker, I submit that imputing motives is not something the Chair normally tolerates. For the Minister to be suggesting that the NDP is even interested in a summer vacation when we have a free trade deal before the country is absolutely fallacious. We are prepared to sit here all summer if that is what it takes to stop the Government's introduction and passage of the trade legislation.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Algoma (Mr. Foster).

Mr. Foster: Madam Speaker, I am glad to have a chance to speak on the concurrence motion.

Some Hon. Members: Wait a minute!

The Acting Speaker (Mrs. Champagne): I thought the Hon. Member was rising on the point of order.

Mr. Waddell: He is in the middle of his speech.

Mr. Nystrom: You would never know it.

The Acting Speaker (Mrs. Champagne): The Hon. Minister has the floor.

Mr. Lewis: Madam Speaker, I appreciate your coming to my rescue like that.

Whether or not the NDP wants a 10-week holiday, I suggest that the purpose of this place is to debate issues and not delay them.

Mr. Riis: That is what we are doing.

Mr. Lewis: The Canadian taxpayers spend a great deal of money keeping this place open, and for the NDP to shut it down unnecessarily is absolutely irresponsible.

I want to lay a couple of quotes on my hon. friends with respect to the responsibilities of the minority and the rights of the majority. Too often my hon. friends are quick to refer to the tyranny of the majority, but there is also a certain tyranny in the minority not allowing duly-elected Members of the House to go about their business and do the business of the Government. I want to quote from *Hansard* as follows:

> Every democratic assembly recognizes that issues will arise from time to time which the minority in all conscience cannot accept, which the minority in order to be true to its values must oppose vigorously and never concede. This is right and proper. It is one of the bases on which rest our democratic institutions.

Mr. Langdon: I rise on a point of order, Madam Speaker. You suggested, as this speech began, that you would follow it and test it for relevance. It seems to me that what is being said has absolutely no relevance to the concurrence motion. If the Minister wishes to make a statement at some stage, he is quite able to do so. However, this has absolutely nothing to do with the motion which is before the House at the moment.

It seems to me that the further this speech goes, the further it diverges from the rules of this House with respect to relevance and direct reference to the subject before us.

The Acting Speaker (Mrs. Champagne): I am sure the Hon. Minister will make an effort to tie together the concurrence motion and the message he is obviously trying to convey to this House.

• (1230)

Mr. Lewis: Madam Speaker, I will certainly make the same effort to be relevant as have my hon. colleagues opposite. I will also give the same courtesies to them as they expect from all Members of the House with respect to speeches, interruptions, and relevancy.

I think the biggest problem is that they do not like what they are hearing. They do not like these quotations. One might ask how often free trade is referred to in this particular report of the committee. No one would accept more quickly than I strict enforcement of the rule of relevancy. I am prepared at any time, in any debate, to have the rule of relevancy enforced strictly. I put that on the record because it never comes from the NDP.

We are really talking about whether the majority will proceed to do the business of government or whether we will have a tyranny of the minority. In order to spare my hon. colleagues from any future embarrassment, because they do not like what we are reading into the record, we intend to eliminate the delay in the proceedings.

Mr. Riis: Another closure.

Mr. Lewis: We'll get to closure later. I want to point out just once more that we were sent here to govern, to respect the rights of the minorities, to keep this place open and do the work of the people of Canada. The NDP does not want to do the work of Canada so, therefore—

Mr. Riis: Point of order.

Mr. Lewis: I move:

That this House do now proceed to Orders of the Day.

The Acting Speaker (Mrs. Champagne): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the yeas have it.

And more than five Members having risen:

Call in the Members.

The House divided on the motion, which was agreed to on the following division:

(Division No. 381)

YEAS

Members

Andre	Epp (Provencher)	Hardey
Bernier	Fennell	Hnatyshyn
Blais	Ferland	Hockin
Blenkarn	Gormley	Johnson (Bonavista—Trinity—Conception)
Blouin	Gottselig	Kempling
Bourgault	Gray (Bonaventure—Îles-de-la-Madeleine)	King
Brisco	Greenaway	Ladouceur
Crofton	Grisé	Lanthier
Darling	Hamilton	Lewis
Desjardins	Marin	MacKay
Domm	Mazankowski	Oostrom
Duguay	McCain	Pennock
	McCrossan	Price
	McDermid	Redway
	McDougall (St. Paul's)	Reid
	McKenzie	Ricard
	McKnight	St. Germain
	Merrithew	Scowen
	Minaker	Siddon
	Mitges	Sparrow
		Stackhouse
		Stewart
		Taylor
		Towers
		Tupper
		Wilson (Etobicoke Centre)
		Winegard
		Wise—60

S. O. 21

NAYS

Members

Blaikie	Langdon	Riis
de Jong	Marchi	Tobin
Garneau	McCurdy	Waddell
Gauthier	Mitchell	Young—22
Grondin	Nystrom	
Heap	Orlikow	
Hovdebo	Ouellet	
Jewett	Penner	
Keeper	Pépin	

The Acting Speaker (Mrs. Champagne): I declare the motion carried.

It being after 1 p.m., I do now leave the chair until 2 p.m.

At 1.03 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

CANADIAN ALLIANCE FOR PEACE

LIBERAL PARTY'S PROGRAM—SIMILARITIES

Hon. André Ouellet (Papineau): Mr. Speaker, this morning, the Leader of the Liberal Party of Canada met the Canadian Peace Alliance, a coalition of over 400 organizations dedicated to peace across this country, which held its annual meeting on the weekend in Ottawa, under the theme: Vote for peace!

Of course, the Leader of the Opposition had a very constructive conversation with representatives of these peace organizations, in the course of which he recalled certain aspects of the Party's policy program, including the Party's rejection of the Mulroney Government's project to provide Canada's Armed Forces with a fleet of nuclear-powered submarines.

Second, the rejection of cruise missile testing in Canada, in view of the agreement signed by the United States and the Soviet Union, which will prohibit intermediate nuclear forces in Europe.

Third, the creation of a new international status for the Arctic by means of a multilateral treaty designed to stop the

militarization of the circumpolar region, a treaty that would include all Arctic powers.

And finally, a proposal that Canada again seek a seat on the UN Security Council, so that it will be able to make a durable contribution to resolving regional conflicts such as those in the Middle East, Central America and South East Asia.

* * *

[*English*]

ROYAL CANADIAN LEGION

TRIBUTE TO SERVICE FOR THE DISABLED AND THE HANDICAPPED

Mr. Joe Reid (St. Catharines): Mr. Speaker, the Royal Canadian Legion was built on service. Service for country was a qualification for membership.

Working closely with the Department of Veterans Affairs, the Royal Canadian Legion has given the veterans of Canada one of the best programs of support in the whole world.

Since World War II the emphasis has been on service, not for self, but service for the handicapped, the disabled, and dependants. Stories of the good works of branches across the country for their communities and the peoples who live within them are legion themselves.

I am sure all Members of the House will want to join in commending the Royal Canadian Legion for its continued commitment to our nation and to our country as it meets in national assembly here in Ottawa this week.

* * *

PEACE

CANADIAN PEACE ALLIANCE CONFERENCE

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, this morning many members of the New Democratic Party caucus, including the Leader (Mr. Broadbent), met with representatives of the Canadian Peace Alliance. Our meeting was, I can truly say, a gathering of friends.

The Peace Alliance has just completed a highly successful three-day conference in Ottawa. The conference was designed to make Members of this Chamber aware of the high priority which Canadians place upon the vital issues of peace and disarmament.

The Alliance, and Canadians generally, know that the New Democratic Party has always been and will continue to be committed to promoting international peace, security, and disarmament.

But it is obvious that the Conservative Government does not share that commitment. Its defence White Paper, laced in cold war rhetoric, betrays an allegiance to an outdated and confrontational outlook on the world. The Government's misguided and foolish decision to purchase a fleet of nuclear powered attack submarines serves only to affirm that belligerent philosophy.

Not surprisingly, the Prime Minister (Mr. Mulroney) could not find the time to meet with the Peace Alliance today. The Tories are too busy spending billions on tools of war to make time to talk of peace.

* * *

HOUSE OF COMMONS

PARTICIPATION BY MEMBERS IN QUESTION PERIOD

Mr. Alan Redway (York East): Mr. Speaker, Your Honour is well aware of the recent article in *The Globe and Mail* in which Mr. Jeffrey Simpson stated that in Britain government backbenchers get about one-third of the questions during Question Period, while in Canada they get one or two questions each day, in a House where Progressive Conservatives outnumber Liberals and New Democrats by roughly three to one.

According to the article, some of the most difficult questions for British Cabinet Ministers come from their own Party, while the opposition questions are usually predictable. Does that sound familiar, Mr. Speaker?

My question to you, Mr. Speaker, is a very simple one. When will Your Honour allow government Members more questions during Question Period? Supplementary, Mr. Speaker?

Mr. Speaker: The Hon. Member for Davenport.

* * *

ENVIRONMENTAL AFFAIRS

ST. LAWRENCE RIVER POLLUTION—MUNICIPAL SEWERS AND TREATMENT PLANTS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, belugas ahoy! Despite the Prime Minister's (Mr. Mulroney) announcement of federal money for research, the St. Lawrence River will hardly be cleaned up because to stop the pollution, municipal and industrial, taxpayers' dollars are needed to build and repair adequate sewers and treatment plants.

Instead, the federal Government has cancelled its sewage and water treatment program while the Prime Minister creates the impression of taking remedial action. The fact is that, if we want to save the St. Lawrence River, including the belugas and other wildlife, the Government must turn around its misplaced priorities. Instead of billions of dollars for nuclear submarines,

that money should go to provincial Governments and municipalities to rehabilitate and protect our waters. The Liberal Party is already committed to pay the federal share of such costs.

Those who want action to protect the St. Lawrence and the belugas must attack the Government and its misplaced priorities.

* * *

• (1405)

[*Translation*]

THE ENVIRONMENT

REDUCTION OF SULPHUR DIOXIDE EMISSIONS

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, on June 9, Noranda Minerals announced at a press conference that it was committed to reducing sulphur dioxide emissions from its Rouyn-Noranda Plant by 70 per cent, by 1995.

This is now feasible thanks to a new sulphuric acid plant that will use some of the most innovative and sophisticated technology known today. This is very good news, not only for the people of Rouyn—Noranda and Abitibi—Témiscamingue, who will be getting cleaner air, but for the entire country.

Noranda will thus be ahead of the deadline set by the federal Government, which provided for a reduction of 50 per cent by 1994. This commitment by industry reflects a new attitude and is entirely in line with the federal Government's decisions and policies on environmental concerns since 1984.

Mr. Speaker, when industry causes pollution, it must be condemned. When industry takes steps to fight pollution to improve our quality of life, it deserves to be commended.

* * *

THE LATE FRANCINE McKENZIE

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, the country has just lost a great Quebecer and a great Canadian, Francine McKenzie, who died last Friday. Ms. McKenzie was president of the Quebec Council on the Status of Women since 1984. She was a deeply committed feminist and showed great leadership on several issues affecting women.

In recent years, she did important consciousness-raising work and research on new reproductive technologies, which made it possible to take these issues out of the laboratories and into a public forum where women could speak.

There is no doubt that the work begun by Ms. McKenzie will continue in the Status of Women Council and women's groups. But her absence will be felt; she will be missed. I join my colleagues in the House of Commons in expressing my most sincere condolences to Ms. McKenzie's family.

* * *

[*English*]

ABORTION

CALL FOR LAW TO PROTECT UNBORN CHILDREN

Mr. Gordon Taylor (Bow River): Mr. Speaker, the abortion section of the Criminal Code that was struck down by the Supreme Court dealt with medical, psychological and health aspects to make it look respectable. The law ignored the fact that when a woman exercised the right to have an abortion, the rights of the unborn child were devalued.

With every right, there must be a responsibility. By opening the gates for unwanted pregnancies, the Parliament of Canada promoted the devaluation of all human life, and so no wonder more than 50,000 abortions occurred every year since.

Water will not cleanse our hands, we parliamentarians, if we permit these abortions legally to take place. A new law must protect every fetal stage of unborn children. Let us make sure as we approach the critical hour that one of the last vestiges of human respect, responsibility and freedom, are not lost.

* * *

ENVIRONMENTAL AFFAIRS

ACID RAIN—BRIEF PRESENTED BY RENFREW STUDENTS

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, the students of Our Lady of Fatima School in Renfrew, Ontario, have been studying environmental issues and have presented a brief to me and to the Hon. Member for Hamilton East (Ms. Copps). They have asked us to present their petition to the Prime Minister (Mr. Mulroney), and this is being done.

In their brief, the students state:

> Through our studies we have become aware of the main causes of acid rain. Acid rain is promoted by an unnecessary use of electricity and fossil fuels. Both coal and oil are used in each of these cases. Coal and oil both contain sulfur and nitrogen which when released into the air, combine with oxygen. In the clouds these pollutants undergo further changes forming acid rain.

The students continue:

> People might say we are just kids but we are not JUST kids, we are the adults of the future, we have rights TOO! We have the right to crystal clear water to drink and to swim in. We have the right to pure rain, and an acid rain free future. We also have the right to catch fish that are not deformed. We have the right to have a clean world as God meant it to be.

The students of Our Lady of Fatima School in Renfrew, Ontario, have asked me to impress upon the Prime Minister that he take their message seriously. May I respectfully request that he do so.

S. O. 21

DISARMAMENT

UNITED NATIONS GENERAL ASSEMBLY SPECIAL SESSION

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, today the General Assembly of the United Nations enters the third week of a special session on disarmament. It has received little attention but should have received much.

• (1410)

The need for arms control is one of the world's paramount needs when the world's annual budget for armaments is $1 trillion. The cost of human lives since the end of World War II has been 20 million killed in 81 localized wars. Some Governments in the Third World, like Ethiopia, prefer to use their slender resources to feed and arm their soldiers while people starve.

Escalation of arms acquisitions first by the Soviet Union, later by the United States, and then by the Third World, has destroyed many hopes that much could be done to turn this around. In recent times the Moscow Summit has given the world a new hope that the accelerating race to destruction can be halted.

We should not make the simple assumption that the surest way to peace is through disarmament alone. The history of past debates on disarmament shows the folly of thinking that there is any such magic wand.

We can believe that the time is coming when the increase of armed forces may be reduced and Governments can realize that being poised to destroy one another is not the only option open to them.

* * *

MARINE TRANSPORT

BRITISH COLUMBIA CRUISE SHIP INDUSTRY

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, consider the sad plight of the junior Minister of Transport from British Columbia, left on the sidelines in the dispute which has erupted on the West Coast over the threat posed by Bill C-52 to the passenger cruise industry in British Columbia.

Last Friday the Parliamentary Secretary to the real Minister of Transport (Mr. Thacker) gave this House a completely unqualified assurance that all problems have been resolved. He ignored comments of the President of the Treasury Board (Miss Carney) who admitted there is a problem but she would straighten it out with the Minister of Finance (Mr. Wilson). The junior Minister of Transport merely told the industry "Trust us".

However, the B.C. Chamber of Shipping which came to Ottawa today to meet with B.C. Members has a different opinion. It continues to be very worried about Bill C-52 because the Bill may jeopardize the cruise ship industry which brings $70 million in direct income to British Columbia. It wants amendments to the Bill.

I call on the Government to listen carefully to west coast representatives and review Bill C-52, and bring in possible amendments to preserve this vital west coast industry.

* * *

PRIVACY

GOVERNMENT'S INTENTION TO PHASE OUT USE OF SOCIAL INSURANCE NUMBERS

Mr. Bill Tupper (Nepean—Carleton): Mr. Speaker, the President of the Treasury Board (Miss Carney) responding to the report of the parliamentary Justice Committee and the concern of parliamentarians announced last week the Government's intention to restrict the use of the social insurance number in federal institutions. Over the next five years, the use of the social insurance number will be phased out and its use restricted to the administration of tax, pension and social benefit programs.

Many Canadians felt and feel threatened by the use of the social insurance number as a universal identifier, beyond the purpose for which it was originally intended. I am pleased the Government is taking steps to reverse this trend. The Consumers Association of Canada has hailed this Treasury Board decision as good for Canadians.

This Government cares about individual privacy. I hope that other levels of government and the private sector will follow our example and restrict the use of the social insurance number. Let us "SIN" no more!

* * *

INDIAN AFFAIRS

MILITARY CATERING CONTRACT DENIED TO KETTLE POINT BAND

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, the road to economic self-sufficiency is full of obstacles for Indian bands. An example is the experience of the Kettle Point Band in southwestern Ontario which has been trying for the past three years to win a food catering contract at the military base located near to it.

In 1985 the band established the Stoney Kettle Management Company and built up the necessary management and staff through government training programs and the local college. In 1985 and 1986 it lost the contracts because its bids were not the lowest. This year its bid was the lowest but it did not get the contract. Why, Sir? Because the criteria had suddenly and inexplicably changed. The band was told it did not meet the experience requirements.

Despite having successfully catered for numerous organizations over the past three years, and despite having bid $112,000 lower than the company which won the contract, the band was turned down. Is it any wonder that Indian people in Canada are cynical about the Government's commitment to Indian economic development?

* * *

ROYAL CANADIAN LEGION

ATTENDANCE OF LASALLE BRANCH AT ANNUAL CONVENTION

Mr. Claude Lanthier (LaSalle): Mr. Speaker, today here in Ottawa the Annual Convention of the Royal Canadian Legion begins. On this memorable occasion in the name of comrades of my legion Branch 212, I would like to pay highly deserved homage to our so competent Minister of Veterans Affairs (Mr. Hees).

Some Hon. Members: Hear, hear!

Mr. Lanthier: Needless to say, our glorious Branch 212 of LaSalle is pretty well represented at this convention by an important delegation, skilfully directed by its President, George Stundon, who is being helped by the experience of its past President, John Jamieson.

• (1415)

[*Translation*]

But in these days of happy memories, Mr. Speaker, let us not forget the supreme sacrifice of some and the high price paid by our veterans who were hospitalized as a result of the wars and international peace missions in which our peace-loving Canada was involved in this most troubled 20th century. *Je me souviens!* Lest we forget!

* * *

[*English*]

PORNOGRAPHY

SUPPORT FOR BILL C-54

Mr. John Oostrom (Willowdale): Mr. Speaker, pornography is a major cause of social, physical, and emotional problems in our society. It creates a totally distorted view of human sexuality and behaviour. In fact, it encourages deviation, abnormal behaviour in relationships, and promotes violence towards women and children. Women and children must be protected from individuals who promote this disgusting and warped view of human beings.

Bill C-54 provides the mechanism which will ensure that pornography, which is nothing but vicious anti-women propaganda, is eliminated. I urge the Government to bring Bill C-54 to second reading in order that this blight on our society may be dealt with.

ORAL QUESTION PERIOD

[*Translation*]

FREE TRADE

DAIRY PRODUCTS—TRADE AGREEMENT WITH UNITED STATES—APPARENT CONTRADICTION BETWEEN PRIME MINISTER AND MINISTER FOR INTERNATIONAL TRADE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Deputy Prime Minister. We all know that the Prime Minister is trying to buy the by-election in Lac-Saint-Jean. Today, the Prime Minister is visiting the riding. Apparently, he went to a dairy farm and talked about the high cost of this kind of operation. I find that incredible, Mr. Speaker, because we know that dairy producers have asked the Government of Canada to intervene to restrict milk imports from the United States, and the Government refused so as not to upset the Americans.

Today, the Hon. Member for Algoma received a letter from the Minister for International Trade who refused to act on the concerns of dairy producers because of this, and I quote:

> . . . the delicate situation this would create in the context of the process of approving the Canada-U.S. Free Trade Agreement.

Mr. Speaker, the Prime Minister told dairy producers that programs designed to help Canadian farmers would not be affected by the FTA, but this letter from the Minister for International Trade says the exact opposite.

How does the Deputy Prime Minister explain the contradiction between the Prime Minister's statements in Lac-Saint-Jean and the letter from his Minister for International Trade?

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I did not detect any contradiction in what was stated by either the Prime Minister or the Minister for International Trade. Certainly there would not be any confusion or any contradiction in the minds of the 45,000 dairy farmers in this country.

We told the dairy farmers, in fact we told supply managed producers on March 16, 1986, I believe it was, that we would negotiate a bilateral trade agreement with the U.S. and preserve supply management in Canada. This is exactly what we delivered. In fact, Section 7(10) of the FTA, consistent with Article 11, sets out that agreement and that protection for not only the dairy farmers of Canada, who are supply managed, but also the supply managed commodities in the feather industry.

[*Translation*]

MILK PRODUCERS-POSITION OF MINISTER FOR INTERNATIONAL TRADE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the interpretation of this article by the Minister of Agriculture is debatable. The *Union des producteurs agricoles du Québec* and other dairy producers have expressed their concerns about the volume of milk imports from the United States destined for Canadian consumption. The only reason the Minister for International Trade could give in this respect was that he was worried about the future of the trade agreement with the United States.

The Prime Minister and his colleagues have stated on many occasions that the trade agreement with the United States does not in any way affect Canadian farmers, but the Minister for International Trade is stating the exact opposite in his letter to my colleague, the Hon. Member for Algoma. Why the contradiction?

• (1420)

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, milk is not imported from the United States into Canada and, indeed, milk is not exported from Canada into the United States.

Mr. Orlikow: How about milk products?

Mr. Wise: I'll come to that. On March 16 we gave an indication that we would preserve the underpinnings necessary for the day to day operation of supply management. The commitment was that we would move the items about which the Hon. Member might be concerned, which are now on the tariff list, to the import-export list.

We gave that commitment on March 16, 1986. I stand to be corrected, but I believe it was the first part of January or the middle of January when I spoke to the annual meeting of the Dairy Farmers of Canada. At that time we had already passed the Order in Council which transferred all of the items which had been on the tariff list to the import-export list.

In addition to that we added a number of products which were not on the tariff list but for which the Dairy Farmers of Canada had been asking for 10 years. The previous Government had refused to do that. We also moved those items from the tariff list to the import-export list.

The Right Hon. Leader of the Opposition will know that we cannot do that unilaterally. GATT obligates us to notify all of our trading partners that we are in that process. We have done that.

The Right Hon. Leader of the Opposition should also realize that we have to negotiate import controls with our trading partners. Normally it is the average of the last five years minus the high or low year. That is exactly the process which we are in now.

FLUID MILK PRODUCERS' REQUEST

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Minister of Agriculture knows well that the fluid milk producers have been asking him and his Government for some relief and protection from the import of milk from the United States for Canadian consumption.

Now, in direct contradiction, in response to the Member for Algoma the Minister for International Trade said that he will not help Canadian dairy farmers because of—and I want to quote the words for the Minister in order that he will have them exactly from his colleague, the Minister for International Trade—"the sensitivity this issue would create in the context of the Canada-U.S.A. free trade agreement approval process".

The interests of Canadian dairy farmers are being held hostage to the approval process of the agreement. The Minister knows full well that a free trade arrangement between farmers in Canada, who have a four, five, or six-month growing season, is impossible with California, Georgia, Mississippi and Florida farmers who have a 12-month growing season. It is absolutely impossible.

Is that the same reason that the seasonal import protection was withdrawn from fruit producers in Canada and vegetable producers in Canada, and is that the reason we are going to have a five to seven-year negotiation period wherein every single agricultural program will be harmonized with those of the United States?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I think the hon. gentleman should check his facts. It might be in his interest to change his researcher because there is no doubt in my mind, in the mind of the Government, or in the minds of the dairy farmers of Canada that we are going to fulfil completely the commitments which were made on March 16 in placing those items on the tariff list onto to the import-export list.

• (1425)

The hon. gentleman can just sit back and relax because we will deliver to the dairy farmers of Canada exactly what we told them we would deliver on March 16.

Mr. Foster: Sell-out.

Mr. Wise: He should also check his facts again because the fluid milk producers of this country are not under federal jurisdiction. They are controlled by provincial milk marketing boards and provincial regulations.

Mr. Foster: Check the section.

Mr. Wise: Not one provincial milk marketing board has raised its concerns about the importation of American milk to this country because it does not come here and never has.

CANADA-UNITED STATES FREE TRADE AGREEMENT—DISPUTE SETTLEMENT MECHANISM

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, in the absence of the Minister for International Trade my question is directed to the Deputy Prime Minister. Two weeks ago I directed a question to the Minister of Trade about the statement by the chief legal counsel to the United States Trade Office suggesting that the whole dispute settlement mechanism would be unconstitutional under U.S. law. At that time the Minister said he was unconcerned about the matter, that it was a matter for the U.S. Government to deal with.

This weekend the chief spokesperson for the Canadian Government in the United States, the Ambassador to Washington, said in an interview with *The Wall Street Journal* that: "We would be profoundly concerned if the net result of U.S. legal constraints is that panel decisions cannot be implemented under U.S. law". The Ambassador is admitting that the whole dispute settlement mechanism is under question in terms of the U.S. legislation.

In those circumstances, does the Deputy Prime Minister not consider it foolhardy to ask this Parliament to proceed with legislation to implement the free trade Bill when the keystone of that Bill, the dispute settlement mechanism, itself cannot be implemented by reason of the U.S. Constitution? Should not the Deputy Prime Minister, as Government House Leader, simply decide to withdraw the Bill until those profound concerns raised by the Ambassador to Washington are answered?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, once again the Hon. Member is making definitive statements about the free trade agreement, saying that the binational dispute settlement mechanism is unconstitutional. It is in his mind that it is unconstitutional. I know that he does not have a background in law so perhaps we can understand why he comes up with some of those statements.

An Hon. Member: Neither do you.

Mr. McDermid: Two countries are presently implementing legislation. We are implementing ours according to the free trade agreement that was signed with the United States. We expect the United States to implement the free trade agreement within their legislation as well. That is what we are watching very carefully.

The free trade agreement does not become a *fait accompli* until the exchange of letters between the President and the Prime Minister takes place. That will take place after the free trade agreement is in legislation in both countries and abides by the letter of that agreement.

Mr. Axworthy: I apologize to the Hon. Member. I did not know he had the same law degree from the same institution as the Secretary of State for External Affairs.

Some Hon. Members: Oh, oh!

REQUEST THAT IMPLEMENTING LEGISLATION BE WITHDRAWN

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, the Hon. Member does not understand that the Canadian Ambassador to Washington has said explicitly that the Government has profound concerns that the whole dispute settlement mechanism cannot be implemented.

The Government is running across the country saying that it is the key to solving the problem while the Americans are saying they are not even sure they can bring it forward and make it constitutional. Therefore, is it not proper and wise either to send Mr. Burney back to do more negotiation, withdraw the Bill in the meantime, and not ask Canadians and Canadian parliamentarians to sign a blank cheque or pass a law that cannot be implemented here because the Americans cannot fulfil their part of the bargain? It takes two to tango.

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, we know what the Hon. Member's son Stephen thinks of his speeches by the picture in the Ottawa *Citizen* today. He expresses it very clearly on behalf of the Canadian people.

• (1430)

In the Hon. Member's preamble to his question I think there are two things that should be pointed out. The Ambassador said Canada "would" have concerns "if". Those are very, very big "ifs" and "would have concerns". Certainly we would have concerns about it if we could not implement it, but there has been very little discussion of that in the United States. We fully expect the Americans to put into legislation the spirit and the agreement we reached on the free trade agreement.

* * *

PEACE

CANADIAN PEACE ALLIANCE CONFERENCE

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is directed to the Minister of National Defence. The Minister will know that the Canadian Peace Alliance, a group that represents over 450 groups from Canada concerned with issues of peace and disarmament, is meeting in Ottawa this weekend. I understand the Minister agreed at the last minute this morning to meet with representatives of the group, but up until this morning the group was under the impression that no one they had requested to meet with them from the Government was going to meet with them.

Why this reluctance on the part of the Minister and on the part of the Government to consult with and meet with this very important Canadian organization?

Hon. Perrin Beatty (Minister of National Defence): Mr. Speaker, far from me being reluctant to meet with them, I

came back to Ottawa, in part to be able to meet with them, and I was glad to be able to do that.

Some Hon. Members: Hear, hear!

Mr. Beatty: The Hon. Member will know, for example, that the Canadian Peace Alliance put out a letter on Friday attacking the Secretary of State for External Affairs for not being here in Ottawa to meet with it. The Secretary of State for External Affairs has been addressing UNSSOD-III at the United Nations. I suppose he could have cancelled that if that is what the New Democratic Party would like, and stayed here, but we thought it was important that he should undertake Canada's obligations to promote peace internationally.

Mr. Blaikie: The Secretary of State for External Affairs, unlike the Prime Minister, does have a good reason for not being here.

PRIME MINISTER'S RESPONSIBILITIES

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I would like to ask the Deputy Prime Minister why the Prime Minister chose to put the sinking political fate of his friend, Mr. Bouchard, over his responsibilities as Prime Minister—

Mr. Andre: Order!

Some Hon. Members: Order!

Mr. Blaikie: —to be here in Ottawa and meet with the Canadian Peace Alliance?

Mr. Lewis: Where is Eddie?

An Hon. Member: Quit playing to the gallery.

Mr. Blaikie: I am asking a question, Mr. Speaker—

Some Hon. Members: Order!

An Hon. Member: Where is Broadbent?

Mr. Speaker: The Hon. Member.

Mr. Blaikie: I obviously touched a nerve there, Mr. Speaker.

My Leader, the Hon. Member for Oshawa, was there this morning to meet with the Canadian Peace Alliance. Why did the Prime Minister choose not to be here when he very well could have been here to meet with this group that is concerned about peace and disarmament?

Mr. Speaker: The Hon. Member is again doing exactly what created the disorder and I would ask him to not do it because there is a rule here, it is an old one going back decades, that we do not make comment as to why another Hon. Member is not in the Chamber. It only leads to other Members calling out that other Members are not in the Chamber. I would ask the Hon. Member to rephrase his question.

Mr. Blaikie: Mr. Speaker, my question is not about the Prime Minister's presence or absence in the Chamber—

Some Hon. Members: Sit down!

Mr. Fennell: Order!

Mr. Andre: Order!

Mr. Blaikie: It is about his responsibilities as Prime Minister to meet with groups outside the Chamber. That is what I am talking about, and that is in order, and that is what I want an answer to.

Hon. Perrin Beatty (Minister of National Defence): Mr. Speaker, this really is an example of low comedy on the part of the New Democratic Party when it goes through those sorts of shenanigans. The Associate Minister and I were delighted to have a chance to meet with the Canadian Peace Alliance. We have consistently met with representatives of the peace movement in Canada and will continue to do so.

I am pleased as well to say that at the present time in Ottawa we have another important convention taking place at the Royal Canadian Legion with people who also have a vital interest in Canada's peace and security.

GOVERNMENT POSITION

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, the Minister of National Defence wants to give us the impression the Government has gone out of its way to communicate with these groups. The fact remains that The Group of 78, VANA, the World Federalists of Canada and others have been writing to the Secretary of State for External Affairs for months trying to get an idea of what he might be saying on behalf of Canada at UNSSOD-III today. They have yet to hear back from the Governmemt. I want to ask the Minister of National Defence why it is that the Government in its actions today and in its actions leading up to today, with the Minister speaking at UNSSOD-III, refused even to answer the letters written to the Government to ask what the Canadian position is on a variety of these issues?

Hon. Perrin Beatty (Minister of National Defence): Mr. Speaker, the position of the Government throughout with respect to arms control and with respect to defence has been made public. What the public is entitled to have now is a clear statement from the New Democratic Party about what its policies are.

Mr. Blackburn (Brant): They have it.

Mr. Beatty: Would they build a third batch of frigates and conventionally powered submarines—

Mr. Blackburn (Brant): They have it.

Mr. Blaikie: Answer the question!

Mr. Beatty: —which would cost more than the Government's proposals? Or would they gut the defence program and give the money to social spending?

Mr. Blackburn (Brant): What are you so worried about?

Mr. Beatty: That is why the NDP is the no defence Party of Canada.

Mr. Riis: He may be a little paranoid.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF HEAD OF SWAMINARAYAN HINDU MISSION

Mr. Speaker: I wish to draw to the attention of Members the presence in the gallery of Pramukh Swami Maharaj, head of the Swaminarayan Hindu Mission.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

PUBLIC WORKS

ALLEGATIONS OF CORRUPTION—QUERY WHETHER PRIME MINISTER RECEIVED REPORT FROM ROYAL CANADIAN MOUNTED POLICE

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Deputy Prime Minister. Last week, the Official Opposition raised the matter of the allegations made by Mr. Kealey with respect to the Member for Joliette. In reply, the Minister of Supply and Services said that he could not comment because the Royal Canadian Mounted Police was investigating the matter. However, on the weekend, the Prime Minister qualified those allegations as being unfounded. My question for the Deputy Prime Minister is this: Did the Prime Minister receive a report from the RCMP on the matter and if not, how could he claim the allegations were unfounded?

[*English*]

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, the suggestion has been made repeatedly in this House that someone has some information about someone doing something wrong. No one has ventured that opinion outside this Chamber.

Mr. Guilbault (Saint-Jacques): You have changed your tune.

Mr. McInnes: If indeed the Hon. Member has some information that might assist the Government and the RCMP, would he be good enough to let us have that information? It would be very helpful.

Mr. Guilbault (Saint-Jacques): You have changed your tune.

STATEMENT ATTRIBUTED TO PRIME MINISTER

Hon. Bob Kaplan (York Centre): Mr. Speaker, I have news for the Minister. We are beyond that. On June 8 the Minister of Supply and Services said the matter was under investigation and that he could not comment on it. If that was the case, why did the Prime Minister comment on it and say that as far as he was concerned the accusations were without foundation? If there is an inquiry under way, will the Prime Minister withdraw his characterization of these accusations as without foundation, at least until the RCMP finishes the investigation that the Government itself says is under way?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, one assumption the Prime Minister has made, and I think all Members of this House should do the same, is that everyone is presumed innocent until proven otherwise.

I wish to affirm the fact that the RCMP are seized of this matter. I wish also to let the Hon. Member know that the gentleman, Mr. Kealey, was in my office concerning MICOT a good number of months ago and at no time was there any suggestion of impropriety on behalf of anyone in this Government.

* * *

[*Translation*]

AIR CANADA

PRIVATIZATION—BILINGUALISM—POSITION OF DEPUTY PRIME MINISTER

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Deputy Prime Minister and concerns his statement last week that the Government was prepared to consider amendments to its bill that would water down Air Canada's obligation to remain bilingual. This answer reminds me of the "*Gens de l'air*" issue and the national crisis it touched off ten years ago. Will it be possible for French-speaking employees of Air Canada to continue working in French at Air Canada if the Corporation is privatized or will only Air Canada customers be entitled to bilingual service?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, last Friday I was responding to a question posed by the Hon. Member for Ottawa—Vanier who expressed some concerns with respect to this. I said in light of the circumstances, clearly the place for this to be raised would be during the committee's consideration of the Bill, and I think he was quite satisfied with that and I stand by it.

[*Translation*]

MAINTENANCE OF AIR CANADA'S BILINGUAL CHARACTER—GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a supplementary.

Bill C-129 states very clearly in clause 10, and I quote: "That the Official Languages Act applies to Air Canada." That is clear and precise.

The Government should have a policy . . . Will the Government make a commitment to maintain this clause in its entirety and unchanged, without amendments that might undermine its commitment to Air Canada's bilingualism or reduce its scope? Is the Government prepared to maintain that principle? Yes or no?

• (1440)

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Member is right. The Bill is very clear. I do not know why that would prevent the committee from hearing representations by Air Canada or anyone else. Why is the Hon. Member so opposed to democracy in this country?

* * *

[*Translation*]

ECONOMIC COUNCIL OF CANADA

POSSIBLE RELOCATION

Mr. Jean-Robert Gauthier: (Ottawa—Vanier): Mr. Speaker, I have a question to ask the Deputy Prime Minister about moving the Economic Council of Canada.

In a letter that he wrote to me recently, the Prime Minister told me that the Economic Council of Canada, which has been in Vanier for 20 years, would soon move to downtown Ottawa. This move will cost $750,000 and according to the Prime Minister, it is essential.

The Prime Minister told me in his letter that the move was to enable the Council to work very close to other federal agencies located in the heart of Ottawa.

Mr. Speaker, Vanier is a kilometre from here, six or seven minutes if you hurry a little . . . I would like to know from the Prime Minister how we can be closer to the action than we are in Vanier. And can he tell us the real reasons for the move, or is the Government ashamed to be in Vanier?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, that is a question which would more appropriately be addressed to the President of the Treasury Board. I will look into it and get back to the Hon. Member as soon as I can.

REASONS FOR PROPOSED RELOCATION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, it is the Prime Minister who is responsible for the Economic Council of Canada.

When I spoke about the cost of $750,000 to move the Economic Council of Canada from Vanier to downtown Ottawa which is the objective—and which is but one kilometre away, or six minutes—I was asking the Deputy Prime Minister what kind of reasoning can be invoked other than the false and untrue ones that have been stated in the letter with respect to it wanting to come closer to MPs, Senators, and House committees. Come on, can it tell us the real reason?

What will the Government do if this thing does not fly? Will it again change its mind? I hope it will. Will it save the money, take the $750,000 and spend it on other priorities such as housing for battered women or perhaps day care? What is wrong with Vanier? Leave it there, it is all right.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I appreciate the vigour with which the Hon. Member makes the representation. I said that I will look into it and get back to him.

* * *

HOUSING

SITUATION IN TORONTO—DEDUCTIBLE MORTGAGE INTEREST TAX PROPOSAL

Mr. Alan Redway (York East): Mr. Speaker, my question is directed to the Minister of Finance. The Minister is well aware that in the present severe housing crisis in the Metro Toronto area less than 4 per cent of tenants can afford to buy a house. He is well aware as well that in the past our Party has advocated a system of mortgage interest tax deductibility in order to encourage home ownership.

Will the Minister consider instituting a similar type of program to allow residential housing tax deductibility for first-time home owners, and institute a system either on a national basis or targeted for areas such as Metropolitan Toronto, targeted in the same way that the Minister has targeted other programs such as the northern allowance?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member has expressed concerns before on what is a very difficult question, the question of the cost of housing in Metropolitan Toronto. We are aware of that particular problem.

Again, in this particular instance we appreciate the thought that he has given to proposals for us to consider. In this case as well the focus on the particular option that he has chosen

makes it very difficult to implement into places like Metropolitan Toronto.

In response to his question on whether we should introduce something such as mortgage deductibility, we have taken steps in tax reform to lower the whole level of tax rates. The reduction in tax rates will provide a much broader incentive for people right across the country.

* * *

HEALTH

NATIONAL NATIVE ADVISORY COMMITTEE ON ALCOHOL AND DRUG ABUSE

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is addressed to the Minister of National Health and Welfare. Will the Minister confirm that he has dissolved the National Native Advisory Committee on Alcohol and Drug Abuse? Will he explain why, in view of the seriousness of alcohol and other substance abuse among natives, and the need to have native input into bringing about solutions, he has taken this action?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I do not believe the premise on which the Hon. Member bases his question is correct.

ASSISTANT DEPUTY MINISTER'S LETTER

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, I have a letter in my hand addressed to Mr. Roger Augustine, signed by Mr. J. D. Nicholson who is Assistant Deputy Minister, which states that everything will be wound up by December 31, 1988. Perhaps the Minister is not in charge.

Therefore I would ask him to ask questions of his Deputy Minister to find out what is going on in Health and Welfare.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, we know what is going on in Health and Welfare. We also know what is going on in terms of NNADAP, the drug and alcohol abuse program. What I tell the Hon. Member is that in terms of the amount of money that we are spending in NNADAP obviously that will continue. However, we also want to get from NNADAP some re-evaluation. In some cases we now have facilities where our costs per bed are running extremely high. I think we can get more cost efficiency and in fact more people supported in drug and alcohol abuse programs than some of the infrastructure costs that we are facing.

[*Translation*]

CANADIAN ALLIANCE FOR PEACE

REQUEST THAT CRUISE MISSILE TESTING ON CANADIAN SOIL BE ENDED

Hon. André Ouellet (Papineau): Mr. Speaker, I would like to ask the Deputy Prime Minister to answer some questions that were put this morning to the Leader of the Opposition at a meeting he had with the Canadian Peace Alliance. People representing the Alliance, which brings together nearly 400 organizations, were here and they complained to the Leader of the Opposition that they did not get pertinent answers to the questions they raised with the Government.

I therefore take this opportunity to ask the Deputy Prime Minister . . .

[*English*]

In view of the U.S.A.-U.S.S.R. agreement banning intermediate-range nuclear forces in Europe, is the Deputy Prime Minister now in a position to declare that Cruise missile testing in Canada will no longer be accepted?

Hon. Perrin Beatty (Minister of National Defence): Mr. Speaker, as the Hon. Member should know, the INF agreement between the Soviet Union and the United States, which was a result of the two-track decision taken by NATO, deals only with the issue of ground-launch Cruise missiles. Submarine-launch and air-launch Cruise missiles are not covered by the agreement. Our hope would be to have them covered under the START talks. Those talks are still going on.

At the present time we continue to find Soviet long-range bombers approaching the Canadian air defence identification zone. The purpose of those long-range bombers is to carry the air-launch Cruise missile. The air-launch Cruise missile continues to be a threat to Canada's security.

It is appropriate that Canada should continue to test an unarmed guidance system of an air-launch Cruise missile in Canada.

INTERNATIONAL VERIFICATION AGENCY—CANADIAN POSITION

Hon. André Ouellet (Papineau): Mr. Speaker, my supplementary question is this. The Hon. Minister should know that there is currently taking place at the United Nations discussions which are very important concerning disarmament. Why is Canada not ready to accept the proposal that has been put forward which is now under discussion to have an international verification agency come under the auspices of the United Nations? Why is Canada not ready to accept this? Certainly such an agency would be absolutely essential to monitor disarmament, and certainly to monitor a treaty such as the INF.

Hon. Perrin Beatty (Minister of National Defence): Mr. Speaker, the Secretary of State for External Affairs is currently at the United Nations at UNSSOD III. He will be

coming back to the House, and he will be pleased to go into considerable detail on any of the proposals made by Canada.

Suffice it to say that across the board our position has been, first, to press for cuts in terms of nuclear and conventional weapons and, second, to press for regimes of verification and control which would ensure that those treaties are met.

* * *

CORPORATE AFFAIRS

MASSEY COMBINES—CLEVELAND COMPANY'S PURCHASE OFFER

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is for the Deputy Prime Minister. It concerns the receivership of Massey Combines. It came to my attention over the weekend that a bid by Park Corporation of Cleveland, Ohio, to buy out Massey Combines in Brantford and run it as a self-contained agricultural implement manufacturing company was turned down by the receiver, Peat Marwick, in favour of a developer who will sell it off piecemeal.

• (1450)

In view of the fact that the federal Government and the provincial Government of Ontario have already put $200 million of taxpayers' money into that bail-out, in view of the fact that there are 2,000 jobs at stake in Brantford, and in view of the fact that rotary combine technology was built by Canadian taxpayers here in Canada, is the Government going to sit back and allow Massey Combines to be taken over by a developer and sold off piecemeal when there is a corporation in Cleveland, Ohio, that will buy it and keep it operating in Brantford?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, this offer was referred to over the weekend by the Canadian Auto Workers. At this moment we are not in possession of the specifics of the offer. We are looking into it and we are quite prepared to follow through. The Government is certainly interested in retaining not only the jobs, but also the technology here in Canada. I have instructed my officials to follow through on the matter. As soon as we have some additional details or additional news, I will be very happy to give my hon. colleague the benefit of that information.

REQUEST THAT GOVERNMENT INTERVENE TO ENSURE ACCEPTANCE

Mr. Derek Blackburn (Brant): Mr. Speaker, my supplementary question to the Minister is the following. Will he give the House an undertaking that if that offer to purchase by the company in Cleveland, Ohio, guarantees that Massey Combines Corporation will continue in Brantford to manufacture farm implements, the federal Government will intervene to make certain that that bid is accepted in the interests not only of jobs, but of the company, and the $200 million that has gone into bailing out Massey Combines?

Will the Government intervene to make certain that that company buys it?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, if the receiver receives an offer that ensures that the technology and jobs are maintained in Canada, I believe that that will meet the test of net benefit to Canada under the Investment Canada Act.

I am happy to see the support that I am receiving from my hon. colleague for this piece of legislation that might, once again in this case, ensure future jobs and maintain technology in Canada, in Brantford.

* * *

HOUSING

SITUATION IN TORONTO—REAL ESTATE SPECULATION TAX PROPOSAL

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, my question is directed to the Minister of Finance. In the early 1970s the Davis Government ended a runaway inflation of real estate prices in Ontario by imposing a land speculation tax.

Since flipping residential property, often before a purchase has been closed, is a factor in the average house prices in Metro Toronto soaring from $200,000 in February to $233,000 now, will the Government consider incorporating a real estate speculation tax into the income tax system as a way of cooling this market off?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I appreciate the suggestion of the Hon. Member, and certainly I will take that as a representation. The Hon. Member is clearly demonstrating concerns that others have had about the level of house prices in Metropolitan Toronto.

I might observe to him that, if there is any degree of excessive "flipping" of houses, to use his word, that type of activity could be treated as income rather than capital gain for tax purposes, and certainly the tax liability of the individual doing this type of thing might be quite a bit higher than is anticipated.

LEVEL OF GOVERNMENT FUNDING FOR HOUSING

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is addressed to the Minister responsible for housing. We have watched the Government give away money in the past weeks in this time of by-election and pre-election campaigning. What about the groups the Government has forgotten? I speak of low-income households, the homeless, and the near homeless.

My question is the following. Why has the Government systematically failed to address the Canadian housing problem? Why did it cut back funding to the CMHC from 1984 to 1987? Is it because people too busy seeking housing for their children are not vocal enough?

When will the Government make it a priority to provide access to adequate housing for all Canadians?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, I might note, as I have indicated several times in the past few weeks, that the total amount of the budget, $1.6 billion, is now directed toward those most in need.

In co-operation with the provinces, we have been able to help 40 per cent more of those who come within this particular core area, compared to the previous Government.

[*Translation*]

ESTABLISHMENT OF SECOND TIER HOUSING PROGRAM—GOVERNMENT POSITION

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my supplementary is directed to the same Minister. Last week, the Minister of national Health and Welfare and the Minister responsible for the status of women allocated funds to create short-term shelters for battered wives. Considering the serious housing problem, would the Conservative Government be prepared to set up a program for second-stage housing for battered wives who have left their husbands and are looking for a place to live with their children?

[*English*]

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, first, by way of general reply, I might indicate that last Friday I spoke to the Canadian Co-operative Housing Association and indicated that we were changing our policy to accommodate 50 per cent of people in co-ops who receive a rent supplement.

Second, with respect to battered women, as a result of the Government's initiative and the $40 million announced last week, $22 million going to CMHC, 25,000 people who fall into this particular category will receive help.

We will monitor the progress of this program over the next four years, and that will dictate what else might have to be done.

* * *

REVENUE CANADA

RELOCATION OF WORKERS—TAX TREATMENT OF COUNSELLING FEES

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is directed to the Minister of National Revenue. A recent Revenue Canada interpretation bulletin states that fees paid by an employer to a consultant to provide counselling to employees who retire or who are discharged will be treated as a taxable benefit.

Given the promise that the Prime Minister has made that workers dislocated by the trade agreement will receive assistance in relocating, does this new Revenue Canada policy mean that this promised assistance will now be considered as a taxable benefit?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, to my knowledge, traditionally funds paid to assist people in retraining have been taxable income. If there is some variation, I will be glad to report to my hon. friend.

It seems to me that counselling services *per se*, unless they can be linked to the pursuit of income, would not be taxable, but I will have to check and see exactly what are the implications.

MEANING OF INTERPRETATION BULLETIN

Mr. Simon de Jong (Regina East): Mr. Speaker, my supplementary question is directed to the same Minister. My understanding is that in the interpretation bulletin only if a company hires outside consultants will it be deemed a taxable benefit, and not if it is done in-house. That again is a difference in department policy.

Does this not discriminate against outside consultants whether they are financial consultants or career consultants? Does this mean that if the Government of Canada through Manpower provides consultation to those workers who will be dislocated that that service will be considered as a taxable expense?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, what is considered a taxable expense, or what is considered as income can be, as my friend knows, a very subjective thing.

I will have to check. I undertake to him to check and give a more informed answer at the earliest opportunity.

* * *

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—WATER RESOURCES

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in the absence of the Minister for International Trade, my question is directed to the Deputy Prime Minister.

Considering the importance of water as a natural resource, why is water not excluded from the trade deal with the United States as it is in relation to beer, unprocessed fish, and lumber?

Can we have an answer to that, Mr. Speaker?

Ways and Means

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, in answer to the Hon. Member's question, I have read David Crane's fifty-sixth article written on free trade against free trade. We know that David is attempting to become editor emeritus of *The Toronto Star*, and therefore he is following its philosophy.

• (1500)

There is nothing in the free trade agreement that obligates Canada to sell water to the United States. There is nothing in the free trade agreement that obligates Canada to approve projects for the diversion of Canadian water for export. As a matter of fact, I might point out that in the free trade agreement there is mention made, for tariff purposes, of mineral water. This, I might add by the way, is standard GATT practice. There are no greater obligations in the free trade agreement than those which have existed under GATT for the last 40 years.

GOVERNMENT POSITION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, if the Parliamentary Secretary took the trouble to read articles in the *Star*, he might also take the trouble to read the content of his own trade deal. He would then realize that his Government took the trouble to exempt certain products and certain substances from this particular trade deal.

Is the Government unwilling to include water in the deal so that it is explicitly spelled out as a natural resource that is not included in the deal itself? Why is the Government not willing to spell it out?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I guess if it is not mentioned in the free trade agreement, then it is part of the free trade agreement, according to the philosophy of the Hon. Member. That just does not hold true.

My colleague, the Minister of the Environment, explained very clearly in November the water policy of this Government. There is nothing in the free trade agreement that changes that policy in any way, shape or form.

* * *

WAYS AND MEANS

TABLING OF NOTICE OF MOTION

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, pursuant to the provisions of Standing Order 84(1), I have the honour to lay upon the Table copies of a Ways and Means motion to amend the Income Tax Act, and pursuant to the provisions of Standing Order 84(2), I ask that an Order of the Day be designated for the consideration of the said motion.

GOVERNMENT ORDERS

[*English*]

HOUSE OF COMMONS

MOTION TO EXTEND HOURS OF SITTING—MR. SPEAKER'S RULING

Mr. Speaker: On June 7, 1988, the Hon. Member for Kamloops—Shuswap (Mr. Riis) rose on a point of order relating to Government Business No. 26 on the Order Paper. The item of business deals with the Government's proposal to suspend certain Standing Orders and to provide for the sitting of the House until September 9, 1988, without the usual summer recess. He specifically complained that the Government should be required to give notice under Motions under Routine Proceedings rather than under Government Notices of Motions.

When Government Order No. 26 was called on June 9 and June 10 last, the Hon. Member for Windsor West (Mr. Gray) rose to object to the procedural acceptability of the motion. His argument was principally that the Government, in proceeding this way, was abusing the principle of majority rule and oppressing the minority Parties in the House. He asked the Speaker to intervene in his role as the protector of the minority and to use the powers vested in the Chair by virtue of Standing Order 1. He also argued that if this motion is allowed to be proposed, the Government could use the precedent in future and possibly do away with committee hearings, second reading debates on Bills and even votes on Bills.

The Hon. Member for Windsor West was supported in that argument by the Hon. Member for Kamloops—Shuswap. Several other Hon. Members, in particular the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie), appealed to the Chair to save the parliamentary calendar which was the fruit of the labours of two important reform committees: the Lefebvre Committee and the McGrath Committee.

[*Translation*]

The Hon. Members for Ottawa—Vanier (Mr. Gauthier), for Saint-Jacques (Mr. Guilbault) and for Saint-Denis (Mr. Prud'homme) stated that the Government could in fact call back the House during the summer under Standing Order 5, but they said that it should not be empowered to do so by a simple motion. Several other Hon. Members took part in the discussions on the procedural acceptability of this motion and I am grateful to them for their valuable contribution to this debate.

[*English*]

The Chair will address the major points in the following order:

1) Was it proper for the Government to give notice under Government Notices of Motions?

2) Can the Government initiate a motion to suspend the provisions of the Standing Orders?

3) Does such a motion, if in order, require unanimous consent or simply a majority decision of the House?

4) If the motion is in order according to precedence, has the recent parliamentary reform changed our practice fundamentally and rendered prior precedents inapplicable?

Before attempting to answer those basic issues, I believe it would be useful to remind Hon. Members and the public of the specific effect of this government motion if it is adopted by the House. I should also reassure Hon. Members that its passage would not throw out the rule book, nor would it destroy the major recent reforms. It would, however, most definitely affect many Standing Orders from the period of its adoption to September 9, 1988. This motion would clearly suspend:

a) Standing Order 4 which provides for a parliamentary calendar;

b) Paragraph 1 of Standing Order 9 would be suspended and the adjournment of the House on Mondays, Tuesdays and Thursdays would take place at 10 p.m.;

c) Standing Order 66 relating to the adjournment debate or "Late Show" would also be suspended until September 9;

d) Standing Order 10 which provides for an extended sitting motion would also be ineffective.

[*Translation*]

Those are the only Standing Orders that this motion proposes to suspend. Nevertheless, the motion provides that only Government Orders will be debated in sittings after 6 p.m.

[*English*]

However, other provisions for the daily business such as Statements by Members, Question Period, Routine Proceedings and Private Members' Business remain unaffected. In the opinion of the Chair, none of the traditional debating procedures would be curtailed and indeed more debating time is provided for.

The Chair will now address the first issue, that is, was it proper for the Government to give notice under Government Notices of Motions.

On June 7, 1988, the Hon. Member for Kamloops—Shuswap argued that the item filed on the *Notice Paper* under the heading Government Notices of Motions dealing with the extension of the sittings of the House of Commons was incorrectly placed and that it should have appeared under the heading Motions. He pointed out that since 1955, all motions dealing with an extension of the sittings of the House have been filed under the heading Motions and not Government Notices of Motions. This, he stated, was because the issue dealt with the business of the House and not the business of the Government.

This issue poses several problems for the Chair. I should first underline that the Standing Orders of the House are silent on interpreting which items should appear under Motions and which items should appear under Government Notices of Motions. The Chair must give some consideration to what types of motions can be filed under these headings.

Can a distinction be made between those types of motions placed under Motions and those under Government Notices of Motions based solely upon their content? I would suggest it cannot.

For example, in this current session, there are eight instances where the House made decisions regarding the Standing Orders under Motions by unanimous consent. However, on June 3, 1987, when the Provisional Standing Orders were further amended and made permanent, arguably the most significant decision on the Standing Orders made this session, this was accomplished after two days' debate on a motion which was called under Government Business. On June 2, the opposition Parties registered their dissatisfaction that the Government chose to proceed unilaterally with amending the rules, but no procedural objection was made to the fact that this was done under Government Orders and not Motions.

These instances reveal the fact that the Standing Orders have often been and perhaps usually are amended under Motions. However, the Government has also proceeded under Government Orders.

The question then becomes, what is the distinction between a Government Notice of Motion and a motion? I would suggest a Government Notice of Motion is any motion that the Government gives notice of. In other words, a Government Notice of Motion is not based on the content of the motion, but rather upon the mover. In many cases, therefore, a notice of motion could go under more than one heading and it is up to the Minister giving notice to decide which heading should be chosen. Clearly a Government Notice of Motion can only be moved by the Government, but the Government can choose to place it either under Motions or under Government Notices of Motion.

• (1510)

This concept is borne out in a ruling on May 16, 1985, by Speaker Bosley. He was called upon to rule on whether a time allocation motion had to be moved under Motions during Routine Proceedings or whether it could be placed under Government Notices of Motion and then transferred to Government Orders.

His decision was that it could be proceeded with in either way and that the choice was up to the Minister moving it.

[*Translation*]

The Standing Orders do not define what is to be in a motion or notice of motion from the Government. In view of Speaker Bosley's decision, which I have already quoted, I must therefore say that when there is no distinction, the Minister may choose under what heading he wishes to place his motion. I am, however, unable to support the Hon. Member for

Kamloops—Shuswap (Mr. Riis), who says that this motion was entered in the wrong place in the Order Paper.

[*English*]

The second question to be addressed is: Can the Government initiate a motion to suspend the provisions of the Standing Orders?

In order to answer that question, we should initially look to the Canadian authorities.

First, the current Canadian House of Commons Standing Orders in Section 56, paragraph (1), subparagraph (o) have at least envisaged the concept of the suspension of the rules. That subparagraph declares that motions for the suspension of the Standing Orders are debatable motions. There is no specific direction as to how such motions are to be decided but such a motion is clearly subject to the provisions relating to notice, debate and amendment.

Second, Citation 21 of Beauchesne's Fifth Edition refers to the rules of procedure generally:

> The most fundamental privilege of the House of the whole is to establish rules of procedure for itself and to enforce them. A few rules are laid down in the British North America Act, but the vast majority are resolutions of the House which may be added to, amended, or repealed at the discretion of the House. It follows, therefore, that the House may dispense with the application of any of these rules by unanimous consent on any occasion, or, by motion, may suspend their operation for a specified length of time.

Citation 9 of Beauchesne's Fifth Edition gives further precision by stating:

> All rules are passed by the House by a simple majority and are altered, added to, or removed in the same way—

Beauchesne's Fourth Edition amplifies more specifically on the Standing Orders by stating in Citation 10:

> Standing Orders may be suspended for a particular case without prejudice to their continued validity, for the House possesses the inherent power to destroy the self-imposed barriers and fetters of its own regulations. It may even pass an order prescribing a course of procedure inconsistent with the Standing Orders. A motion for such temporary suspension requires notice—but in urgent cases the notice can be waived—Any alteration in the regular procedure may be made effective by force of a simple resolution. This is one of the characteristics of British procedure and it has contributed in no small degree to the elasticity of our parliamentary system.

Furthermore, there are several precedents of such occurrences in the Canadian House found in the Journals for March 16, 1883, June 1, 1898, April 8, 1948, April 24, 1961, and May 14, 1964. Clearly then both the authorities and our practices allow for our Standing Orders to be suspended or amended by motion on notice.

The Speaker was urged by many Members to rule on this matter by using Standing Order 1 and referring to traditional parliamentary practice in other jurisdictions, if applicable.

The Hon. Parliamentary Secretary to the Government House Leader (Mr. Hawkes) has already referred to the British practice, and the citation on page 212 of May's Twentieth Edition is worthy of repetition:

> Standing Orders are not safeguarded by any special procedure against amendment, repeal or suspension, whether explicitly or by an Order contrary to their purport. Ordinary notice only is requisite for the necessary motion; and some Standing Orders have included arrangements for the suspension of their own provisions by a bare vote, without amendment or debate.

The Chair has also looked to the Australian practice as commented on by J.A. Pettifer in *House of Representatives Practice*. It is clear the Australian House does deal with such motions on a regular basis. Its Standing Orders specifically provide for the suspension of a Standing Order on notice. Such motions are debatable, amendable and require only the majority of votes cast to be adopted. The Chair is reluctant to use this practice as a convincing authority because it is supported in Australia by a specific Standing Order. Reference to the Australian practice does, however, demonstrate that suspension of the Standing Orders is not foreign to other Houses in the Commonwealth.

Therefore, in answer to the second question, the Chair is bound by the Canadian practice on the precedents cited earlier, and I must rule that the Government is acting within the rules when it files notice of a motion to suspend certain Standing Orders, and such motions pursuant to Standing Order 56 (1) are debatable, amendable, and votable.

I should now like to address the next question: Does such a motion require the unanimous consent of the House or a simple majority decision?

There is no doubt in anyone's mind that the House can amend or suspend its rules by unanimous consent. That is a given.

A review of our present Standing Orders reveals that they are, unlike those in the Australian House, totally silent on the manner of suspension. The practice reported by the Journals of the House reveals at least one specific case which was challenged and was ruled on by the Speaker. On March 16, 1883 the Chair "decided that it was perfectly competent on notice having been duly given, as in the presence case, for the majority of the House to suspend the rule". I refer to Journals, page 128 for March 16, 1883.

I am conscious of the fact that some Members may feel that that particular ruling may be "dated", but I would argue it is a very important one. It is one thing to find a series of precedents where the House did something and to demonstrate thereby evidence of an established practice, but a proceeding supported by a Speaker's decision must stand as firm guidance to future chair occupants unless the rules specifically relating to that subject are altered or events subsequent to it change its nature. I have been unable to find any other guidance or event that would alter my view of that ruling by Speaker Kirkpatrick in 1883. I must, therefore, rule that a motion, duly before the House, to suspend a Standing Order requires a simple majority decision by the House.

I will now address the last question: Has the recent parliamentary reform changed our practice fundamentally and rendered prior precedents inapplicable?

The Hon. Members for Winnipeg—Birds Hill (Mr. Blaikie), for Saint-Jacques (Mr. Guilbault), for Saint-Denis (Mr. Prud'homme) and for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) have all eloquently argued that the Government motion would undo years of difficult negotiations by two special committees. The Hon. Member for Kamloops—Shuswap has claimed that "we are at a crossroads". With respect to the calendar, the Lefebvre Committee in its third report, which was concurred in by the House, stated in part:

> Your committee is of the opinion that a parliamentary session should be planned on the basis of three annual sitting periods which should ensure a reasonable certainty as to the dates and duration of the periods during which the House would sit.

Consequently, the calendar was inserted into Standing Order 4. The Hon. Member for Calgary West has indicated that the House has sat during two of those summer adjournments. These sittings, however, were the result of an application to the Speaker under the terms of Standing Order 5 and not as a result of a motion similar to the one presently on the Order Paper.

As some Members have suggested, the Speaker must take into account not only the letter of the rules but also their spirit. In addition, as I have said before in previous rulings, the Chair should also rely on that most basic rule of all, that of common sense.

To those Hon. Members who have asked me to reject the Government's motion on the basis that it is the "tyranny of the majority", I should like to point to them the possible consequences of accepting their advice.

If a Speaker rules that the Standing Orders could only be suspended or changed by the unanimous consent of the House, the situation could arise where the House would be in jeopardy of becoming procedurally the hostage of a single Member. Indeed, one Member, and one Member alone, could prevent any future procedural reform by withholding his or her consent. For example, one Member could prevent the House from adjourning in the month of May even if all other 281 Members preferred to adjourn prior to June 30.

The unique flexibility of the British parliamentary system, a flexibility which has allowed for adaptations to an infinite variety of circumstances, would be jeopardized. Clearly that is undesirable.

The Chair, however, is very supportive of the parliamentary calendar as brought forward by the Lefebvre Committee. I believe it has been responsible for bringing order to our proceedings and has encouraged and fostered negotiation and compromise between the Parties in the days leading up to the automatic adjournments. Without that co-operation and constant negotiation and compromise, our system of government ceases to operate smoothly. If the Chair were to support the view that only consent can modify the calendar, I would be establishing a precedent that would not only refute our practice and precedents to date but would make further reform almost unachievable and it would certainly be far more difficult to achieve the kinds of hallmark amendments brought forward in 1982 and 1985. The motion of the Hon. Minister of State (Mr. Lewis) was therefore properly before the House.

• (1520)

I want to add one thing. There is an old saying that I may have referred to before, that hard cases make bad law. There was in this case a very natural temptation for the Speaker to try to find some way to uphold the continuance of the calendar. I have to advise regretfully those who argued so strenuously for that course of action, that I think that would have been a case of hard cases making bad law and I had to come down on the side of where I think the procedural law stands. As a consequence, it is accordingly my duty to propose the question.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)) moves:

> That, notwithstanding any Standing Order or practice of the House, from the day of adoption of this motion and until no later than Friday, September 9, 1988, the House will meet on the days and at the times specified in Standing Order 3, but not on August 1;
>
> That, during such period, the Speaker shall adjourn the House on Mondays, Tuesdays and Thursdays at 10.00 o'clock p.m., and on Wednesdays at 6.00 o'clock p.m., and on Fridays at 3.00 o'clock p.m., and that the provisions of Standing Order 66 relating to the adjournment proceedings shall be suspended;
>
> That, during such period, the Standing Order respecting the daily mid-day interruption of business on Mondays, Tuesdays and Thursdays shall not be suspended;
>
> That, at 6.00 o'clock p.m. on Mondays, Tuesdays and Thursdays, or at the conclusion of Private Members' Business, the House shall proceed to "Government Orders" pursuant to Standing Order 22;
>
> That, following the adoption of this motion, no motion under Standing Order 10(1) shall be receivable; and
>
> That this special order shall not apply on any allotted days designated in the supply period ending June 30, 1988.

He said: Mr. Speaker, I want to start my remarks by saying that we appreciate the scope of your judgment and the comments therein. I think it fair to say that we especially appreciate that in following this course of action the Government must pay heed to the parliamentary calendar and not change same without having a very reasoned argument for doing so. I am pleased to put forward the Government's comments with respect to the extension of the hours and of the sitting to allow for greater participation by Members to complete the outstanding work before the House in as short a time as possible.

As you suggested, the House has a calendar which sets forth the days, the weeks, and the months when it will sit. The natural question is: Why the change? How does the Government support the change in the calendar and thus this motion? I want to give you briefly, if I may, some six reasons, and elaborate on them, as to why we want to change the calendar.

The first is that we have an agenda as a Government which has been well thought out and which we believe is in the interests of the country.

The second is the amount of time and effort that all Members of the House, both in government and in opposition, have invested in legislation presently on the Order Paper at either committee stage, second reading or report stage.

The third reason is the importance of certain issues before the House and country which could not be foreseen when we laid out our agenda.

The fourth is the importance of the free trade initiative.

The fifth is the tactics of the Senate.

The sixth is the inflammatory comments and the delaying tactics of the Opposition.

First is our agenda. When we took office as a Government we decided to make some changes in accordance with the mandate given to us as a majority Government by the Canadian people. We sought to do and we sought to undo. We instituted a simplified approach to employment so that we could raise employment. We slashed spending. We slashed the deficit. We reduced the Public Service by some 15,000 people, mainly by attrition. We privatized Crown corporations. We enacted tougher laws dealing with prostitution, impaired driving, and the environment. We undid the National Energy Program which so unfairly crippled western Canada.

The list goes on and on. We deliberately set difficult goals for ourselves as a Government and we make no apologies for being ambitious because we believe Canada needs legislatures with ambition for their country.

This Parliament, the 33rd Parliament, has been one of the most productive in history to date. By coincidence, the 1974-1979 Parliament, which sat for 54 months, and the 1980-1984 Parliament, which sat for 51 months, both passed 177 Bills. This Parliament has passed 204 Bills in 44 months. In other words, if you deal with just the raw numbers, this Parliament has been 15 per cent more productive to date than previous Parliaments although it sat for much less time.

Mr. Guilbault (Saint-Jacques): Then why sit in the summer?

Mr. Lewis: I reiterate, we make no apologies for being ambitious as a Government.

Let us look at the amount of time and effort invested by Members of the House on all sides in the legislation currently before us. We wish to send the following legislation at the very least on to the Senate for consideration. We have Bills with respect to national parks, the proceeds of crime, the Official Languages Act, lobbyists' registration, the very important multiculturalism Bill, the privatization of Eldorado, or divestiture at any rate, amendments to the Canada Labour Code and the privatization of Air Canada. As well, we want to complete the reply to the Senate with respect to the amendments to the immigration Bill and the emergency refugee legislation.

The debate on those Bills has been spirited. We passed them at second reading. We have heard witnesses. There have been amendments in committee. There are amendments at report stage. I suggest we would all be remiss in our duty if we did not see that as much as possible of this legislation goes through to the conclusion of third reading and on to the Senate prior to the conclusion of this sitting. We suggest we owe that duty not only to Members of Parliament but to the witnesses and the people who sent us here.

The third item I referred to was those items which could not be foreseen when we laid out our agenda. I refer specifically to two things. First, the decision by the Supreme Court of Canada to declare the abortion law, which had been in existence since 1969, unconstitutional. The second matter was the Senate's decision to suggest amendments to the Meech Lake Accord, which requires the House to debate the matter for a second time and resolve once again the House's position. We feel it is our duty as elected representatives to debate those two items before we rise.

Fourth, we have the importance of the free trade initiative. The House knows, the country knows, that on January 2 the Prime Minister (Mr. Mulroney) signed an historic free trade agreement with the U.S. Legislation to implement that agreement had to be drafted and drafted properly. It had to be proceeded with at an appropriate time. We set about to draft that legislation, and whether or not Members opposite are in favour of the initiative, I think they would agree that, having taken that initiative, they would want that Bill to be drafted properly and as closely as possible to implement what was agreed between the parties. That is the issue before the House on Bill C-130. Does that Bill properly implement the agreement?

We believe the product is sound. My colleagues opposite disagree. That is fair. That is what democracy is all about, debating the issue, and we want to complete second reading of that legislation before we rise for the summer.

• (1530)

The fifth item to which I referred was the Senate. In completing our legislative agenda we have a further complication with which to deal, that is, the Senate. From 1980 to 1984 the Senate never had a sober second thought, at least not one that came back to the House of Commons. It was only in this Parliament that I and Members who were elected with me in 1979 found out how the reply from the Senate worked because it started to send legislation back to us for reconsideration. That never happened during the two previous long Parliaments when the sober second thoughts were presumably being delivered in another manner.

As well, the Senate discontinued what I respectfully suggest was a very useful procedure, that is, the prestudy of Bills. When the Conservatives came into government the Liberal dominated Senate suddenly decided not to prestudy Bills. Fortunately it has prestudied parts of the free trade issue and I

commend it for that, but I seriously ask why, if it wants to be part of this legislative process at the start, it did not continue that practice.

This very day on the Order Paper is consideration again by vote, at six o'clock, on the amendments to the Immigration Act. Also on the Order Paper, to follow up this particular motion, which we hope will go quickly, is the House's reply to the Senate's amendments to Bill C-84. I suggest to you, Madam Speaker, that our agenda has been disrupted by these very deliberate tactics of the Liberal dominated Senate.

Finally, we have to deal with the position of the Opposition with respect to the free trade legislation. I respect their position. I do not agree with it, but I respect their ability to take it and to put it forward. However, I question whether that opposition should be by way of delay rather than by debate.

I can recite a series of comments by the Opposition with respect to what it is going to do with the free trade legislation. To build the case I will quote the Leader of the New Democratic Party (Mr. Broadbent) who said that his Party will try to stall passage of the Bill in the hope that public opinion or controversy within the Cabinet will force the Government to do the right thing.

The Hon. Member for Winnipeg said "The real war is just beginning". The Hon. Member for Essex—Windsor (Mr. Langdon) said:

> Inevitably the government will cut off debate by invoking closure. But the Bill won't get out of the House of Commons until October, at the earliest.
>
> The goal is not to stop the legislation cold, the goal is to force the government to pay such a high price that they eventually have got to see the logic of going for an election.

That is delay, that is not debate. Here is another quote from the same Member:

> Our strategy is to try to slow down as much as possible the process of consideration of the Bill.

The strategy is not to win it by debate but to slow down the process of consideration.

There was a request for five days debate and the responsible comment of the House Leader of the New Democratic Party was: "Obviously we said no to that". The House Leader for the Liberal Party said: "We will fight the Government every step of the way".

When those comments are made we have to respond. We are prepared to debate and decide and the Opposition is prepared to delay and delay. When Canadians ask what the difference is between the Progressive Conservatives and the Liberals and New Democrats, that is the answer. We are prepared to debate and decide and the Opposition's only comment is to delay and delay.

When the House changed the rules in 1969 the Standing Orders were substantially revised by a motion before the House. That complete revamping of the rules took place by closure, closure, closure. That is what the Party which is now arguing against closure did.

I want to read some quotes from some eminent personages—and I submit that these will bear scrutiny, that I am not taking them out of context—not with respect so much to closure but with respect to the rights of the minority. Here is a comment from Prime Minister Trudeau:

> Every democratic assembly recognizes that issues will arise from time to time which the minority in all conscience cannot accept, which the minority in order to be true to its values must oppose vigorously and never concede. That is right and proper. It's one of the basis on which rests our democratic institution. But in a democracy the ballot box, not the filibuster, is the ultimate and appropriate technique of assessment as to the actions of the Opposition.

Mr. MacEachen said:

> One cannot run a parliament without an ultimate sanction to prevent a minority preventing the majority from getting their way.

An excerpt from a book called *Majority Rule* by Elaine Spitz says:

> In all electoral systems, what counts is open competitiveness and the consequent equal opportunity to make each vote count equally. Any organization of voting procedures that provides all with an equal opportunity to be heard in some significant way at some point in the process satisfies democratic principles.

Those are quotes from learned authorities. I looked for editorial comment and found the following from the Victoria *Times-Colonist* in the issue of May 26, 1988. It refers to the stalling tactics of the Opposition and says:

> It's not good enough for the Opposition parties to justify such tactics on the grounds that the Mulroney government is selling off our sovereignty. No Canadian is naive enough to think that there won't be a downside to a free trade pact, but many believe the potential benefits far outweigh the disadvantages. The Grits and the NDP have yet to counter that argument convincingly, to say specifically what they would offer in place of free trade. Surely that is their opportunity and their constructive role in the weeks ahead.
>
> If they just continue to play games they can expect scant public sympathy when the government finally invokes closure—in order to meet the Jan. 1, 1989 deadline for passing enabling legislation.

I submit that the Opposition has, quite rightfully, brought to the attention of the public its opposition to the free trade legislation. However, we do not believe that by extending the sittings, thereby extending the opportunity to debate that, we are in any way infringing on the responsibilities of the Opposition. We are giving them that opportunity.

That is the situation in which we find ourselves. We are an ambitious Government with a plan which has been well organized and is well under way. We are coping with unscheduled events and a planned and deliberate obstruction by a bragging Opposition and an appointed and anointed Liberal Senate.

The solution was two-fold. Number one, we put the motion on the Order Paper which allows us to complete our agenda. Number two, we wrote to the opposition Parties to see what could reasonably be completed before the House rose. I make no apologies, Madam Speaker. We included a very long list in writing the Opposition. I call it a "kitchen sink letter" and it was a kitchen sink letter. Everything but the kitchen sink was in the letter.

The reply from the Liberal Party was very constructive. I have said that outside the House and say that on the record. My colleague, the Member for Windsor West (Mr. Gray), delivered a very detailed and responsible response on behalf of the Liberal Party well in advance of the requested deadline. There are some differences of opinion, but we have an excellent starting point for negotiations.

By comparison, the response from the New Democratic Party was not what I had expected from a responsible Opposition. There was little or no effort to address the items on the Order Paper and I do not think it was responsible in any way whatsoever.

I therefore wrote another letter to the House Leader for the Liberal Party and sent a copy to the House Leader of the New Democratic Party. I cut down our list of legislation considerably by taking into account the legislation the Liberal Party said could be passed. Naturally, I added some five items which were not on the list of the Liberal Party. However, we got closer.

• (1540)

I went on to say that there may be certain items tabled in the near future on which we could make progress but it depends on negotiations between the Ministers and their spokespersons. In other words, since it is in the letter that has been made public, I state quite bluntly that it is up to Ministers and the spokespersons to work on items which are not on the Order Paper if they want to make progress.

Let me return to the free trade debate. It has been incorrectly suggested that we were prepared to allow five days only. While I did say five days, they were extended hours on Monday, Tuesday and Thursday which would result in some 27 hours of debating time, or nine days. I did not make any restriction to only five days, because if we are going to invoke closure or time allocation as the debate progresses, we will have to ask whether one more day or two more days after four days of debate will be sufficient.

The problem with negotiation in this business is that there must be a counter offer. There has been no counter offer on the free trade debate. There has been no suggestion that five days is not enough and the Opposition needs six. There has been no suggestion that they do not like the late hours on Thursday night and would rather sit late on Wednesday night. There has been no counter offer.

I went so far as to say that we would waive the eight hours rule so that after eight hours of debate on the substance and principle at second reading all speeches could be 20 minutes with 10 minutes for questions and comments. I suggested that we would waive that for the five days. There was no response. By the way, we are back to the eight-hour rule and thereafter every speech is 10 minutes.

I suggest to you, Madam Speaker, that we are open for this debate. I also suggest that while this is not a threat, all Canadians will be looking to the free trade debate to see whether the Opposition wants to debate or delay during those days when it is called. In other words, Canadians will not call the exhibition of this morning, which was blown on procedural votes, a debate on free trade. They will call that delay. I suggest it will be difficult for the New Democratic Party, which pulled those stunts this morning, not the Liberal Party, to sustain that practice.

That is where we stand on this issue. I have laid out the reasons why the Government is taking this action. We are not trying to abuse the parliamentary calendar. It calls for a 10 week recess. We are prepared to work into that recess. While we are very close to coming together with the Liberal Party on this question, if the Opposition Parties speak against this motion as I expect they may, I want them to explain to Canadians exactly how they disagree with our proposition.

We are prepared and always have been prepared to discuss this matter. We do not expect the extension of this sitting to be protracted. I have suggested and I am still convinced that with the co-operation and the spirit of debate that our colleagues opposite want on the free trade agreement, we may well be able to finish what we are required to do by July 15 or even earlier.

In conclusion, I invite once again a serious review of our comments by the New Democratic Party in order that we may come together with the Liberal Party and settle this in the way that the people of Canada expect, that is as duly elected representatives with the interests of all their constituents at heart.

Mr. Jacques Guilbault (Saint-Jacques): Madam Speaker, first let me say that we respect the judgment and the ruling of the Chair. While we are not happy that this motion has been declared allowable, it is out of respect for the Chair and for the rules of this institution that we have no choice and will enter debate on this motion. I think the Chair already knows our position with regard to the acceptability of the motion.

I know that the Minister of State (Mr. Lewis), the Deputy Government House Leader, has done his best to establish that what the Government is doing by introducing this motion is not an abuse of the rules of the House and an abuse of the Government's strength. The House will understand that I will be arguing just the opposite.

During the last election the Government promised to reform this place in order to allow the ordinary Member of Parliament a better say in what is done and in the decisions that are made. It is passing strange that the Government would come in with a steamroller and force the Opposition into a corner by using the might of its big majority to get its will.

Early in this Parliament when the Government tried to make people believe that it was fulfilling its election promise to reform the House, it appointed a committee on House reform chaired by the then Hon. Member for St. John's East, Mr. McGrath.

[*Translation*]

Mr. McGrath, now Lieutenant Governor of Newfoundland, was given the mandate to reform the rules of the House and especially to try to give backbenchers a more important role.

So today we find ourselves in the situation where the Government is moving a motion that begins with the infamous words:

> That, notwithstanding any Standing Order or practice of the House . . .

This is what Parliamentary reform means to the Conservative Party: to propose measures that begin by saying the Standing Orders do not apply.

If that is the reform the Government had in mind, it does not amount to much, really.

[*English*]

If the Minister of State wanted to make a good case, he should not have spoken. I will review what he has said just to prove my assertion.

At the conclusion of his speech he said that he does not believe the sitting this summer will be protracted and that in his opinion, everything might be finished by July 15. Why is there this blackmail to force the Opposition into thinking that we will have to sit until September 9 if it appears not to be true? Why state September 9 in the motion if the Minister sincerely believes everything will be finished by July 15? That is my first argument. If the Government wants to make a good case, it should ask the Minister to stay in his seat and not say anything.

The Minister began his speech by bragging that the Government has passed more legislation than previous Governments. Moments later, out of the other side of his mouth, he accused the Opposition of stalling tactics. That is a strange picture he is trying to paint for the Canadian public. We are supposedly stalling the business of the House, yet he likes to brag that the Government has passed more legislation than any previous government. I ask the House to try to reconcile that because I have had difficulty doing so myself.

The Minister told us about all the time invested by Members of Parliament into the various pieces of legislation. He has argued that some of these items must be completed. He fails to realize that the Government will have ample time to complete its program. If you believe that you will be canvassing in your riding during the summer, Madam Speaker, I suggest that will not happen because a government that is third in the polls will not call an election this summer. There will be ample time to sit in the fall and ample time to sit next spring before the Government can recuperate some of the support it needs to call an election. As as matter of fact, it would never call an election if it depended upon how Canadians feel about the Government. It will try to hang on forever. Fortunately, our Constitution puts an end to the term of any government after five years and the people of Canada will finish the job by putting an end to this Government.

The Government argues that it does not have enough time to complete the business in which it has so much time invested.

[*Translation*]

They will have time, Madam Speaker, they have at least another year until the Prime Minister (Mr. Mulroney) has the courage to call an election.

• (1550)

[*English*]

You will forgive me, Madam Speaker, if I spend too much time destroying the arguments of the Government House Leader. I have more things to say in reacting to what he said, but I am going to try to go quickly through his arguments and then give my own arguments. The Government House Leader talks about the importance of certain matters that could not be foreseen. All of a sudden, according to his argument, he wakes up one morning to a whole new set of circumstances he could not foresee and he has to react to it. For example, he talks about the Supreme Court decision to strike down the sections of the Criminal Code with respect to abortion. I know, of course, that the Government could not foresee that the Supreme Court would do that, but I will tell you, Madam Speaker, what I could not foresee and what no one in the country could foresee, and that is the reaction of the Government. It decided to shy away from the issue and present three options to the House of Commons. In that way, the ordinary back-bencher would not decide on legislation but would give the Government a sort of feeling of what the House thinks so that the Government can be taken off the hook and will not have to deal head on with that issue before the next election.

The Government on the hustings would also be able to say: "We had a debate on abortion in the House of Commons". That is what it is trying to do without making a decision and without bringing forward a Bill. The Government wants to negotiate. It is a very thorny issue if the Government wants to negotiate with the Opposition a Bill which is likely to receive support from all sides of the House. We are willing to talk, but we do not want the farce of bringing a three-headed monster into the House of Commons for the Government to hide behind so it can go on the hustings during the election campaign and say: "We dealt with that issue in the House of Commons", without making a decision. We were not able to foresee that the Government would do that.

The Government House Leader is now saying that the Government could not foresee having so little time for the free trade legislation. Well, the Government is late, and I will get into that. It will be part of my main speech. I want to show how late the Government is in bringing forward many of the items in the House of Commons and then trying to make everyone believe that it is because of the Opposition that it has to sit during the summer. I will demonstrate in a moment how the Government has dragged its feet on a number of items

which it is now dropping on the Order Paper at the last minute. We would have to sit during the nights as well as the evenings during the summer to deal with all this legislation. It is hard enough for us to try to co-operate with such a Government but we cannot be in its offices doing its planning, God forbid.

I contend that the Minister of State had better not defend his case. He had better ask someone else to do it. The Government has had almost four years to pass its agenda through the House of Commons. There are several—and I will list them later—important pieces of legislation that the Government has delayed before bringing them to the House of Commons. Everyone in the country is now asking how come they are not yet passed. Everyone understands that between June 13 and the end of June, there is no possibility of passing all these items through the House of Commons, even if the Opposition was crazy enough to agree with all of the material, and we strongly disagree with some of these items.

A Government that cannot manage its business properly does not deserve to run the country. It deserves to be defeated in the next election, and this is exactly what will happen to this Government. The Government has a huge and distorted majority and it is trying to make the people of Canada believe that such a huge majority is powerless against what the Minister for International Trade (Mr. Crosbie) would probably call us if he had the floor, a miniscule Opposition. We are a very small Opposition. Can the people of Canada believe that a handful of opposition Member can stop the Government, which has an unprecedented majority, to pass its legislation through the House of Commons? No one in the public would believe that. If it is true, the public must believe that we are facing a Government which is like the giant with clay feet.

[*Translation*]

A giant with feet of clay, a huge, apparently powerful giant that is unable to get its program passed because of a small handful of Opposition Members.

[*English*]

What can be more phoney than a Government telling us that it will sit all summer, and that is what the motion says, and then for the Minister to say he only needs until July 15? The Government proposes that we sit all summer and then denies the Opposition more than five days to discuss what is probably the most important piece of legislation ever introduced on the floor of the House of Commons since 1867, our first Parliament. I am talking, of course, of Bill C-130, the free trade legislation, which will affect the lives of us all. The Government tells us it needs the whole summer to discuss the business of the country, but it will only give us five days to discuss the most important piece of legislation that has ever been introduced in this House. It is ridiculous for the Government to try to have it both ways. I never thought government Members opposite would have the gall to try to get us to swallow that.

[*Translation*]

It will certainly take some swallowing, this story that we will be expected to sit all summer for two months, while we will only get five days of debate on the most important Bill this Government and many preceding governments ever tabled in the House of Commons.

Madam Speaker, what are the Government's motives for keeping the Opposition in the House all summer? I wondered about this last night at home, and I said to myself: They must have something in mind. I was watching tv and I saw the Prime Minister campaigning while he was in the riding of Joliette in fact today, he is in Alma, trying to salvage Mr. Bouchard's campaign, the Conservative candidate whose campaign is not doing well at all in Lac-Saint-Jean and then I thought I understood.

The Prime Minister may have this diabolical plan which is to spend the whole summer on a preliminary election campaign across the country, while his travelling expenses are still paid for by the taxpayers. He is acting in his capacity of Prime Minister, so the Conservative Party doesn't pay for the plane ticket which it would otherwise do in an election campaign. And in that case, travel expenses would be limited by the Canada Elections Act. For the time being, it doesn't cost the Conservative Party a cent for the Prime Minister to do some campaigning and distribute goodies across Canada. If we look at the Prime Minister's schedule, he is going from region to region, handing out big chunks of money, nearly $1 billion so far in terms of regional development for Quebec. And don't tell me that has no connection with the upcoming by-election!

So the concept is simple. It is to keep the Opposition in the House of Commons during the summer. The Government only needs one-third of the Conservative Caucus to maintain a majority in the House, and meanwhile, the election campaign can follow its course across the country, while the Opposition parties are stuck in the House of Commons. The taxpayers are paying for the Conservative election campaign, since they absorb the travelling expenses of the Prime Minister and his entourage, as well as the cost of the goodies the Prime Minister distributes at every stop and every airport. Maybe that is the idea!

[*English*]

The Government is doing it the wrong way this year. Last year, the Government played on the Canadian public its biggest hoax by saying there was an urgency in discussing Bills C-55 and C-84, the Immigration and Refugee Determination Bills. That was supposed to be a matter of great urgency. The Government wanted to sit in the summer, and it did. However, it did it the right way. It looked at the Standing Orders and it did not say, "notwithstanding any standing order". It did not say that. It used Standing Order 5, which I will not have to read to the Chair, which simply states that when the Government feels there is an emergency situation it can go to the Chair. The Government submits its reasons and the Chair makes a judgment.

• (1600)

That is exactly what Mr. Speaker did last summer. Mr. Speaker looked at the arguments presented by the Government. Mr. Speaker believed—I do not know if he would still believe it today—that there was a matter of sufficient urgency that he call the Members back. He interrupted the recess on August 10 and we started sitting again. We discussed these two Bills which, by the way, have not yet passed.

The Government did it the right way last summer. Why not do it the right way this summer? I will tell you why, Madam Speaker. It is because this summer, with the kind of phoney arguments that I have just demolished a few minutes ago, the arguments of the Minister, the Government dare not go to the Chair and ask the Speaker for permission to sit in the summer because it knows that it would be refused. If members of the Government were sure that their request would be accepted, it would be much easier than trying to circumvent the rules. That is the reason they are not doing it the right way this year.

If I were a Tory perhaps I would rather spend the summer in this place. First, some of the offices are air-conditioned. From what I hear in the ridings that I visit over the weekends, if I were a Tory I would not be too fond of going back to my riding. I know what the people are saying when they are talking about the Tory Party. They prefer to be sitting here in the safety of their seats in the House of Commons where no one can kick them in the shins. Pages and all the Officers of the House of Commons are very polite people, they do not kick them. But when they go back to their ridings I know the kind of hell they get from their electors. Maybe the reason they want to spend the summer here is that they dare not spend the summer in their ridings.

I would now like to review some of the items that we have before us in terms of legislation. Let us see if the Government is sincere when it says that it needs the summer to complete his agenda. For example, there is a very much needed amendment to the National Housing Act. We advised the Government that we were ready to co-operate with respect to this measure. On February 12 the Government introduced legislation with respect to this matter. It is one thing to introduce a piece of legislation and an entirely different thing to bring it up for debate and to pass it in the House. My question is what has the Government done since February 12 with respect to the National Housing Act? Will the Government blame the Opposition? No. It has not brought it forward for debate. It is on the Order Paper but it does not move it ahead.

Do you want something more interesting, Madam Speaker? On February 24 with great fanfare the Government tabled conflict of interest legislation. It was supposed to protect the Government and the people of Canada from dishonesty in government. The Government took a big PR move by introducing it. I know that you follow the business of the House very closely, Madam Speaker. Can you tell me one day after February 24 when Your Honour has seen this measure debated in the House? Of course you cannot because there has been no debate.

[*Translation*]

Was the conflict of interest legislation tabled by the Government on February 24 just a public relations stunt, to give Canadians the impression that stricter legislation would stop Conservative ministers from putting the Government in an awkward position? Was it supposed to make Canadians believe stricter legislation would mean fewer violations? All I can say is that since then, the Bill was not brought back to the House for debate, and it wasn't the Opposition that prevented them from doing so. And this is one of the Government's priorities before the next election. Too bad. Until they bring the Bill before the House for debate, I can't pass it. Tabling the Bill is not my prerogative nor is it my Party's prerogative.

Take Bill C-93, for instance. The multiculturalism Bill was reported back to the House from committee on May 19. That was almost a month ago. The Bill would pass the House of Commons easily, but here again, the Government has not brought the Bill back for debate.

Another Bill, Bill C-82, was reported back to the House by its Legislative Committee. It is another piece of legislation that deals with honesty and openness in government. This was the Bill on lobbying, a Bill that met with no opposition or filibustering—another cornerstone of the Government's "squeaky clean" campaign. I wonder what Mr. Clean is thinking up in Lac-Saint-Jean, the man who was appointed to be the watchdog of the Government's integrity and who has now finally realized .. he may not be required to listen to what we are saying here in the House, but I am sure someone is going to report that I said the lobby Bill does not seem to be a priority for the Government. Just as, since February 24, conflict of interest legislation does not seem to have been a priority.

Take tax reform. They will say it is important for the House to sit all summer because it has to pass the tax reform Bill which has a high priority. If it has such a high priority, Madam Speaker, it should be brought before the House. Today is June 13, and the Bill first appeared on the Order Paper—I checked this morning—on June 10. That was last Friday which is certainly not that long ago. That has not been brought up for debate yet. They simply gave notice because they realize that they look stupid; people say that they are not serious about tax reform. So they put a notice in the Order Paper, but we have not had five minutes of debate on it. They would have us believe that it is our fault for all the items I have listed for you. They cannot blame the Opposition—they are the ones who are not moving to start the debate on those items.

On abortion, on May 20, they tabled the ridiculous three-headed monster, with three options, in the Order Paper. But despite that, they did not begin the debate. That was almost a month ago.

As for Bill C-130 on free trade, it had been promised—those who follow the debates here, who follow question period, know that the Government had promised it for the first week in March. Look, it is now June 13 and we are not yet debating it. It was only tabled on May 24, two months late. I tell you that if they took two months more to draft the Bill, they cannot blame it all on the Opposition.

Mr. Gauthier: They have to get their act together on the other side.

Mr. Guilbault (Saint-Jacques): That's right, because it may take them time to reach an agreement. The Hon. Member for Ottawa—Vanier (Mr. Gauthier) may be right. Sometimes they can't reach agreement in that party. Anyway, they took a lot of time to come up with Bill C-130. Today, they blame the Opposition for delaying its passage and furthermore, they tell us that we will have just five days to talk about it. We will have to sit two more months in the summer, but have only five days for that Bill. How come we will have only five days to discuss it, while the Government took months to write it?

Mr. Rossi: That's dictatorship.

Mr. Guilbault (Saint-Jacques): It's dictatorship, as the Hon. Member for Bourassa (Mr. Rossi) says.

Listen, I'll give you more examples: Bill C-128 establishing the Department of Industry, Science and Technology was promised last June. Do you know how long ago that Bill was tabled, Madam Speaker? It was tabled yesterday. Look at the Order Paper and you will see that. And I suppose they will tell us that the Opposition is preventing the Government from working.

[*English*]

Let us look at the Government's long awaited film policy. It took it a long time to think this one out. It had to consult a great many people.

Mr. Garneau: They had to consult Reagan in the United States.

• (1610)

Mr. Guilbault (Saint-Jacques): They had to get more than that. They had to get their instructions from Jack Valenti, the czar of the U.S. film industry. Once they got their marching orders from him, on June 8, 1988, they tabled a piece of legislation. Two years ago we were pressing the Government to bring in a film policy. Everyone in Canada knows that we need a film policy. Everyone knows we have to take care of who distributes the films shown in Canadian cinemas. It took the Government two years to deliver this one on June 8, five days ago, Madam Speaker. Therefore, do not expect this piece of legislation to be passed by tonight. The Government has not brought it forward for debate yet.

Where is Meech Lake? It came back from the Senate and the Government is supposed to discuss it in the House. It came back from the Senate and it has been sitting on the Order Paper since May 19. In six days it will be one month. Where is the Meech Lake Accord? On this side of the House we do not intend to procrastinate the debate on the Meech Lake Accord. That debate has already taken place in the House. All we want to do is deal with it in an expeditious fashion. What is the Government doing? Nothing. I presume the Government would prefer to call an election with this not passed and attempt to blame it on the Opposition.

Where is the child care policy? It is even worse in this area because I cannot point to the Order Paper, Madam Speaker, and show you a Bill. There is nothing on the Order Paper. For years the Government has been saying that it will have a child care policy.

[*Translation*]

. . . a child care policy. There is nothing on the Order Paper, they have not even tabled a Bill and they would have us believe that they want to pass it during the summer, I suppose! They have not even brought their Bills forward.

[*English*]

In conclusion, Madam Speaker, we want to co-operate with the Government in providing extra hours to attempt to deal with the unfinished business of the Government, even if we have to hold our nose when we vote against some of the pieces of legislation. We would be willing to extend the hours. Standing Order 10 allows for that. Once again I will bring it to the attention of the Government, because it will give them a recipe to do things in the proper manner. The heading is "Extension of Sitting Hours" and Standing Order 10(1) reads as follows:

> On the tenth sitting day preceding June 30 a motion to extend the hours of sitting to a specific hour during the last ten sitting days may be proposed, without notice, by any Member during Routine Proceedings.

In Standing Order 10(2) the question is put in the following manner:

> Not more than two hours after the commencement of proceedings thereon, the Speaker shall put every question necessary to dispose of the said motion.

If the Government wants more hours, it could use Standing Order 10. It does not have to go around the Standing Orders and write a motion which states:

> That, notwithstanding any Standing Order or practice of the House . . .

All the Government has to do is use Standing Order 10. If that was done, we would be ready to co-operate.

In order to help the Government do it in the proper manner, I would like to propose an amendment which will have the effect of simply offering the opportunity to the Government to go the route of Standing Order 10 which I just quoted. In this manner we could co-operate with the Government, give it more hours, which is what the Government wants, and we would not have to violate the whole book by saying: "Notwithstanding any Standing Orders . . . ".

I move, seconded by my hon. colleague for Ottawa—Vanier (Mr. Gauthier):

That the motion be amended by deleting the following:

"Friday, September 9, 1988, the House will meet on the days and at the times specified in Standing Order 3, but not on August 1;

That, during such period"

and by substituting the following therefor:

"Thursday, June 30, 1988".

Therefore, the hours will be extended, but not until September 9. The hours will be extended until the end of the month, like the Standing Orders call for.

[*Translation*]

That would be the honest way for the Government to proceed, and that is why we are suggesting to go back to Standing Order 10, which allows not only the Party in power to extend the hours of sitting, but also Opposition Members of back-benchers. The Order states that the motion "may be proposed by any Member". It doesn't have to be a Minister. This means that any Member could rise and propose that we give the government more time to debate. A Minister can do it. I myself have just done it on the Opposition's behalf. I have just proposed to extend the hours of sitting, but in a reasonable way, without suspending our Standing Orders but by making use of a Standing Order established for that purpose, namely to allow for an extension of sitting hours so as to have more time to debate questions before the House.

That is the kind of co-operation we are ready to give the Government so that bills which it deems important can be passed. I am not saying that we will vote favourably on all these Bills, since there are some we don't like, but at least, the Government will have more time for the adoption of its legislative program. And we believe that is what must be done. We are ready to cooperate, Madam Speaker.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Saint-Jacques (Mr. Guilbault) has just introduced an amendment. With the House's permission, the Chair should deliberate for a while on this amendment and rule later on its relevancy.

Meanwhile, resuming debate, the Hon. Member for Kamloops—Shuswap (Mr. Riss) has the floor.

[*English*]

Mr. Nelson A. Riis (Kamloops—Shuswap): Madam Speaker, today there is a certain sense of *deja vu* in the House of Commons. Despite the sunny skies above there has been a dark cloud hanging over Parliament Hill for the last hour or so.

It reminds me of October 23, 1980, when the Progressive Conservatives in Opposition decided that they had had enough of democracy; they had had enough of the Parliament of Canada as had been practised for decades and decades. They disagreed with the Speaker's decision, and rather than accept the decision of the Speaker, some of the Members in the House rushed up to the Speaker's chair screaming and yelling at the tops of their voices: "Stop it!". They were screaming and yelling in front of the Speaker. There are some Ministers present today who actually did that on October 23, 1980. They stormed the Chair demanding their rights to be heard despite the fascist totalitarian motion to cut off debate.

In 1980 the Conservatives called the Liberals fascist and totalitarian because the Liberals had decided to limit debate. Had the Government of the day decided to limit debate after a handful of speakers? No. There were 98 Conservatives who spoke in that debate. They stood up and made comments on the constitutional amendment. Then the Government of the day said 98 interventions on behalf of the Opposition was sufficient and it was going to limit debate and bring in closure. The Conservatives of the day went absolutely mad. I was present. It was one of the saddest days that parliamentarians have ever had. The Conservatives screamed and demanded that they be heard.

Now the tables are turned. Now the Conservatives are sitting on the government side and they have decided, because they have this huge majority, that they are now going to take this rule book of Standing Orders and throw it out of the window. That is it, throw it out the window. They are saying: "We know best. Big Brother Government knows what is best for Parliament, the Speaker does not". The Government is saying that you, Madam Speaker, do not know what is best for this House, that the Speaker of the House of Commons is not in a position to recall Parliament if he or she considers it necessary.

• (1620)

No, the Prime Minister (Mr. Mulroney) has decided on behalf of Parliament, forget the Liberals, the New Democrats and the Independents. The Conservatives have the majority and therefore can do anything they want. They do not have to play by these rules that have developed over decades. They do not have to accept these rules which were developed after months and months of study between all the Parties and were adopted by unanimous consent of the House. No, they are saying: "We are going to throw them out, we are going to rip out the pages of this rule book and we are going to impose our own rules". That is like the Edmonton Oilers saying: "We are going to change the rules of hockey. We are going to throw out all the rules and introduce our own." Do you know when the Government last suspended the rules to meet its own political agenda, Madam Speaker? It was in 1883. Not since 1883 has a Government suspended the rules to facilitate its own political agenda.

We are now seeing a whole new approach to democracy in Canada. We do not like the rules, so we make our own. We do not like the way the Speaker might rule, so we will ignore the Speaker. The Government will use its majority. The sounds of jackboots are banging around Parliament Hill these days as the Conservatives impose the will of their majority against parliamentary tradition.

Forget parliamentary tradition, forget parliamentary practices, forget parliamentary regulations, forget the Standing Orders. Big brother Mulroney knows best what is good for the House of Commons. We reject that.

We will as concerned parliamentarians accept the ruling of the Speaker. However, this country has now started on a new path thanks to the Conservative majority in the House. Whatever the Government decides it does not want, it will change. It will simply suspend the orders.

What will come next? I wonder if the Conservatives will not change Standing Order 2 which provides for the election of the Speaker and say: "Why don't we simply impose on the House of Commons the Speaker we want?". Why not do that next? If they can suspend the rules for their own purposes, why should we have Question Period? Question Period is messy. Opposition and New Democratic Party Members pose difficult questions every day, so let's do away with that. Let's suspend Question Period and Statements Pursuant to Standing Order 21. Let's do away with Private Members' Hour. If we let Government Members get away with the suspension of this Standing Order, why would they not introduce other suspensions of rules that are aggravating and disrupt their parliamentary agenda?

Today's motion tells me that I am incompetent and that the Deputy House Leader of the Government is incompetent. He says that although we have been here for 11 months, the Government is not able to manage its parliamentary agenda or its timetable, so it is incompetent. It cannot follow the parliamentary calendar. The Deputy Government House Leader is indicating that in spite of sitting here for 11 months, we cannot handle the work of the House of Commons. We need more time.

A person cannot walk down two sides of the road at the same time nor talk out of both sides of his or her mouth at the same time, with one exception and that is the Deputy House Leader of the Government. He is able to do that. On one hand, he is saying: "Look at our impressive record. We have passed more legislation in this Parliament than any Parliament in recent time". At the same time, he is saying: "Those tough Opposition and NDP people are holding us up. They are holding up our ability to do the business of the House". He cannot have it both ways. He cannot brag about the tremendous success he has had in moving business through the House of Commons at the same time that he is saying that the Opposition is not allowing the Government to get on with the business of Canada.

Mr. Crofton: Let's admit it, you want to go home.

Mr. Riis: A Tory yells out that we all want to go home. They can go to Victoria and sit around their pools. As long as we are fighting this trade deal, the New Democrats are prepared to fight it today, tonight, next week, in the month of July and in the month of August. We will fight it as long as it takes to force the Government into an election.

Some Hon. Members: Hear, hear!

Mr. Riis: Why are we doing this? Why are New Democrats frustrating the Government's efforts to introduce and pass the trade legislation? Do Hon. Members remember the view of the Prime Minister on free trade back in 1983? He was against free trade with the United States. The Minister of Finance (Mr. Wilson) was against free trade with the United States. The Secretary of State for External Affairs (Mr. Clark) was against free trade with the United States. The only leadership candidate for the Conservative Party who was in favour of it was Peter Pocklington. He was the only one who was advocating free trade.

In 1984, there was a general election. How many times did the Prime Minister mention free trade during the general election campaign? Not one single time, not a single phrase was uttered during the entire election about free trade. Then what did he do? On January 2, the Prime Minister of Canada, with his good buddy Ronald Reagan, signed Canada in to this trade deal.

We believe in democracy. We New Democrats do not rush up and challenge the Speaker's ruling. We do not start screaming, yelling and stopping the Speaker from talking as the Conservatives did in October of 1980. We believe in democracy and that is why we are saying that the Government should call an election. Let's go to the people of Canada and let them decide.

We are prepared to work as long as it takes to force the Government to come to its democratic senses and call an election, but I do not think it will. It thinks it has the bit between its teeth now. It thinks it can do whatever it wants now.

Think of the abortion resolution, Madam Speaker. Rather than showing leadership and bringing in a Bill that would be debated in the House of Commons as usual, it brought in a three headed monster. If some Hon. Members want to support abortion on demand, there is a motion for them. If some want to support no abortion at all, there is a motion for them. If some want a compromise in the middle, there will be a motion for them. What kind of decision-making is that? What kind of leadership is that?

To move that kind of a motion, the Government has to suspend the rules of the House of Commons, but it will do it. It has no hesitation in doing that. It has no concern for something called the traditions of this House, something called the practices of Parliament, something called rules and regulations, something called Standing Orders. All those things are a nuisance to the Conservatives in the House. Set them aside, suspend the rules, suspend the traditions, let the Government do what it wants because it has the numbers. It has the majority and it can do anything it wants.

We have just begun. The New Democrats have just begun to remind the Conservatives that that kind of arrogance has no

place in a parliamentary democracy. We have just begun to fight.

The Government says it has important legislation to introduce. Where is the child care legislation? The Government says it has child care legislation that the Opposition is holding up. Have you seen the child care legislation, Madam Speaker? No, you have not. It has not been introduced, so how can we be holding up legislation that has not even been introduced in the House of Commons? That is just one Bill. I could list a whole number of pieces of legislation that the Government wants passed expeditiously and quickly, preferably without debate. However, we have not even seen that legislation. It has not been introduced in the House of Commons.

I remember the Throne Speech of 1984. The Government said that one of its priorities was to introduce legislation regarding child care. We waited for the fall of 1984, we waited all of 1985, we waited all of 1986 and all of 1987. It is now well into 1988 and we still have not seen a single page of legislation.

Mr. Rossi: Slow workers.

Mr. Riis: My hon. friend says that they are slow workers. This is government in reverse.

Since this Opposition does not want to co-operate on the trade deal, the solution now is to force the Opposition into it. The Government is going to exhaust the Opposition into it because it is a very small group. There are only 33 New Democrats and 40 Liberals—

Mr. Gray (Bonaventure—Îles-de-la-Madeleine): Thirty-three too many.

Mr. Riis: I know there are too many of us as far as the Conservatives are concerned. They do not want any opposition. Their ideal world is to have a dictatorship, just one party. That is their ideal.

There is a new wave occurring in Canada. This is not a one-Party system. There is an opposition and we do not plan to co-operate on the trade deal.

• (1630)

Mr. Andre: Or on anything else.

Mr. Riis: On anything else, the Minister of Consumer and Corporate Affairs (Mr. Andre) says. He is wrong. Last Thursday we demonstrated that. Five Bills were introduced on Indian concerns. We said that we would pass them expeditiously because the legislation was good. We co-operated 100 per cent. For one of the very first times all five Bills moved through the House of Commons in a single day. If the Government brings forward good legislation, we will pass it expeditiously. If the Government brings in assistance to the farmers, that legislation will go through here like you have never seen it before, like greased lightning, Mr. Speaker. If the Government brings in legislation on flow-through shares, again it will go like greased lightning through this place, but not legislation to implement the trade deal that will redirect not only the economic policies of this country but the social, cultural and the political policies of this country. In other words, the Government wants to turn this country into a fifty-first state, and we say no.

Let me say why we felt it was appropriate that we follow the parliamentary calendar. After months and months of study, Members of the House of Commons unanimously agreed it would be useful and it would make a great deal of sense if we established a parliamentary calendar. We would sit as a Parliament for 10 months of the year and then for July and August we would break from the House of Commons so that we could go back to our constituencies and work. Most of us have made plans during July and August in our constituencies. Call them constituency tours, meetings, or special gatherings with groups. The parliamentary calendar said that was when we could do that, and we agreed. Even the Conservatives agreed to the parliamentary calendar. We made plans. We felt it was important that Members of Parliament have some time to spend with their families. This might not be a priority for the Conservatives but for some of us it is. Spending time with our families and our constituents is important. We all agreed unanimously that for the months of July and August we would do just that. All of a sudden, the Conservatives said: "We don't like this idea. We don't like the idea of Members going home to their constituents and conducting tours".

Mrs. Sparrow: That is not true.

Mr. Riis: "We are going to force you to sit during the summer months". Again, that goes against the unanimous decision made as a Parliament. The Minister in his comments indicated that the Government is very big hearted and has decided that for the trade legislation, which the Minister for International Trade (Mr. Crosbie) said is the most important legislation introduced since the Second World War, there will be five days of debate. Only five days debate on the trade legislation. We have three or four days debate on routine tax Bills but on the largest piece of legislation with its implications not only for this generation of Canadians but for generations afterwards the Government said it will allow five days debate, do we agree.

Mr. Crofton: Five days with some extension.

Mr. Riis: To be fair, five days with some extension and a few hours into the evening. Remember, Madam Speaker, this proposal comes from a Party which gave 98 speeches on the Constitution and then, if you like, threatened the Speaker in the chair because its Members felt that their speaking rights were being terminated. The Conservatives said they would be generous and allow five days of debate for all 282 Members of the House of Commons.

Mr. Crofton: It is nine days at second reading.

Mr. Riis: It is appalling, undemocratic and it is certainly unparliamentary. We rejected strongly such a ludicrous request.

I want to say that the Government has not seen what a filibuster is all about. The Government might want to change the standing rules to suit its purposes. If the Conservatives don't like Question Period, I guess they will say Question Period is too aggravating. We may hear such things as: "We do not like the Standing Orders so we will change that as well". Because private Members are allowed 15 minutes a day to make statements about constituencies' concerns, I guess that too will be done away with. I can see the next change to the Standing Orders will be the suspension of the 10 months' sitting. The Conservatives may want only one or two weeks to bring in one big omnibus Bill and that will take care of the business of Canada.

That is not the kind of country we want. That is not the kind of country for which the legionnaires, 4,000 of them who are meeting in Ottawa today, fought. That is not the kind of government which those 4,000 legionnaires went overseas to defend. For those legionnaires in the gallery at the moment, I suspect they are thinking right now that here is a government prepared to rip up those freedoms for which they fought and is prepared to set aside the rules, traditions and fundamental practices of democracy for which we were prepared to die. That is what we are seeing today.

We are seeing a very negative spectacle when it comes to a democratic free country. That is why we say this particular motion is wrong. We accept the Speaker's decision. We must accept it. We will not rush the Chair or cause havoc in the House of Commons because we do not like the ruling. We will accept that. We have now moved the course of this place in a totally different direction where with a majority you can do anything you want. If you have the majority you can change any Standing Order you want, permanently, or simply suspend it. You can break any rule. You can throw out any tradition.

As I say, this is a dark day for our Parliament. It reminds me of the day back in October, 1980. It is not the kind of Canada most of us want to see. It is not the kind of Canada our constituents want to see. Our constituents have made it clear in every possible way that they want to see an election on this trade deal. They want an opportunity to participate in whether or not we should sign away our future to the United States. Canadians want to make that decision. In a democratic society, Madam Speaker, in a Parliament that says it believes in the democratic traditions, we ought to give the people of Canada that right and that opportunity. To do that, if necessary, we in the New Democratic Party, will do everything we can in our power to use the legitimate rules of Parliament to encourage the Government to live up to the free democratic traditions and principles that Canadians love and enjoy.

The Acting Speaker (Mrs. Champagne): Before the Hon. Member finishes his intervention, I would like to give the ruling on the preceding amendment which was moved earlier.

The Chair has found the amendment (Mr. Guilbault (Saint-Jacques)) in order. The Hon. Member for Kamloops—Shuswap (Mr. Riis).

Mr. Riis: Madam Speaker, it is appropriate that you ruled on the amendment proposed by the Official Opposition. I thought to make the point and to indicate our concern at the way Parliament seems to be moving, I want to add an amendment to the amendment. It will read as follows. I move:

> That the amendment be amended by deleting the period and adding the following therefor:
>
> "and on that day the House shall stand adjourned at 3.p.m."

The Acting Speaker (Mrs. Champagne): Questions and comments.

• (1640)

Mr. de Jong: Madam Speaker, first I wish to commend my colleague for an excellent address on the question of suspending the Standing Orders. It seems to me that in a parliamentary democracy it is the accepted practices, built up over the sittings and the years, that really constitute the essence of our democracy. It seems to me that when the Government suspends the rules of the House it sets a very dangerous precedent. As I think my House Leader pointed out, if you start suspending the rules today on these particular issues, what comes next? You begin to suspend them with respect to Question Period, with respect to how Bills are moved through the House, indeed how the House governs itself.

What the Government is doing today is setting a precedent. What will stop some future Government from using that precedent and doing exactly the same thing? Once the Government, any Government, starts down that road, future Governments will use it as a precedent to be employed in other situations. Once you start down that road, it continues and continues and our Standing Orders, the rules under which we govern ourselves, are no longer meaningful. It is the precedent that it sets that creates a new standard, a new way in which Governments can deal with the Opposition and subvert Parliament. My House Leader said that not since the 1800s has a Government used this ploy of suspending the Standing Orders. We were fortunate that it did not become a practice.

Surely what the Government is doing today is demonstrating that even with its massive majority it cannot set its agenda and pass its legislation within the established rules. It must therefore suspend those rules. Surely this is a very dangerous precedent. Surely Conservative Members who cherish the traditions of the British parliamentary procedure must feel extremely uncomfortable with what their own Government is doing.

Mr. Riis: Madam Speaker, I am pleased to have an opportunity to respond to my hon. colleague who of course raises the fundamental question before us today, where does this take us? What is the next step?

It was back in March of 1883 that the Standing Orders were last suspended and now they are being suspended again.

Mr. Benjamin: A Tory Government then, too.

Mr. Riis: It was a Conservative Government, was it not?

Mr. de Jong: I believe it was.

Mr. Riis: I guess we should not be puzzled by these antics, then. First we had the suspension of the rules in 1883. I referred earlier to the storming of the Chair by the Conservatives during the constitutional debate. I failed to mention that in 1982 it was again the Conservatives who shut down Parliament for more than two weeks.

Mrs. Sparrow: Because of the NEP.

Mr. Riis: It does not matter why. In other words, the ends justify the means? The Conservatives say they have a right to do that. I like that. They say they were angry at the NEP. The Liberals brought that in, they did not like it, so they can shut down Parliament. That is fine. Because they do not like legislation it is all right for them to shut down Parliament. Because the NDP and Liberals are concerned about the trade deal we cannot have more than a five day debate. What nonsense, absolute nonsense.

Mr. Gormley: Louder.

Mr. Riis: It is typical coming from a Conservative, though. They felt they could close down the Parliament of Canada for a couple of weeks. That was all right because they were angry at the Government.

They were angry at the Speaker so they could storm the Chair and make a mockery out of that position. Harvie Andre was there, leading the pack, screaming and yelling. Total abuse of the parliamentary system. So why are we puzzled today when the Conservatives once again act on their view of democracy which we call tyranny, a dictatorship.

Our Parliament is based on the Mother of Parliaments. I thought all of us had a deep respect for the parliamentary system where we recognized the role of the Opposition.

Mr. Andre: We are following tradition.

Mr. Riis: I know the Minister dislikes opposition Parties. Maybe he should go to the Soviet Union or Chile. He will feel more comfortable in one of those countries.

There are still Members in this House who cherish the idea of Parliament. There are still Members who cherish the ideal of a Government and opposition Party. The opposition Parties are here to keep the Government honest. To do that, you need to have a Parliament in session and working. The Conservatives who said in 1982 that they were going to shut down Parliament are the same Conservatives who are saying today that they are going to bring in closure and time allocation. They do not want debate on this. They do not like the Standing Orders and they are prepared to suspend them for now. The last time the Government did that was in March of 1883.

Mr. Lewis: I remember it well.

Mr. Benjamin: You look like you do.

Mr. Riis: Here we go again.

My colleague's second question was what is the alternative to the Government introducing this motion? The alternative is the Chair. You will know that Standing Order No. 5 gives the Speaker authority to recall Parliament whenever he or she decides it is in the best interests of the country to do that. If we were to recess as the calendar says we ought to, on June 30, and on July 5 or July 10 the Government was able to make a case that it was in the nation's interest that the Speaker recall Parliament, you have the right to do that. We have unanimously given you that right. We say we trust the Speaker because the Speaker represents all Members of the House. The Speaker is elected by all Members. You represent the Government, the Opposition and the independent Members. We put that faith in you and in your position. Yet the Government has ripped that out of your hands. It knows best. It is Big Brother. It does not have to listen to the Speaker or convince the Speaker to sit during the summer months.

Mr. Rossi: Very dangerous.

Mr. Riis: Yes, but that is the situation we are dealing with.

I simply want to say to the people listening to this debate that our Standing Orders give the Chair the right to sit all of July and August if you feel that is in the best interests of the country. We like rules and regulations and traditions and practices. We adopted them unanimously. That is why when the Government says it knows best we become very edgy. After all, that is the same Government that negotiated the trade deal. I tell you that we are far from convinced that is in the best interests of our country. We know it is in the best interests of the U.S. but we have yet to see any evidence it is in the best interests of Canada or Canadians.

The Acting Speaker (Mrs. Champagne): The period for questions and comments has now expired. Resuming debate.

• (1650)

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, the Government has today suggested that its facility in dealing with the trade deal with the United States has perhaps been the crucial reason which has forced it to take the step which has so cut across parliamentary traditions which have been with us for over a century. As our House Leader said, we have not seen the rules of this House suspended in this way since 1883.

Yet it has happened. It has happened in order to sell us out to the United States in a trade deal which is so devastating to the future freedom of Canada that the Legion convention meeting here today should be marching on this Parliament and

marching on the Government for destroying democracy within this country.

Mr. Lewis: They marched before and there were precious few NDP with them.

Mr. Langdon: There were a lot of New Democrats with them.

What must be recognized is that there is one clear issue before this House, one clear issue to which the Deputy House Leader referred, and that is the question of whether it is essential that this summer the people of Canada be forced into this trade deal. The answer to that question is that it is not necessary, it is not right, it is not acceptable, it is not democratic, and it does not follow any of our traditions. It is instead a complete denigration of everything this country has stood for previously.

We can quote Minister after Minister in the Government. We can quote the Prime Minister (Mr. Mulroney), the Secretary of State and the Minister of Finance (Mr. Wilson). Before the last election each of them said that they were against a trade deal with the United States which would give us free trade because they saw at that time, not the pressures from the large corporations, not the pressures which have pushed them in the direction they have now taken, but instead they saw clearly the very important need to stand up for this country. They saw the necessity to protect Canadian jobs, to protect Canadian social programs, and to protect the integrity and distinctiveness of this country.

Yet, as soon as they got into power, less than a year after, they were meeting in Quebec City to set in motion with the President of the United States a massive change, a change so comprehensive in this country that it will devastate the potential future of our people, the freedom of our country to be what it should be, the distinctiveness which we have had, and the social programs which have characterized it.

This must be fought by every single Member as hard as they possibly can. I, for one, am proud to say that I will fight it with the greatest possible mechanisms of rejection of the Government's aims that I can possibly muster. I consider that this Party does itself proud by standing up so strongly for that.

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mrs. Champagne): The question is on the subamendment. Is it the pleasure of the House to adopt the subamendment?

Some Hon. Members: Agreed

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the nays have it.

And more than five Members having risen.

The Acting Speaker (Mrs. Champagne): Call in the Members.

[*Translation*]

And the division bells having rung:

The Acting Speaker (Mrs. Champagne) Order, please! Pursuant to Standing Order 13(4)a), the Chief Opposition Whip has asked me that the division be deferred. Therefore, the recorded vote on the question now before the House is deferred until tomorrow at 6 p.m., when the bells calling the Members shall have sounded for no more than 15 minutes.

[*English*]

It being 5 o'clock p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

* * *

• (1700)

BUSINESS OF THE HOUSE

Mr. Gauthier: Madam Speaker, I rise on a point of order. I want to confirm with the Government the agenda for tomorrow. I take it that it will be the Meech Lake Accord debate. Can we confirm that so we may prepare accordingly?

Mr. Lewis: Madam Speaker, I can confirm to the Chief Whip of the Official Opposition that tomorrow we will be debating the Government's response to the Senate's amendments to the Meech Lake Accord. We expect to continue that through the day. I do not know exactly how many Members my colleagues opposite have to speak, nor do I know how many more we intend to have, other than the Prime Minister will be leading off the debate for us tomorrow.

Mr. Riis: Madam Speaker, in the spirit of co-operation that we have just seen this afternoon, would it be possible to seek some guidance for the Leader of the New Democratic Party. We are starting the debate on Meech Lake with a Leader's day. Presumably the Prime Minister will begin the debate for the Government, to be followed by the Leader of the Official Opposition and the Leader of the New Democratic Party.

Would it be appropriate to have an understanding that all three leaders have an opportunity to present their views prior

to the luncheon recess so that all three leaders can make their presentations together?

Mr. Lewis: Madam Speaker, we have discussed this possibility. On behalf of the Government, I am prepared to suggest that we would be amenable to extending the sitting and not seeing the clock at one o'clock in order to allow all three leaders to complete their remarks before two o'clock.

Mr. Riis: Madam Speaker, I think it is only fair to extend appreciation to the Government as well as the Official Opposition for their generosity. I realize this sets aside some of the normal practices to facilitate the three leaders. I simply want to say that I appreciate the generosity.

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

LITERACY

JOINT CANADA-UNITED NATIONS ATTACK ON ILLITERACY

Mr. David Orlikow (Winnipeg North) moved:

That a special committee of the House should be established to consider Canada's serious and growing illiteracy problem and recommend ways that the Government, in conjunction with the provinces and territories, can join the United Nations attack on illiteracy.

He said: Madam Speaker, I moved this motion because I, like many other Canadians, recognize that the world is experiencing a revolution in the way we live and work. New technology moves so quickly and changes so rapidly that the ability of people to live and work is almost completely dependent upon their ability to read, write and understand it.

Many newspaper and magazine articles, and radio and television stories have told us of Canadians who are functionally illiterate and face a tremendous loss because of their inability to read and write. We have defined functional illiteracy as those people with less than eight completed years of schooling. Experts in the field are now beginning to define functional literacy as the ability to use printed and written information to function in society. Therefore, they are saying that the definition of eight years which has been used in the past is really too restrictive.

We like to think that our country is a modern industrialized society, one of the developed countries, yet according to a number of studies conducted by governments and voluntary agencies, most recently a study done for Southam News, five million Canadians are functionally illiterate. That is 20 per cent of Canadians.

We know that illiteracy increases as one moves from west to East, rising from a low of 17 per cent among adults in British Columbia to an astonishing high of 44 per cent in Newfoundland. We know that illiteracy is higher among men than women and that 100,000 illiterates a year are added to the Canadian population. Tragically, only one in ten of all illiterates would ever consider taking remedial classes of the kind that are presently offered by various agencies. We know that drop-out rates of 50 per cent have been recorded in some of the current programs.

Before the present Prime Minister (Mr. Mulroney) took office three and one-half years ago, he appointed a task force to look at the whole question of manpower retraining. That task force recommended a federal-provincial conference for the sole purpose of developing an action plan to combat illiteracy. It also recommended a public advocacy campaign about illiteracy and immediate work on developing teaching materials for volunteer teachers. No action along these lines has been taken.

A recent study by the Canadian Business Task Force on Literacy estimated that the cost of illiteracy due to lost income is estimated at $4 billion per year in 1987 dollars. The cost to society is estimated at $10 billion. This figure is based on the difference between the average income of all income recipients, employed and unemployed, whose level of education is Grade 8 or less and those whose average incomes include some high school. The study assumes that the economy is strong enough to absorb additional employment from those whose skill and educational levels have been upgraded.

The study highlighted a number of labour demand trends and skill implications, including the decline of unskilled and muscle work; the increasing demands of technology which require literacy and numeracy skills; the rise in basic skill levels required for entry level positions. As well, 85 per cent of occupations require Grade 9 or better reading levels, and most jobs require about two hours of reading per day.

That is the reality of what is happening in this country. When people hear that a fifth of the people of Canada have been classified as functionally illiterate, they automatically assume that these are people who live in rural areas, who did not have the educational facilities we have in the cities and towns, or live in remote areas in the North. The fact is that studies which have been done tell us that 8 per cent of university graduates are functionally illiterate; 11 per cent of community college or trade school graduates are functionally illiterate; 13 per cent of university drop-outs, 17 per cent of high school graduates and 24 per cent of high school drop-outs are functionally illiterate. This situation can only be described as a national disaster.

In the Speech from the Throne after the Government was first elected, Canadians were promised that a major aim of the Conservative Government would be to deal with the question of illiteracy. The former Secretary of State, Mr. Crombie, promised on several occasions a major program that would be encouraged and financed at least in part by the federal Government. We have seen very little in the way of real effort or real change.

There is a small task force attached to the Secretary of State office which is doing some interesting survey work. There is some small effort by the Solicitor General for people

who are incarcerated in our prisons. However, the Department of Employment and Immigration, which spends hundreds of millions of dollars on employment training, is continuing the same policies as it followed under a Liberal Government. It has downgraded and cut back on the programs funded through the Department of Employment and Immigration. These are programs for basic skill development which really try to help people who are functionally illiterate. Why does the Department follow that policy under the Conservative Government as it did formerly under the Liberal Government?

• (1710)

The reasons are pretty obvious although the Department would not like to admit it. There is no quick result in taking people who are illiterate and helping them become literate. That is only the first step in getting that man or woman a job. After all, the Department wants to show results, show it is successful. What the Department does is concentrate on people who are literate and who, in a relatively short training period, can be directed to a job which is available somwhere out there in the real world.

We have failed. There are a host of programs, some I have mentioned, which are funded by the federal Government. There are some funded by the provincial Governments and operated by departments of education in community colleges or high schools. There are some operated by volunteer agencies, funded either by the federal or provincial Governments. Frontier College, for generations has helped people upgrade their educational skill so they can find work for the first time, or a better type of work. Some of these programs have been successful but there is little co-ordination between the federal and provincial Governments. There is little assessment as to the success of the programs, whether they are operated by a federal government Department or a provincial government Department, by community colleges or high schools, or whether some of them are operating right on the job site.

There are dozens, probably hundreds of programs, but they are not sufficient. They do not begin to deal with the reality of the problem. They do not even begin to whittle down the number of people who are functionally illiterate. We really do not know how successful the programs which are operating have been so that we can learn from those which are successful.

A number of proposals have been made which make a great deal of sense. One proposal was made right here in Ottawa last year by the Ottawa Roman Catholic Separate School Board. It developed a model and proposed that we identify the type of service we would provide to a single immigrant mother, for example. It points out that would be vastly different than what is required to effectively serve high school drop-outs or middle management illiterates. As I travel around my city, and I am sure it is true in virtually every city in Canada, I cannot help but notice the tremendous change which is taking place in the type of people who live in the cities.

There are a large number of people who are non-white. They are from the Caribbean, from Africa, from Asia, from South America and from South Central America. Many of them come from countries in which the educational standards are far lower than they are in Canada, with all our faults. Many more of them who are literate in the language spoken in the country from which they come are not knowledgeable or proficient either in the English or French language. We have to deal with that kind of problem.

Any policy on illiteracy should take into account the diversity of the people who are illiterate. Many studies have been done identifying the need for literacy programs in general which suggested that what we have to do is tailor the programs to meet the needs of specific target groups within a community. It is suggested that these literacy programs can be delivered from the existing base of social services. If the school boards, libraries, community centres, colleges and other organizations were to expand and adapt some of their existing programs, a comprehensive and community based approach could be developed.

What they are saying is that we cannot decide here in Ottawa what is needed. Members of Parliament cannot decide, nor can the Ministers. Senior public servants cannot know what is needed in Winnipeg, Manitoba, Grand Falls, Labrador, or in Vancouver, British Columbia. What is needed is to give the organizations and agencies in these communities the ability to develop the kind of programs which would meet the needs in the communities.

Canadians must be given the opportunity to participate in literacy programs according to their own needs. In other words, we need to have input and dialogue. We need to listen to the people in the local communities. They know what is needed. Services should be delivered in small groups, one on one special interest groups, third language and cultural groups and regular groups. In my own City of Winnipeg, at least one union that I know of, and there are probably more, has arranged with employers to organize and encourage their members, many of whom are recent immigrants, to participate in these programs either at the place of employment or in the union halls. These are the kinds of programs that should be made available. When I say they should be made available, I mean that the federal Government has to do more than just talk about it. It has to do more than just bemoan the sad state of affairs. The federal Government has to be ready to provide the funds which are needed to meet the problem.

While the existing institutions can provide a setting for literacy instruction, alternative locations should be provided. This can be achieved through the establishment of facilities at commercial sites, such as laundromats, soup kitchens, store fronts, nursing homes, churches, apartment buildings, recreation centres, mobile units, and adult learning centres. In other words, if we say to the people who are illiterate that they have to go to the university, which could be miles away from where they live, or to the community college or the high school, it could be a disincentive for people to participate.

The key to success is to be able to reach people where they live with a non-threatening service that fits with the schedules and way of living of these people. We have to be ready to provide allowances for those who are financially needy, for those who are handicapped and for those who are restricted by time or other commitments to participate. We have to get the message out of how important it is for them to participate. The message has to be clear and understandable. It has to be written and delivered in the kind of language which they can understand.

• (1720)

I note that my time is rapidly coming to an end. I want to say that in proposing this motion I face up to the fact that I, like anybody and everybody who is interested in this subject, do not have all the answers. No one has all the answers. But we have enough answers, enough information to realize the tremendous scope of the problem. We realize how important it is that we begin to deal with the problem. The best way that I can think of beginning to think about the problem and possibly beginning to develop plans so that we can deal with it and solve it is through establishment of a parliamentary committee which would travel across the country, hold hearings and, hopefully, hear from those who are functionally illiterate and from those who have worked in the field.

I am sure that if a committee of that type held hearings across the country and if it listened to the experts and to those who have to live with the deficiency and the problems that they face, it would make a report which would give the federal and provincial Governments, as well as the people of Canada, plans which, if implemented, would begin to help solve this very serious problem.

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, I am very pleased to be able to support the intention of the Hon. Member. Whether in fact a parliamentary committee is the most useful vehicle is a question with respect to which the studies have been done. The research into the problem and its identification have been done. What we need now is some action.

I would like to say why we need action. The Hon. Member referred to the special task force that was struck to look into illiteracy after the very valuable series of articles that was done by Southam. Indeed, as he said, the cost to businesses in the country of illiteracy is $4 billion. The social cost is $10 billion. Those are staggering figures. If we want to see the problem of illiteracy in context, we have to see it as a symptom. It is symptomatic of something else. It is that we just are not performing very well.

If we look at OECD studies we will see that the level of skill development in Canada is something like fourteenth among OECD countries. Yet we are heading into a society wherein the trade will be on information. We have got by in Canada by trading on natural resources. We are a country that takes minerals out of the ground and cuts down trees. We export those products. No longer will we be able to do that. The information society will demand of Canada that it begin to trade in information. Trading information requires a skill level. The countries with which we will be competing are the OECD countries, countries such as Japan, West Germany, France and Great Britain. Each one of those countries has given a national priority to education.

One of the first things that President Mitterrand did after his re-election was to set education as a priority. I bet that when Margaret Thatcher speaks to us very soon she will refer to it. In Germany, which is a federal state like our own, there is a Bundlander commission. Every country with which we will be competing has set education as a priority. But we have not.

The Hon. Member was quite right when he asked in the face of the costs, the heavy toll on business and society, what did the federal Government do? It allocated something in the order of $1 million to the problem. If Hon. Members were to talk to representatives of Frontier College in Toronto, they would be told that between $17 million and $20 million is the minimum that is needed even to address the problem. One million dollars does not even pay lip service to the problem.

Again, we have to see that type of reaction in the context of the society that we are heading into. I could list other programs which have been cut back in the face of the challenge that confronts us. The Hon. Member has already referred to them. They are cutbacks in Established Programs Financing for universities across Canada. Some $1.6 billion was cut from the increase that was to be expected.

The Canadian Jobs Strategy has been privatized. Community colleges tell me that some of them have lost as much as 50 per cent of the funding that they had received previously in order to operate. These are our educational institutions. These are Canadian educational institutions that we are going to need to be strong as we head into the information society.

What else are we heading into? We are heading into a free trade agreement with the United States. We will need to be competitive there too. We do not know what the effect of free trade will be. We do know that there will be winners and losers. There will be Canadian businesses that will profit from free trade. There will be Canadian businesses, just as certainly, that will lose from free trade. That means that there will be a dislocation of Canadian workers. All across the country there will be some dislocation. Free trade simply exacerbates a need that already exists for training and retraining.

Every country worth its salt has given a high priority to continuous learning. Yet in this country, natives, women, the disabled, all have a terrible time gaining access to post-secondary education.

That is the context in which we have to see the Hon. Member's motion. Illiteracy is really a symptom. It is not a problem but a symptom of a problem. The problem is that we in this country are not giving education a priority because we do not have a national strategy. We have seen it as a provincial

jurisdiction. Yes, it is a provincial jurisdiction, and no one wants to change that. But what has to happen is that in the face of a national challenge there has to be a national response. People have to know what it is they want to do.

There are areas in the country simply in terms of finance alone which will not be able to respond. The Hon. Member is quite right. This is a problem in which the federal Government has to provide the dollars. Only the federal coffers have the ability that is needed to respond to the financial needs of mounting an attack on illiteracy and the other problems that I have identified.

I believe that the issue of illiteracy is extremely important. But it is symptomatic of a deeper malaise. This matter has nothing to do with provincial jurisdiction. Provincial jurisdiction remains. I also have to make the distinction that this should not be a federal strategy. I am calling for a national strategy. I think that is exactly what the Hon. Member is doing, too. He has pointed to a number of institutions that have grown up to deal with the problem of illiteracy. He is quite right when he says that we must deal with them. We must deal with the people on the front line. In dealing with them, in providing them with the money, the money will not be enough. What there also has to be is a national strategy.

I commend the Hon. Member on the initiative that he has taken today. I know why he has suggested a parliamentary committee. It is because a private Member cannot call on the Government of Canada for an expenditure of funds. It seems to me if he were not in that position that he would agree with me. We have studied and looked at the problem. In 1988 as we head into a free trade association with the United States which will bring challenges to us, and as we head into competition in the information society among the OECD countries, what we badly need is a national plan for dealing with the real challenge to Canada of education, of which illiteracy is a symptom.

• (1730)

[*Translation*]

Mr. Gabriel Desjardins (Témiscamingue): Madam Speaker, it is certainly an honour for me to rise in the House and deal with Canada's growing illiteracy problem about which we are all quite concerned. Literacy education is necessary not only to improve people's quality of life, but also to enhance communication and understanding between all Canadians, I wish to commend the Hon. Member for Winnipeg North (Mr. Orlikow) for moving his motion suggesting that a special Committee of the House be established to consider Canada's serious and growing illiteracy problem. Madam Speaker, any Member representing a rural riding such as yours truly understands that illiteracy is a growing problem in Canada. In such regions as Abitibi—Témiscamingue, our elders and pioneers were much too busy working the fields and cutting trees to be concerned about learning to read and write. It is a problem indeed, but over the past few months, this Government has taken concrete steps to remedy the situation. That is why I suggest my Hon. Friend failed to take into account the efforts made by this Government to raise the level of education in Canada.

The Secretary of State supports community initiatives in the area of literacy education. Moreover, if I may, I should like to emphasize the fact that the Sollicitor General has emphasized literacy education in Federal penitentiaries and obtained encouraging results, which for that matter confirms a recent article published on this issue.

Several months ago, the Government invited organizations from all over the country interested in this problem to express their views and make recommendations on the ways to correct the situation. Having thoroughly examined the many fine proposals the Government has received, it was decided for starters to spend $1 million in literacy education programs. The annoncement of this commitment, on September the 8th, coincided with the World Literacy Day. However, Madam Speaker, the Government has done more than commit funding. At the Department of the Secretary of State, we have established a National Literacy Secretariat, responsible for co-ordinating federal, provincial, territorial and community activities in this field.

The Secretariat is now examining all federal programs to determine how they could respond satisfactorily to the needs of those of our fellow citizens whose ability to read and write is not sufficient for them to take an active part in their daily occupational and social activities. The Government is seriously considering establishing a national literacy council that would advise the Government in this area, and the Department of the Secretary of State has promised to hold a seminar on literacy.

Madam Speaker, without wishing to contradict the Hon. Member, I think it is rather premature to appoint a special committee of the House. The National Literacy Secretariat is now doing extremely productive work in the area of co-operative research. I say co-operative, Madam Speaker, because the Secretariat co-operates very closely with other governments and the agencies concerned, to ensure that the solutions that are approved are practical and down to earth.

Co-operative research is essential, not only to harmonize community, provincial and federal initiatives but also to avoid duplication and the wasting of precious resources. Madam Speaker, my point is that at the present time, a special committee of the House would merely be going over ground that has already been covered. If such a proposal had been made by the provinces and the agencies concerned when the Government announced its intentions on World Literacy Day, I am sure it would have been given serious consideration at the time. However, that was not the case. People working at the community level on this problem estimate that the present approach will make a very effective contribution towards permanently raising the level of literacy in this country. The opinion of these men and women is what counts for us at this time.

Madam Speaker, we realize that illiteracy is not only a personal problem but also a community problem. That is why

the Government has opted for a concerted approach. For solutions that are worthwhile, the public sector, business, labour and government agencies must work together on long-term activities. Hence the co-operative research I mentioned earlier.

I am very pleased to announce to the House that during the past two or three months, the Government has taken a number of steps to encourage partnership with the provinces and the territories. A few examples, Madam Speaker: in British Columbia, the federal Government has allocated $100,000 for advanced teaching and professional training activities, in particular the creation of a residence for adult students, the development of a special form of supervised teaching, consultation with native people on the subject and funding a conference for adult students.

In Newfoundland, the federal Government spent $80,000 to set up a literacy policy office, for volunteer seminars and to organize a provincial literacy conference.

In the Northwest Territories, the federal Government has granted $50,000 for a continuing education conference.

In Quebec, the federal Government has granted $111,000 to set up a literacy data base, to investigate research requirements and for a study of literacy teacher training needs.

In Saskatchewan, the federal Government has allocated $75,000 for the activities of the new provincial literacy council, including a public awareness campaign, production of teaching material and development of a training program.

In New Brunswick, the federal Government has earmarked $100,000 for the production of teaching material in French to take account of the cultural characteristics of the population and for other literacy-related activities.

In Alberta, the federal Government has awarded $101,987 for the production of informational and promotional material, for a program to train people who teach illiterate adults and for professional development seminars.

In Prince Edward Island, the federal Government spent $80,000 on various projects, including public awareness, a study of the programs that would best meet the needs of the province's francophones, the establishment of networks of volunteer tutors and a training program.

Finally, in Manitoba, the federal Government granted $100,000 for a series of initiatives to develop effective literacy approaches for native peoples.

Madam Speaker, those are but a few examples of the numerous activities the Government has undertaken jointly with the provinces and territories in order to fight this disaster. Other federal-provincial initiatives are currently under way or being completed.

Twenty one years ago, Madam Speaker, during Expo 67, Canada proclaimed the first World Literacy Day. In 1985, we sponsored the right to learn declaration during the World Conference on Continuing Education which took place in Paris under the auspices of UNESCO. Partly because of this initiative, the United Nations General Assembly decided to call 1990 the World Literacy Year.

The Canadian Government intends to mark this international year with special events at the national level and to pursue its leadership role on the international scene, while maintaining its efforts to upgrade education levels throughout the world.

In conclusion, Madam Speaker, I wish to underline that the national literacy secretariat, in conjunction with the provinces and community organizations, has taken the right direction. I believe that the best way to deal with literacy in Canada is by letting the secretariat continue its work, and by postponing the examination of the proposal concerning the creation of a special committee of the House.

[*English*]

Mr. Joe Reid (St. Catharines): Madam Speaker, did you know that over 4 million Canadians are finding it difficult to read and write, so baffling indeed that they are unable to cope with the problem. I ask Members in the House to think of what it means to be unable to read, unable to circle the expiry date of a drivers licence, read the label of a medicine bottle, or even sign the bottom of a SIN certificate.

• (1740)

Those are not my examples. They come from Creative Research Group Limited which was commissioned by Southam News to find out just how many Canadians can read and write. That study found that 3 per cent of those surveyed could not circle the expiry date on a driver's license, 8 per cent could not read the instructions on a medicine bottle and 9 per cent could not sign their names to a Social Insurance card. Southam News reported extensively on the results of the survey last Fall, and many Canadians became conscious for the first time of the previously hidden problem of illiteracy.

I commend the Hon. Member for Winnipeg North (Mr. Orlikow) for bringing this very serious problem before the House. I do not particularly agree with the Hon. Member's solution, however. He recommends that we form a special committee to join with the provinces and the territories in the United Nations attack on illiteracy. This Government has already mounted that attack. It is very much aware of the seriousness of the problem. The Hon. Member's motion may be well intentioned, but a special committee of this House could perhaps overlap and even delay the work that is now going on.

Support is being given now as it has in the past to community based literacy initiatives by the Department of the Secretary of State. While the Hon. Member for Winnipeg North calls this a small effort, the Solicitor General has been increasing steadily and progressively the emphasis on literacy for those in the federal prison system, and encouraging results are being obtained.

In the Speech from the Throne of October 1, 1986, this Government made a commitment to work with the provinces, the private sector and voluntary organizations to develop resources to ensure that Canadians have access to the literacy skills that are the prerequisite for participation in our advanced economy and society.

In the year after that commitment was made and literacy was placed on the national agenda, this Government consulted extensively with the provinces, the territories, the private sector and voluntary organizations to forge national partnerships to strengthen support for literacy initiatives in Canada. A plan of action was developed following those consultations, and that plan is being put in place.

A national literacy secretariat has been established in the Department of the Secretary of State. The secretariat is looking at all federal programs to see if and how they affect those who cannot read and write. Funds are being allocated, as the previous speaker noted, to major community groups. These groups, whose members are mostly volunteers, are the front line troops in the war against illiteracy, and providing them with financial support is an immediate and cost effective way of helping those who want to help the most.

Money has been provided and continues to be provided for research into illiteracy. We also have to research an important and often overlooked side of the illiteracy coin and find out why illiteracy exists. What are we doing as parents, as teachers, as a society, that perpetuates illiteracy? We do not know the answer, but we do have to find out. If we do not, illiteracy will continue to grow because we will be unable to design programs that will get to the very root of the problem and meet the real needs of people.

Education, as we all know, is a provincial responsibility and no federal Government can tackle illiteracy on its own. It takes the co-operation of the federal and provincial Governments. This Government is justifiably proud of its record of co-operation with the provincial and territorial governments, and that co-operation is as apparent in the fight against illiteracy as it has been elsewhere.

Partnerships have been established since last autumn with each province and territory following discussions with their responsible authorities and officials. One wonders just what more a special committee of this House could recommend in further collaboration at present.

I would like to spend a few moments on Canada's role in the international attack, the United Nations attack, on illiteracy. Hon. Members may not be aware that it was Canada that made the first declaration of world literacy and established a world literacy day as long ago as Expo '67. In 1985, at UNESCO's International Conference on Adult Education in Paris, this Government sponsored the declaration of the right to learn.

The year 1990 will be the United Nations Literacy Year which obviously the Government supports. It will not solve literacy problems. That is not the purpose of International Years. What it will do is bring to the attention of all nations including Canada this problem of illiteracy, and it will focus public awareness on it. It will give those of us who are concerned, as is the Hon. Member for Winnipeg North, an opportunity to bring this problem to the forefront of public awareness and to find solutions if any.

This Government is committed to facing the problem of illiteracy and to facing it head on. It is a problem that has been with us for a long time, but it is only recently that we have begun to realize just how serious a problem it is in this nation of ours and just how difficult it is for so many to cope with it.

Illiteracy is not an issue that will just go away. It will take a longer period of time and it will take the combined efforts of the federal Government, each of the provincial Governments and the territorial Governments. It will entail the efforts of the private sector, labour, volunteer groups and those who cannot read and write.

Illiteracy is a practical problem needing practical answers, answers that will work in the church basements and the community halls, answers that will work with the professional educators and with the hard-pressed volunteers, answers that will put the resources where they are needed most, and that is with those who cannot read and write.

We as a nation cannot afford to keep adding day after day to the ranks and numbers of those who cannot read and write. The attack has already been mounted. The attack has begun and we are making encouraging strides forward. Let us all keep our efforts focused on dealing with the problem in a practical way, not on studying the problem over and over again while it gets worse and worse, day after day, as it has been doing.

• (1750)

[*Translation*]

Mr. Guy Ricard (Laval): Madam Speaker, I am pleased to rise in the House today to deal with motion No. 150 which reads:

> That a special committee of the House should be established to consider Canada's serious and growing illiteracy problem and recommend ways that the government, in conjunction with the provinces and territories, can join the United Nations attack on illiteracy.

Madam Speaker, when considering a project such as this, one must be prepared to look at the full dimension of the problem. A great many studies have already looked into this problem in the past and the Creative Research Group published data to the effect that 8 per cent of Canadian adults are illiterate, meaning that they do not know how to read or write. Sixteen per cent can hardly function in their daily lives because they cannot read or write well enough; another 9 per cent are functionally illiterate. The same report indicates that the less education a man has, the more likely he is to be illiterate. Fifty per cent of the people who never attended high school are illiterate. Twenty five per cent of all those who did

not finish their high school are illiterate, and so are 17 per cent of those who did finish.

The same report indicates that women are slightly better educated than men and that illiteracy among the people speaking either of our two official languages is greater among new Canadians than among native Canadians.

We have to address the problem on the basis of those statistics. But we must ask ourselves why people who are less educated are more likely than others to be illiterate? When asked, 50 per cent of our drop-outs explained that they were bored with school, that they felt that going there was a waste of time, and that they did not care about reading or writing, Madam Speaker. We must ask ourselves about their lack of motivation. They are 14 or 15 years old when they leave school, thinking that they will be able to find a job quickly; they try very hard, but they fail. This of course translates into a lack of motivation. They will end up discouraged and disgusted and will stop looking. That is the whole problem.

When we realize that our young people are running away from school, refusing to get an education, Madam Speaker, we must conclude that our society is ill. We must find a remedy.

I suggest that in introducing his motion, the Hon. Member for Winnipeg North (Mr. Orlikow) had a point. There is a reason to that. He feels that it is an outright failure and that we should do something. Except that there are in my view a great number of studies on that matter, and establishing another committee to study those studies or to study the studies on those studies that have already been studied will not heal matters. What is needed is using the means that are now provided and putting them to work.

My colleague from Timiskaming earlier commended the Government when he described what it has done up till now to fight that plague, and if I may I would like to give a few more statistics. In Quebec, there are 1,300,000 individuals who can neither read nor write. In the Maritimes, including New Brunswick, Prince Edward Island and Nova Scotia, there are 320,000. In Newfoundland, the figure is 140,000. Well, those statistics are self-explanatory. They show a clear, and tangible problem.

The Canadian Government, when setting up joint programs with provinces to fund the fight against illiteracy, is doing its share in my view. Clearly we could throw billions of dollars at the problem. But priorities must be established, and to date, I think the Canadian Government has not been remiss. Funds were allocated where they were most needed.

My concern is that establishing another committee for the sake of establishing a committee does not serve any useful purpose. We might as well try and find out why young people drop out of school, why young people when coming to the labour market are ill-prepared, if at all prepared, and find themselves in a position where they cannot cope.

I heard earlier a Liberal Member striving to link free trade and illiterate people.

One thing struck me, when he suggested those people would be worse off than others if they could not find a job after free trade. I would simply like to tell him that free trade will not determine whether young people will stay in school or drop out, except that if you feel you are more affected than others, because your company will be undergoing changes, if you are not ready to retrain or to go back to school, clearly you will blame that on free trade. And this is the reason why indeed the Opposition takes up that line, but it is not true.

We are living in a high technology era. We are living in an era where specialists are king. We must at all cost do what is needed so that our young can specialize, can stay in school long enough to become high technology people.

I look among us here in the House of Commons, Madam Speaker and I see some engineers such as the Hon. Member for LaSalle (Mr. Lanthier), people, who are trained in high technology. With their training, they are ideally suited for upgrading, for further study towards greater specialization, and they must be given the opportunity to do so.

Personnaly I think that we should keep our efforts focused on dealing with the problem. We should establish priorities but recognize the Government of Canada's great efforts up to now to fight illiteracy, and I honestly think that we should give it our support and continue to set our priorities with a view of getting our young people to stay in school or to go back to school to further their education so they know how to read and write.

Do you know what it's like, Madam Speaker, not to know how to read or write? When you give the salesclerk a $5 bill to pay for a $2.95 total and you don't know that you should get $2.05 back? I suggest that we make every effort to address this very serious problem.

I think my time is almost over. Thank you very much, Madam Speaker, for letting me speak to this important legislation.

[*English*]

Mr. Elliott Hardey (Kent): Madam Speaker, I am delighted to have the opportunity to respond to my hon. colleague's recommendation on illiteracy in Canada. It gives me a chance to address an issue that has serious implications for Canadians. It is an issue to which this Government is firmly committed to confront.

In order to respond fully and adequately to the recommendation that a special committee of the House be established to study the problem of illiteracy, I must first put the Member's request in context by describing the initiatives already undertaken by the Government.

Many projects launched to date are proof of the depth of this Government's commitment made in the October, 1986 Speech from the Throne to work with the provinces, the private sector and voluntary organizations to develop measures to ensure that Canadians have access to the literacy skills

which are the prerequisites for participation in an advanced economy. The Government is aware of the extent illiteracy in Canada and the serious consequences this problem can have throughout the country. It knows that co-operation between the provincial and federal Governments is absolutely crucial if there is to be progress in this area.

To support all the efforts made to fight illiteracy in Canada, a plan of action was developed for establishing and maintaining close and effective ties between the various Governments and between concerned groups and individuals.

The Government embarked on a process of consultation a little over a year ago and several meetings have already taken place at the national level. To ensure that illiteracy remains on the national agenda this Government has established a national Literacy Secretariat within the Department of the Secretary of State. Members of the secretariat are working closely with the provinces, the private sector and community groups, and the secretariat is directly involved in development work. It oversees and analyses provincial and national activities and promotes the development of the new initiatives.

• (1800)

The Acting Speaker (Mrs. Champagne): I regret to interrupt the Hon. Member but the time provided for consideration of Private Members' Business has now expired. Pursuant to Standing Order 42(1), the order is dropped from the Order Paper.

GOVERNMENT ORDERS

[*Translation*]

IMMIGRATION ACT, 1976

MEASURE TO AMEND—CONCURRENCE IN SENATE AMENDMENTS

The House resumed, from Friday, June 10, consideration of second reading of, and concurrence in, amendments made by the Senate to Bill C-55, an Act to amend the Immigration Act, 1976, and to amend other acts in consequence thereof; of the amendment of Mr. Marchi (p. 16341); and of the sub-amendment of Mr. Heap (p. 16341).

The Acting Speaker (Mrs. Champagne): It being 6 o'clock, the House will now proceed, in accordance with Standing Order 13(5), with the deferred recorded division on Mr. Heap's sub-amendment, in relation to the Senate's message, to Bill C-55, an Act to amend the Immigration Act, 1976, and to amend other acts in consequence.

Call in the Members.

The House divided on the sub-amendment, which was negatived on the following division:

• (1810)

[*English*]

(Division No. 382)

YEAS

Members

Allmand	Grondin	Nystrom
Axworthy	Guilbault (Saint-Jacques)	Orlikow
Blackburn (Brant)	Henderson	Ouellet
Blaikie	Hopkins	Riis
Caccia	Hovdebo	Rompkey
Cassidy	Jewett	Tobin
de Jong	Keeper	Young—29
Dewar	Marchi	
Foster	McCurdy	
Garneau	McLaughlin	
Gauthier	Mitchell	

NAYS

Members

Andre	Gray (Bonaventure—Îles-de-la-Madeleine)	McKnight
Belsher	Grisé	McMillan
Bernier	Hamilton	Merrithew
Bertrand	Hardey	Mitges
Blais	Jepson	Nowlan
Blenkarn	Johnson (Bonavista—Trinity—Conception)	Oostrom
Blouin	Kempling	Pennock
Bourgault	King	Price
Caldwell	Ladouceur	Redway
Clark (Brandon—Souris)	Lanthier	Reid
Crofton	Lewis	Ricard
Darling	Mailly	St. Germain
Desjardins	Marin	Schellenberg (Nanaimo—Alberni)
Domm	Martin	Scowen
Duguay	Mazankowski	Sparrow
Ellis	McCain	Stackhouse
Epp (Provencher)	McCrossan	Stewart
Fennell	McCuish	Taylor
Ferland	McDermid	Towers
Friesen	McDougall (St. Paul's)	Tupper
Gagnon	McKenzie	Turner (Ottawa—Carleton)
Gormley	McKinnon	Winegard—67
Gottselig		

• (1820)

Madam Speaker: I declare the amendment to the amendment lost.

It being 6.25 p.m. this House stands adjourned until tomorrow at eleven o'clock, pursuant to Standing Order 3(1).

The House adjourned at 6.25 p.m.

HOUSE OF COMMONS

Tuesday, June 14, 1988

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour of tabling, in both official languages, the Government's response to 34 petitions numbered as follows: 332-4511, 332-4525 to 332-4529 inclusive; 332-4536, 332-4549, 332-4550, 332-4562, 332-4571, 332-4584, 332-4590, 332-4596, 332-4602, 332-4645, 332-4647, 332-4651, 332-4652, 332-4705, 332-4719, 332-4749, 332-4750, 332-4757, 332-4758, 332-4762 to 332-4768 inclusive; 332-4775, and 332-4781.

[*Editor's Note: See today's Votes and Proceedings.*]

* * *

COMMITTEES OF THE HOUSE

STRIKING COMMITTEE—PRESENTATION OF SIXTY-FOURTH REPORT OF STANDING COMMITTEE

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I have the honour to present, in both official languages, the Sixty-fourth Report of the Striking Committee.

If the House gives its consent, I intend to move concurrence in this report later today.

EXTERNAL AFFAIRS AND INTERNATIONAL TRADE—PRESENTATION OF FIFTH REPORT OF STANDING COMMITTEE

Mr. William C. Winegard (Guelph): Mr. Speaker, I have the honour to present, in both official languages, the Fifth Report of the Standing Committee on External Affairs and International Trade.

[*English*]

The committee recommends that we continue to use every available means to provide emergency humanitarian aid to Ethiopia but that, unless the International Red Cross is allowed back into the area along with other international organizations, Canada allow no new government-to-government bilateral aid to Ethiopia.

[*Editor's Note: See today's Votes and Proceedings.*]

* * *

[*Translation*]

RAILWAY ACT

MEASURE TO AMEND

Mr. Jean-Pierre Blackburn (Jonquière) moved for leave to introduce Bill C-298, an Act to amend the Railway Act (delimiting telephone areas).

Mr. Speaker: Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Blackburn (Jonquière): Mr. Speaker, the purpose of the Bill I have the honour of tabling in the House today is to authorize the Governor in Council to instruct the Canadian Radio-Television and Telecommunications Commission, commonly referred to as the CRTC, to harmonize the costs of telephone services within a given socio-economic region.

Mr. Speaker, as you know, the entire matter of long-distance charges is governed by three criteria, namely, commonality of interest, contiguity and distance. These traditional criteria create regional disparity and inequity among citizens in the same region, and the purpose of this Bill is to ensure that within the same socio-economic region, Canadians will not have to pay long-distance charges when they have to make calls within these cities.

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

Some Hon. Members: Agreed.

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

Mr. Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

* * *

• (1110)

STRIKING COMMITTEE

CONCURRENCE IN SIXTY-FOURTH REPORT OF STANDING COMMITTEE

Mr. Gabriel Fontaine (Lévis): If the House agrees, I move, seconded by the Hon. Member for Chambly (Mr. Grisé):

That the sixty-fourth report of the Striking Committee, presented to the House earlier, be adopted.

Mr. Speaker: Does the Hon. Member have the unanimous consent of the House to move this motion?

Some Hon. Members: Agreed.

Mr. Speaker: The House has heard the motion. Is it the pleasure of the House to adopt this motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

[*English*]

PETITIONS

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is my honour to present a petition pursuant to Standing Order 106 from a number of constituents who believe that the Government lacks a mandate from the Canadian people to conclude a trade deal with the United States. They believe that the proposed trade deal would deny Canada the policy freedom to determine its own economic future and undermine our ability as a country to build a society distinct from that of the United States.

There are a number of other points which I will simply bypass in order to get on with the Leaders' speeches. The basic line of the petitioners is that they are asking that Parliament now dissolve to allow the people of Canada the opportunity either to accept or to reject the proposed trade deal during a national general election.

IMMIGRATION—SPONSORING OF RELATIVES

Mr. Dan Heap (Spadina): Mr. Speaker, it is my pleasure to introduce two petitions from the residents of Spadina and nearby.

The first petition concerns immigration and the promise made several times by the Minister that unmarried sons and daughters of all ages will be considered as members of the family class of immigrants. As well, it has been promised for two years that the Government would remove the unfair distinction between Canadian citizens and permanent residents of three years or more, the distinction between them in regard to sponsoring their parents of any age. These promises have not yet been fulfilled. Therefore, the undersigned citizens and residents of Canada call upon the House to ensure that the Government fulfil these promises now.

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Dan Heap (Spadina): Mr. Speaker, this petition from Spadina and nearby is from citizens who are concerned that the Government, without a mandate from the Canadian people, is negotiating and trying to conclude a trade deal with the United States which would compromise Canadian sovereignty and deny Canadians the opportunity to develop our economy on our natural resource base without gaining access to the American market.

Therefore, your petitioners humbly pray and call upon Parliament to dissolve to allow the people of Canada the opportunity to accept or reject the proposed free trade agreement in a national general election.

PROHIBITION WITH RESPECT TO KNIVES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have the honour to present two petitions on the same subject. I am pleased the Minister of Justice (Mr. Hnatyshyn) is in the House today. These petitions are from people in Port Alberni, Delta, Mission and Vancouver, British Columbia. Again, it concerns the high incidents of crime, including murder, robbery and sexual assault, committed with knives. This is on the increase in all major cities across Canada.

Whereas the federal Criminal Code and court decisions allow citizens to carry knives for self-defence, and the carrying of knives is directly responsible for knives being used in a variety of crimes, the petitioners ask Parliament to amend the federal Criminal Code to prohibit the carrying of knives by citizens in public places. The only exceptions would be those whose use of a knife is integral to legitimate work or those carrying a knife for religious reasons, such as is in the case of Sikhs.

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Gus Mitges (Grey—Simcoe): Mr. Speaker, it is my privilege to present a petition from the Town of Stayner, Ontario, in the riding of Grey-Simcoe, signed by many citizens who call upon Parliament to pass into law legislation that will protect the life of the unborn child from conception and at all stages of development, with the exception of extremely rare situations in which abortion is performed in order to save the life of a mother.

I am pleased to be associated with and fully support this petition.

[*Translation*]

QUESTIONS PASSED AS ORDERS FOR RETURN

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, if questions 291, 292 and 293 could be passed as orders for returns, these documents could be tabled immediately.

Mr. Speaker: Does the House wish to consider questions 291, 292 and 293 as orders for returns?

Some Hon. Members: Agreed.

[*Text*]

MCCLELLAND & STEWART LTD.

Question No. 291—**Mr. Shields:**

Since April, 1968, have (*a*) grants (*b*) loans (*c*) loan guarantees (*d*) contracts been provided by any department, agency, board, commission, council or Crown corporation of, or associated with, the government to McClelland and Stewart Publishing of Toronto or other McClelland and Stewart enterprises and, if so, how many and, in each case (*i*) on what date (*ii*) in what amount (*iii*) for what purpose?

Return tabled.

KEY PORTER BOOKS

Question No. 292—**Mr. Shields:**

Since April, 1968, have (*a*) grants (*b*) loans (*c*) loan guarantees (*d*) contracts been provided by any department, agency, board, commission, council or Crown corporation of, or associated with, the government to Key Porter Publishing of Toronto or other Key Porter enterprises and, if so, how many and, in each case (*i*) on what date (*ii*) in what amount (*iii*) for what purpose?

Return tabled.

THE PRAIRIE PUBLISHING CO.

Question No. 293—**Mr. Shields:**

Since April, 1968, have (*a*) grants (*b*) loans (*c*) loan guarantees (*d*) contracts been provided by any department, agency, board, commission, council or Crown corporation of, or associated with, the government to Prairie Publishing of Winnipeg or other Prairie Publishing enterprises and, if so, how many and, in each case (*i*) on what date (*ii*) in what amount (*iii*) for what purpose?

Return tabled.

[*Translation*]

Mr. Grisé: Mr. Speaker, I ask that all other questions be allowed to stand.

Mr. Speaker: Shall the other questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

THE CONSTITUTION ACT, 1867

CONSTITUTION AMENDMENT, 1987

The House resumed, from Thursday, May 19, consideration of the motion of Mr. Hnatyshyn:

WHEREAS the *Constitution Act, 1982* came into force on April 17, 1982, following an agreement between Canada and all the provinces except Quebec;

AND WHEREAS the Government of Quebec has established a set of five proposals for constitutional change and has stated that amendments to give effect to those proposals would enable Quebec to resume a full role in the constitutional councils of Canada;

AND WHEREAS the amendment proposed in the schedule hereto sets out the basis on which Quebec's five constitutional proposals may be met;

AND WHEREAS the amendment proposed in the schedule hereto also recognizes the principle of the equality of all the provinces, provides new arrangements to foster greater harmony and cooperation between the Government of Canada and the governments of the provinces and requires that conferences be convened to consider important constitutional, economic and other issues;

AND WHEREAS certain portions of the amendment proposed in the schedule hereto relate to matters referred to in section 41 of the *Constitution Act, 1982*;

AND WHEREAS section 41 of the *Constitution Act, 1982* provides that an amendment to the Constitution of Canada may be made by proclamation issued by the Governor General under the Great Seal of Canada where so authorized by resolutions of the Senate and the House of Commons and of the legislative assembly of each province;

NOW THEREFORE the House of Commons resolves that an amendment to the Constitution of Canada be authorized to be made by proclamation issued by Her Excellency the Governor General under the Great Seal of Canada in accordance with the schedule hereto.

SCHEDULE

CONSTITUTION AMENDMENT, 1987

CONSTITUTION ACT, 1867

1. The *Constitution Act, 1867* is amended by adding thereto, immediately after section 1 thereof, the following section:

"2.(1) The Constitution of Canada shall be interpreted in a manner consistent with

(a) the recognition that the existence of French-speaking Canadians, centred in Quebec but also present elsewhere in Canada, and English-speaking Canadians, concentrated outside Quebec but also present in Quebec, constitutes a fundamental characteristic of Canada; and

(b) the recognition that Quebec constitutes within Canada a distinct society.

(2) The role of the Parliament of Canada and the provincial legislatures to preserve the fundamental characteristic of Canada referred to in paragraph (1)(a) is affirmed.

(3) The role of the legislature and Government of Quebec to preserve and promote the distinct identity of Quebec referred to in paragraph (1)(b) is affirmed.

(4) Nothing in this section derogates from the powers, rights or privileges of Parliament or the Government of Canada, or of the legislatures or governments of the provinces, including any powers, rights or privileges relating to language."

2. The said Act is further amended by adding thereto, immediately after section 24 thereof, the following section:

"25.(1) Where a vacancy occurs in the Senate, the government of the province to which the vacancy relates may, in relation to that vacancy, submit to the Queen's Privy Council for Canada the names of persons who may be summoned to the Senate.

(2) Until an amendment to the Constitution of Canada is made in relation to the Senate pursuant to section 41 of the *Constitution Act, 1982*, the person summoned to fill a vacancy in the Senate shall be chosen from among persons whose names have been submitted under subsection (1) by the government of the province to which the vacancy relates and must be acceptable to the Queen's Privy Council for Canada."

3. The said Act is further amended by adding thereto, immediately after section 95 thereof, the following heading and sections:

"AGREEMENTS ON IMMIGRATION AND ALIENS

95A. The Government of Canada shall, at the request of the government of any province, negotiate with the government of that province for the purpose of concluding an agreement relating to immigration or the temporary admission of aliens into that province that is appropriate to the needs and circumstances of that province.

95B. (1) Any agreement concluded between Canada and a province in relation to immigration or the temporary admission of aliens into that province has the force of law from the time it is declared to do so in accordance with subsection 95C(1) and shall from that time have effect notwithstanding class 25 of section 91 or section 95.

(2) An agreement that has the force of law under subsection (1) shall have effect only so long and so far as it is not repugnant to any provision of an Act of the Parliament of Canada that sets national standards and objectives relating to immigration or aliens, including any provision that establishes general classes of immigrants or relates to levels of immigration for Canada or that prescribes classes of individuals who are inadmissible into Canada.

(3) The *Canadian Charter of Rights and Freedoms* applies in respect of any agreement that has the force of law under subsection (1) and in respect of anything done by the Parliament or Government of Canada, or the legislature or government of a province, pursuant to any such agreement.

95C. (1) A declaration that an agreement referred to in subsection 95B(1) has the force of law may be made by proclamation issued by the Governor General under the Great Seal of Canada only where so authorized by resolutions of the Senate and House of Commons and of the legislative assembly of the province that is a party to the agreement.

(2) An amendment to an agreement referred to in subsection 95B(1) may be made by proclamation issued by the Governor General under the Great Seal of Canada only where so authorized

(a) by resolutions of the Senate and House of Commons and of the legislative assembly of the province that is a party to the agreement; or

(b) in such other manner as is set out in the agreement.

95D. Sections 46 to 48 of the *Constitution Act, 1982* apply, with such modifications as the circumstances require, in respect of any declaration made pursuant to subsection 95C(1), any amendment to an agreement made pursuant to subsection 95C(2) or any amendment made pursuant to section 95E.

95E. An amendment to sections 95A to 95D or this section may be made in accordance with the procedure set out in subsection 38(1) of the *Constitution Act, 1982,* but only if the amendment is authorized by resolutions of the legislative assemblies of all the provinces that are, at the time of the amendment, parties to an agreement that has the force of law under subsection 95B(1)"

4. The said Act is further amended by adding thereto, immediately preceding section 96 thereof, the following heading:

"GENERAL"

5. The said Act is further amended by adding thereto, immediately preceding section 101 thereof, the following heading:

"COURTS ESTABLISHED BY THE PARLIAMENT OF CANADA"

6. The said Act is further amended by adding thereto, immediately after section 101 thereof, the following heading and sections:

"SUPREME COURT OF CANADA

101A. (1) The court existing under the name of the Supreme Court of Canada is hereby continued as the general court of appeal for Canada, and as an additional court for the better administration of the laws of Canada, and shall continue to be a superior court of record.

(2) The Supreme Court of Canada shall consist of a chief justice to be called the Chief Justice of Canada and eight other judges, who shall be appointed by the Governor General in Council by letters patent under the Great Seal.

101B. (1) Any person may be appointed a judge of the Supreme Court of Canada who, after having been admitted to the bar of any province or territory, has, for a total of at least ten years, been a judge of any court in Canada or a member of the bar of any province or territory.

(2) At least three judges of the Supreme Court of Canada shall be appointed from among persons who, after having been admitted to the bar of Quebec, have, for a total of at least ten years, been judges of any court of Quebec or of any court established by the Parliament of Canada, or members of the bar of Quebec.

101C. (1) Where a vacancy occurs in the Supreme Court of Canada, the government of each province may, in relation to that vacancy, submit to the Minister of Justice of Canada the names of any of the persons who have been admitted to the bar of that province and are qualified under section 101B for appointment to that court.

(2) Where an appointment is made to the Supreme Court of Canada, the Governor General in Council shall, except where the Chief Justice is appointed from among members of the Court, appoint a person whose name has been submitted under subsection (1) and who is acceptable to the Queen's Privy Council for Canada.

(3) Where an appointment is made in accordance with subsection (2) of any of the three judges necessary to meet the requirement set out in subsection 101B(2), the Governor General in Council shall appoint a person whose name has been submitted by the Government of Quebec.

(4) Where an appointment is made in accordance with subsection (2) otherwise than as required under subsection (3), the Governor General in Council shall appoint a person whose name has been submitted by the government of a province other than Quebec.

101D. Sections 99 and 100 apply in respect of the judges of the Supreme Court of Canada.

101E. (1) Sections 101A to 101D shall not be construed as abrogating or derogating from the powers of the Parliament of Canada to make laws under section 101 except to the extent that such laws are inconsistent with those sections.

(2) For greater certainty, section 101A shall not be construed as abrogating or derogating from the powers of the Parliament of Canada to make laws relating to the reference of questions of law or fact, or any other matters, to the Supreme Court of Canada."

7. The said Act is further amended by adding thereto, immediately after section 106 thereof, the following section:

"106A. (1) The Government of Canada shall provide reasonable compensation to the government of a province that chooses not to participate in a national shared-cost program that is established by the Government of Canada after the coming into force of this section in an area of exclusive provincial jurisdiction, if the province carries on a program or initiative that is compatible with the national objectives.

(2) Nothing in this section extends the legislative powers of the Parliament of Canada or of the legislatures of the provinces."

8. The said Act is further amended by adding thereto the following heading and sections:

"XII—CONFERENCES ON THE ECONOMY AND OTHER MATTERS

148. A conference composed of the Prime Minister of Canada and the first ministers of the provinces shall be convened by the Prime Minister of Canada at least once each year to discuss the state of the Canadian economy and such other matters as may be appropriate.

XIII—REFERENCES

149. A reference to this Act shall be deemed to include a reference to any amendments thereto."

CONSTITUTION ACT, 1982

9. Sections 40 to 42 of the *Constitution Act, 1982* are repealed and the following substituted therefor:

"40. Where an amendment is made under subsection 38(1) that transfers legislative powers from provincial legislatures to Parliament, Canada shall provide reasonable compensation to any province to which the amendment does not apply.

41. An amendment to the Constitution of Canada in relation to the following matters may be made by proclamation issued by the Governor General under the Great Seal of Canada only where authorized by resolutions of the Senate and House of Commons and of the legislative assembly of each province:

(a) the office of the Queen, the Governor General and the Lieutenant Governor of a province;

(b) the powers of the Senate and the method of selecting Senators;

(c) the number of members by which a province is entitled to be represented in the Senate and the residence qualifications of Senators;

(d) the right of a province to a number of members in the House of Commons not less than the number of Senators by which the province was entitled to be represented on April 17, 1982;

(e) the principle of proportionate representation of the provinces in the House of Commons prescribed by the Constitution of Canada;

(f) subject to section 43, the use of the English or the French language;

(g) the Supreme Court of Canada;

(h) the extension of existing provinces into the territories;

(*i*) notwithstanding any other law or practice, the establishment of new provinces; and

(j) an amendment to this Part."

10. Section 44 of the said Act is repealed and the following substituted therefor:

"44. Subject to section 41, Parliament may exclusively make laws amending the Constitution of Canada in relation to the executive government of Canada or the Senate and House of Commons."

11. Subsection 46(1) of the said Act is repealed and the following substituted therefor:

"46. (1) The procedures for amendment under sections 38, 41 and 43 may be initiated either by the Senate or the House of Commons or by the legislative assembly of a province."

12. Subsection 47(1) of the said Act is repealed and the following substituted therefor:

"47. (1) An amendment to the Constitution of Canada made by proclamation under section 38, 41 or 43 may be made without a resolution of the Senate authorizing the issue of the proclamation if, within one hundred and eighty days after the adoption by the House of Commons of a resolution authorizing its issue, the Senate has not adopted such a resolution and if, at any time after the expiration of that period, the House of Commons again adopts the resolution."

13. Part VI of the said Act is repealed and the following substituted therefor:

"PART VI

CONSTITUTIONAL CONFERENCES

50. (1) A constitutional conference composed of the Prime Minister of Canada and the first ministers of the provinces shall be convened by the Prime Minister of Canada at least once each year, commencing in 1988.

(2) The conferences convened under subsection (1) shall have included on their agenda the following matters:

(a) Senate reform, including the role and functions of the Senate, its powers, the method of selecting Senators and representation in the Senate;

(b) roles and responsibilities in relation to fisheries; and

(c) such other matters as are agreed upon."

14. Subsection 52(2) of the said Act is amended by striking out the word "and" at the end of paragraph (b) thereof, by adding the word "and" at the end of paragraph (c) thereof and by adding thereto the following paragraph:

"(d) any other amendment to the Constitution of Canada."

15. Section 61 of the said Act is repealed and the following substituted therefor:

"61. A reference to the *Constitution Act 1982*, or a reference to the *Constitution Acts 1867 to 1982*, shall be deemed to include a reference to any amendments thereto."

GENERAL

16. Nothing in section 2 of the *Constitution Act, 1867* affects section 25 or 27 of the *Canadian Charter of Rights and Freedoms*, section 35 of the *Constitution Act, 1982* or class 24 of section 91 of the *Constitution Act, 1867*.

CITATION

17. This amendment may be cited as the *Constitution Amendment, 1987*;

And the amendments of Mr. Turner (Vancouver Quadra, p. 15617), Mr. Broadbent, (p. 15618), Mr. Caccia, (p. 15618), Mr. Johnston, (p. 15618) and Mr. Roman, (15620).

Mr. Speaker: Continuing debate. The Right Hon. Prime Minister (Mr. Mulroney).

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, one year ago the First Ministers of Canada signed the Meech Lake Accord. It was a rare and memorable occasion in the history of our country. For the first time in living memory there was unanimous agreement on a major constitutional amendment. For the first time in a generation there was an answer to that troubling and difficult question: What does Québec want? For the first time in a decade, we were able to see the way ahead to the next stage of our constitutional evolution as a people.

No one who was there in the old railway station that day will ever forget that day, the great sense of joy, the great sense of pride in our country.

[*Translation*]

As it happened, Mr. Speaker, the sentiment of June 3, 1987 was summed up by the next day's banner headline in *Le Devoir*, and I quote:

Le Canada dit oui au Québec.

There was a sense of understandable achievement—First Ministers had come to grips with and successfully resolved issues that had bedevilled us as a people for over a quarter of a century. For we had settled outstanding constitutional issues on terms that were satisfactory to Quebec, acceptable to the rest of Canada, and honourable for all concerned.

Mr. Speaker, this is no small achievement. In signing the Accord, First Ministers committed to ratify Meech Lake «as soon as possible. I am pleased to note today that after a year, five provinces have done so.

As for us, this House adopted the Meech Lake Accord last October 26, by an overwhelming margin of 242-16, with the support of all leaders and all parties in this House. So why are we here again, Mr. Speaker? We are here, for the first time in our history—as far as I know—to override the Senate on a constitutional question. So be it. The will of the elected representatives of the people must and shall prevail.

• (1120)

[*English*]

I am happy to have this additional opportunity to address the issues which brought about the Meech Lake Accord and the questions it has subsequently raised. A Constitution is much more than words on paper. It is more than a theory of how our affairs ought to be organized as a nation. It is even more than a social contract. It should reflect the history of our nation. It should reflect the aspirations of our people. And it should reflect reality or it simply will not work. The Meech Lake Accord meets every single one of those tests and I know that every Member of the House of Commons will ratify this Accord again.

Some Hon. Members: Hear, hear!

Mr. Mulroney: The Accord reflects our history in that it recognizes the linguistic duality of Canada, and Quebec's distinctiveness within Canada, within the federation—those are key words in the document—while affirming the equality of the provinces. It reflects the aspirations of our people in the recognition that indeed in our judgment there is room enough for all of our citizens to affirm their identity as Canadians. It reflects the reality of our country, this vast, magnificent land stretching thousands of miles from Newfoundland and Labrador to British Columbia, a federation in which the diversity of our regions very much contributes—not damages—very much contributes to our national interest. There are some of the realities about Meech Lake; a sense of history, a sense of country, and a sense of reality.

I am the first to acknowledge that the Meech Lake Accord is not perfect, but we will leave to others the theories of constitutional perfection. We had to deal with the Canada that was left to us with Canada as it is, and that is a Canada that, in 1982, achieved the patriation of its Constitution and the entrenchment of its Charter of Rights and Freedoms without the assent of Québec, principal home of one of our two official language communities which gave rise to Canada, the existence of our country at the very beginning. As a result, the 1982 Constitution Act, which I have no hesitation in acknowledging had been intended as an instrument of unity, had become the opposite even before the ink was dry. This was a deep and a lasting wound on the body politic of our country.

In fact, by deciding to proceed without Quebec, and this was a value judgment that was made, the federal Government of that day ensured, first of all, that any attempt to reintegrate Quebec would take place in isolation in the future, any Prime Minister or any Parliament called upon to deal with this festering problem would have to do so in isolation, thereby depriving the federal Government of the flexibility inherent in a comprehensive negotiation. Because of this isolation, any formula to bring Quebec into the Constitution could be portrayed as giving in to Quebec or giving up too much for Quebec.

Not only was Quebec isolated in 1982, but the prospects of future constitution reform were also effectively blocked. That was the situation we inherited at Meech Lake and that, Mr. Speaker, I am honoured to say was the situation that we remedied at Meech Lake on behalf of a united Canada.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Now the hurt of 1981 will be healed at last and the country whole again will be able to move on to the constitutional, social, and economic challenges of a new decade and a new century.

Much has been said and written about the Meech Lake Accord in the year since the First Ministers signed the document. Hearings have been held, speeches have been made and reports have been published, but nothing that I have heard or read persuades me that the Accord should be reopened. We said, in fact, that we would reopen the Accord if an egregious error were found in it. None has been found.

[*Translation*]

I am more persuaded than ever that the Meech Lake Accord is a valuable instrument of healing for Canada. And I am quite persuaded of the urgency for all Hon. Members of moving ahead with the immediate ratification process.

I will not have it said of this House and this generation of Canadians that we allowed this opportunity for national reconciliation to pass. Quebec has said yes to Canada twice, in the referendum of 1980, and in adopting the Meech Lake Accord in the National Assembly in 1987. But once before, in 1981, Quebec was left isolated and alone; we must not allow that to happen again in 1988. It is time, once and for all, for the rest of Canada to say yes to Quebec. And the way to do so is to proceed with ratification of the Meech Lake Accord.

Mr. Speaker, I urge this House and remaining legislatures to do so. Then we can at last turn this page in our history, and get on to the next chapter in our constitutional development. Our constitution is indeed a document for the ages, but it is

not cast in stone. Our nation's constitutional development did not end with the British North America Act of 1867. It did not end with the Statute of Westminster in 1931. It did not end with the Constitution Act of 1982. And it will not end with the Meech Lake Accord of 1987. At every stage of our constitutional history, as we have settled the agenda of one generation, we have gained the freedom to move onto the next.

[*English*]

And so it was, Mr. Speaker, after the BNA of 1867 which settled the powers of the federal Government and the provinces and established the goal of "peace, order and good government" in the management of our national affairs; and so it was after the statute of Westminster of 1931 which saw our nation achieve autonomy in the conduct of foreign affairs; and so it was after the Constitution Act of 1982 which saw patriation of our Constitution and the entrenchment of the Canadian Charter of Rights and Freedoms; and in the next round which will take place, Mr. Speaker, just as surely as summer follows spring in Canada, we will deal with the outstanding issues of Senate reform, aboriginal rights, and enhancing the role of linguistic and cultural minorities in Canada.

Are we as a Parliament, as a people, to hold Quebec's constitutional reintegration hostage to the pursuit of perfection in these other areas? Let us not make the perfect the enemy of the good. Surely, we have a much better chance to improve our Constitution with Quebec as a full participant at the constitutional table. Surely, no Government in its right senses would try to proceed to these other issues without the participation of Quebec.

The Meech Lake Accord is entirely consistent with our constitutional character as a nation. It affirms the federal nature of Canada. Since Confederation there has been a constitutional division of powers and responsibilities and obligations in Canada. And the discussions that led to the Meech Lake Constitutional Accord culminate over 20 years of constitutional debate. The Accord builds on the constitutional discussions of 1968 to 1971. It builds on the constitutional exercise of 1975 and 1976, and on Bill C-60 in 1978. It builds on the negotiations that followed the referendum in 1980, as well as the patriation exercise in 1980 and 1981.

• (1130)

We have gained much in the Meech Lake Accord in the national interest and for the benefit of all Canadians. We have gained the signature of Quebec on our Constitution, ending its divisive and potentially dangerous estrangement from our constitutional family. In the process, we have strengthened the Canadian Charter of Rights and Freedoms because, for the first time, Quebec has accepted its moral significance and political legitimacy. That means that all the laws of Quebec will be subjected to the Charter, and the Charter will be interpreted in light of Quebec's distinctiveness, as it is now interpreted in light of Canada's multicultural and aboriginal heritage. We have broken out of the constitutional straitjacket, the dead-end, and gained the ability to move on to the next stage of constitutional reform.

Since 1982, constitutional reform has been effectively blocked. By way of illustration four difficult and challenging and important conferences on aboriginal rights ended in failure in some considerable measure because Quebec declined to participate actively. With the return of Québec we have increased the chances of success very greatly at a future conference dealing with the outstanding issue of aboriginal self-rule. Surely, if there is one group of Canadians which needs and deserves that degree of justice and equality of opportunity it is our aboriginal peoples. The Meech Lake Accord makes justice much more possible for each and every member of our aboriginal communities across Canada.

Some Hon. Members: Hear, hear!

Mr. Mulroney: As for our official language minorities, English-speaking in Québec and French-speaking in the rest of Canada, we have affirmed not only their vital presence but the role of the provinces to preserve their rights. This is in addition to minority rights entrenched in the Charter. These are first-class Canadian citizens with full Canadian citizenship wherever they live. The role of the federal Parliament and the Government of Canada to protect minority rights at all times wherever those minorities live remains a moral and a legal obligation of the Government of Canada.

When we say that the provinces have a role in preserving minority language rights, we will work for that in the broad, generous sense of that word.

[*Translation*]

We in the Federal Government will continue to "promote" as well as preserve the rights of official languages minorities, through instuments such as Bill C-72, the amendments to update and strengthen the Official Languages Act.

Mr. Speaker, this morning we concluded an agreement with the Governmnet of Saskatchewan, providing assistance to improve the situation of the 25,000 Francophones who live in that province. That is a tangible sign of our duty and our obligation with respect to linguistic minorities throughout Canada.

In some circles, Mr. Speaker, Meech Lake has been extraneously and erroneously linked with recent events in Saskatchewan. Indeed, that has often been tried with the Meech Lake Accord.

Mr. Speaker, the Meech Lake accord was not in effect in 1886. It was not in effect in 1905. It is not yet in effect in 1988. For our linguistic minorities, the Accord means that their rights have been afforded an added measure of constitutional recognition—a "major step in the right direction" in the words of Canada's Commissioner of Official Languages.

[*English*]

The Accord for the first time affirmed the authority of the Parliament of Canada to launch programs in areas of exclusive provincial jurisdiction. We have affirmed the federal character of the Supreme Court of Canada which is, in my judgment, entirely consistent with its ultimate role as the final arbiter of Confederation. Even more so, with its expanded role in interpreting the Charter it is entirely appropriate that the provinces play a role in submitting nominations for Supreme Court justices. It is entirely in accordance with reality.

Mr. Speaker, if you were to compare short lists of the federal Government with the provinces and the bar for this position you would no doubt find in almost every circumstance almost entirely the same names. But the national Government decides in all circumstances and therefore has the absolute and final say.

With respect to the Senate, pending effective reform, we have struck an interim agreement that also reflects the federal character of the upper Chamber in this federation. Vacancies will be filled by Ottawa from lists of competent people submitted by the provinces.

With respect to immigration, which promises to be a central public policy issue for many years to come, both in terms of economic development and social justice, we have also reaffirmed the federal nature of this issue.

Finally, we have institutionalized and constitutionalized the annual First Ministers Conference on the economy which we began in Regina in 1985. This annual meeting on the economy has proven to be an invaluable instrument of policy planning and co-ordination between Ottawa and the provinces and has introduced new discipline into the budgetary planning process.

[*Translation*]

Mr. Speaker, this is not a unitary state. Regardless of what some people claim, Ottawa is not the omniscient, omnipotent source of wisdom and power in this land. There are those who say that too much has been given to obtain Quebec's signature. And there are those in Quebec who say that we have not conceded enough. On the one hand, you have those who regard themselves as being in sole possession of the truth, who have always treated Quebec's legitimate aspirations with ill-concealed contempt. On the other hand, you have those who have always rebuffed sincere efforts at reconciling Quebec's legitimate needs with the national interest, whose only interest in constitutional discussions is to sever links with the rest of Canada. And somewhere in between, Mr. Speaker, you have the vast majority of people who regard Quebec as their home, but Canada as their country.

Yes, Mr. Speaker, you have the vast majority of English-speaking Canadians in other provinces who want Quebecers to feel at home in Canada.

[*English*]

The Meech Lake Accord reflects that idea and that reality of Canada. Opponents of the Meech Lake Accord would have Canadians believe that it somehow represents a decentralizing thrust when in fact it is a pragmatic representation of the reality of our country.

Compromises were made at Meech Lake, honourable compromises to improve as well as reflect the situation we inherited. But nowhere at Meech Lake have we made compromises as significant as those that were made in 1982.

In 1982, Canada achieved patriation and an entrenched Charter of Rights but only at the price, the tremendous price, of a notwithstanding clause. So while the most fundamental rights of Canadians were guaranteed in 1982, the federal Government agreed that Parliament or provincial legislatures could override these fundamental rights by invoking the notwithstanding clause.

Nowhere in the Meech Lake Accord is there a compromise or a concession of the magnitude agreed to by the federal Government in 1982.

Mr. Waddell: There is still a notwithstanding clause.

Some Hon. Members: Hear, hear!

• (1140)

Mr. Mulroney: Rather than criticize and live in the past, we tried to build on the good, and there was much good about the process in 1982. We accepted the advances that came from 1982 and moved on as a nation to the challenge of some day together, all Parties and all Leaders, completing the work of Confederation, which brought us to Meech Lake.

[*Translation*]

We have affirmed the linguistic duality of our nation, and the distinctiveness Quebec brings to our country. This constitutional arrangement simply reflects reality. Not that Quebec is special, just that it is different and, distinct within Canada. Language and culture in particular give rise to this fact.

We do not close our eyes to Quebec's distinctiveness within Canada, rather we embrace it, for it enriches our national culture, and strengthens our national identity as Canadians on the northern half of this continent.

The Meech Lake Accord acknowledges the distinctive character of Quebec, while upholding the principle of equality of all the provinces. The other arrangements contemplated by Meech Lake are equally consistent with the constitutional evolution and the practical reality of Canada.

[*English*]

On spending power, for example, while affirming the federal prerogative, we provided for opting out with compensation for provinces which meet national objectives in programs of their own. However, opting out with compensation is not a new idea.

It was not dreamed up at Meech Lake. Prime Minister Pearson first introduced the possibility of opting out of shared cost programs through the Established Programs Act of 1965. This applied to matters such as hospital insurance, old age assistance, the welfare portion of unemployment insurance, and vocational training. This is nothing new. Under these conditions social programs have been established in the past, they are being established in the present, and they will continue to be developed for the national good in the future.

With regard to the role of provinces in the appointment of Senators, Members will recall the federal Government's Bill C-60 in 1978, 10 years ago, which envisaged that half of the Senate appointments would be made by the provinces acting alone. Under the Meech Lake Accord the provinces can appoint none. They simply have the right to submit lists of competent candidates with the decisions in all cases being made by the federal Government. That is a far cry from the concession made by a federal Government 10 years ago.

As for the Supreme Court, and this interests every Member of Parliament very much, Members will recall that at the Victoria Conference in 1971 the federal Government proposed a provincial role in nominations. The federal Government would not have retained the final say over who was appointed. This is part of what transpired. This is not something that we dreamed up at Meech Lake. This is calling back on parts of our history.

The immigration provisions of Meech Lake entrench the essential features of the Cullen-Couture agreement of 1977 entered into by the Government of Canada. Let me quote an analysis not of a Member of this House, not of a political supporter, but a very distinguished jurist who exercises his power in another jurisdiction, the Attorney General of Ontario, the Hon. Ian Scott. He analysed the last 10 or 15 years, and this was his assessment:

> Most of these proposals, including those advanced by the federal Government prior to 1981, would have established a far greater role for provincial Governments than is provided for in the Meech Lake Accord itself.

I think the analysis of Attorney General Scott is one that all Members of Parliament from all Parties in every jurisdiction should read very, very carefully.

[*Translation*]

Mr. Speaker, the Meech Lake Accord, like all previous constitutional amendments, is not without its imperfections. Our Constitution is being improved with Meech Lake, and it can be improved in the future. I believe we can all be assured of that. The Meech Lake Accord incorporates improvements to the Constitution Act of 1982, just as the 1982 law brought improvements to the BNA Act. At each stage of our constitutional development, we have improved our constitutional structure. All Members of all Parties in this House can properly feel proud of this achievement. With Meech Lake, we have achieved the best possible arrangement under the circumstances. We are correcting the grave historical error of Quebec's absent signature, and we have obtained it on terms that are consistent with our history and our constitutional evolution. As Prime Minister of Canada, as Leader of my political Party, I am proud of the Lake Meech Accord.

[*English*]

Canada is one of the world's youngest nations but one of the world's oldest democracies. It is a country with an Atlantic heritage and a Pacific perspective. It truly is a land for tomorrow, perhaps the most bountiful and blessed country on the face of the earth. In this beloved country, which has been enriched by wave after wave of immigrants coming from around the world to build a tolerant and splendid new society on the northern half of this continent, the Meech Lake Accord brings us together as a people. That is our point of departure with Meech Lake, building one Canada, united and strong.

What is it that we all have in common? The answer is simple. All Members of this House, of whatever Party, whatever region, whatever background or whatever religion, are all Canadians and we all very much love our country.

Some Hon. Members: Hear, hear!

[*Translation*]

Right Hon. John N. Turner (Leader of Opposition): Mr. Speaker, it is always with a sense of pride and responsibility that I take part in a debate on the fundamental law of our country. Like the Fathers of Confederation and those Canadians who succeeded them in this chamber, we must meet the challenge of having our collective identity and values reflected in our Constitution. We are at an important stage in the constitutional evolution of our country. I am Canadian. I am proud to be Canadian. That is why I have dedicated a large part of my life to serve my country as an elected representative. I do so because I want to build a Canada that is stonger, a Canada that is more just, a Canada that is more equitable, a Canada that is more united. I do so because I want to continue the Liberal tradition, but more importantly, because we must shape the future of Canada. In this regard, I have always been concerned with Constitutional issues and the unity of our contry.

I admit that I am not the first or the only one to promote excellence, harmony and Canadian unity. The fondamental law of this country, the Constitution, flows from and reflects the perpetual evolution of our nation. Constitutional evolution proceeds as a result of initiatives that flow from the needs and aspirations of our society. Each time, we search for excellence. Each time, we make progress. But each time we undertake such an exercise we are bluntly reminded that perfection is out of our reach. But I believe firmly that we must always persist. We should never be discouraged. The constitutional initiative we are looking at today is unrelated to the ones that have come before, nor is it different.

The objective of this initiative, to return Quebec to the Great Canadian constitutional family, is not only noble, it is absolutely essential. That is why I support it energetically. That is also why I am working energetically to improve it.

• (1150)

[*English*]

The whole history of our country is one of meeting great challenge and reaching historic compromise. In founding a parliamentary democracy the Fathers of Confederation recognized that a federal state, with powers shared between the provinces and the central Government, would best respect regional distinctiveness and yet ensure a strong national identity. There has been a perpetual ebb and flow in the powers of the provinces and the federal Government. The British North America Act of 1867, which defined that relationship was amended and refined many times to reflect the evolving priorities of our country.

There are two views of Canada which compete for dominance whenever we discuss the constitutional reform. One is the sense of a very centralized country, one Canada. The other is a concept of a very loose Confederation, such as a community of communities or the idea of *deux nations*. I see the Constitution differently. These two polarized and conflicting views do not reflect the whole debate, nor do they represent the sum total of constitutional discussion in this country. I have always believed in a balanced federalism, a federalism which is in equilibrium, a Canadian federalism. That has always meant to me a strong federal Government and strong provincial Governments operating in their own jurisdictions. Canada has one flag, but it does not fly only over Ottawa. Neither is it a patchwork of provincial emblems.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I have always believed, Mr. Speaker, that the test which must be met by any proposal to alter our Constitution is not "does it serve this or that level of government?" There is a higher test. The questions that must be asked are: "Does it respect the principles upon which this nation was founded? Does it enhance national unity? Will it work?"

Canada is a great tapestry. Through its intricate weave there are many competing strands, but there are five strands that are essential to the whole. The first is our sense of Canadianism, our love of country, deeply rooted in our history, our geography and our unique environment. The second is our linguistic duality and Quebec's place as the primary, though not the exclusive, source of the French language in Canada. The third is our aboriginal heritage. The fourth is the multicultural nature of Canadian society. The fifth is the paramountcy of individual rights over the powers we have given to Governments. I believe we must constantly review and renew each of these strands; our sense of belonging to this vast land; the essential role of our two founding languages, the special place of our first peoples; the rich and diverse legacy of those who have freely chosen to become Canadian; and the primacy of the individual in Canadian society.

In amending our Constitution, we must always be aware that the Canadian identity can only be preserved by strengthening and not weakening these continuing strands.

The genius of Confederation in 1867 was that it gave us a living document which could evolve to respond to the changing expectations of our people. The British North America Act in 1867 was not a perfect document. It was a compromise. It had several flaws, most notably the flaw that it could not be amended by Canadians in Canada.

Our constitutional evolution began almost immediately. Our country grew and expanded. It moved west and north. We created new provinces out of existing territories. We built an infrastructure quite deliberately to hold this vast and extraordinary nation as one. We built a railway. We established a postal service. We built a national highway. We created a great national public broadcasting system. We created a national airline. We put in place a national unemployment insurance scheme, a national pension plan and a national medicare plan. We heightened the dream of a fair, independent and sovereign Canada.

For nearly 50 years following Confederation there was a strong pull to decentralize this country. Many of the constitutional decisions of the judicial committee of the Privy Council in Great Britain strengthened provincial rights, but when we were faced with national emergencies in the Depression and the two great wars, it became clear that only with a strong national Government could we respond to those challenges. Then, of course, the courts began to reflect that understanding.

• (1200)

[*Translation*]

Canada did not achieve full independent nationhood in 1867. It was only with the Statute of Westminster in 1931 that we achieved control over our own foreign policy. It was only in 1949, that our Supreme Court became the final court of appeal in all legal matters, replacing the judicial committee of the Privy Council of Great Britain.

But the goal of complete independence from Britain was still to be achieved. We were still obliged to seek the approval of the Parliament of Westminster for any amendment to our Constitution.

This question was resolved when our Constitution was patriated in 1982. However, this enormous step forward was made without the participation of Quebec. Quebec is a full-fledged partner in our Confederation and must be a full-fledged participant in our evolution as a country.

The question of Quebec's place in the Canadian federation lies at the very heart of our existence as a nation. All too often the aspirations of French-speaking Canadians were met by a wall of indifference. The Riel crisis, the Manitoba school question, Regulation 17 in Ontario and conscription were the source of many French-English tensions. The Commission on Bilingualism and Biculturalism set up by Prime Minister

Pearson in the 1960's sounded the alarm: the country would face serious difficulties if there was no fundamental reform.

In Victoria in 1971, the Liberal government, of which I was Minister of Justice, tabled a proposal which I believe remains a model of political consensus. All ten provinces agreed to an arrangement which recognized the linguistic duality of this country and provided an amending formula which gave a veto right to Quebec and to each of this country's other regions. But the Victoria agreement collapsed almost immediately. Quebec withdrew its support in response to mounting pressure from within that province. It was already clear that the feelings provoked by the constitutional debate were running so high that they could no longer be ignored.

The election of a Parti Québécois government a few years later crystalized the debate on the future of Quebec in Confederation. A polarization of ideas rapidly developed. That division culminated in the Referendum Debates. The debate was difficult for Quebecers and for many Canadians as well. It pitted family against family, and friend against friend.

At an important point in the debate, Prime Minister Trudeau delivered an historic speech at the Paul Sauvé arena. He told thousands of Quebecers that if they rejected the seduction of independence and opted for Canada there would be a renewed federalism. His message was very clear. And it was clearly understood. On the day of the vote, a majority of Quebecers, and a majority of French Quebecers, said a resounding "Yes" to Canada.

Long after referendum day the wounds and the scars were still evident. Friendships had been broken. Dreams had been shattered. But the promise of a renewed federalism remained well alive in the hearts of Quebecers.

After a long and difficult round of negotiations the constitutional agreement of 1982 was proclaimed. It was both historic and essential. We, as Canadians, finally patriated our constitution with our own amending formula and our own Charter of Rights. Since then Canada can amend its own Constitution without reference to the British Parliament. But the Quebec government did not accept the terms of the agreement. They refused to sign it. A majority of the members of the National Assembly, representing all political parties confirmed the decision of the Quebec government.

[*English*]

Although Québec, constitutionally and legally, was bound by the Constitution, was bound by the Charter of Rights and Freedoms, Québec was an unwilling partner. The elected representatives of Quebec rejected the constitutional arrangement in 1982 because, among other things, it failed to recognize the distinctive character of Quebec.

One only has to travel to Québec to realize that it is a province unlike any other. It is the only province where a majority of our citizens speak French. It has its own civil code, it has a special culture, a distinctive flavour. The distinct character of Québec is a reality which enriches our country.

Because Québec was not a full partner from 1982 onward, thousands of Quebécers felt a sense of betrayal and a sense of exclusion. That situation could not be allowed to continue. I am proud to lead a Party which took the initiative to end that impasse. In early 1986, on behalf of our Party, I presented new constitutional proposals to do just that. I acknowledged that Québec did have a distinctive character. I responded constructively to the five proposals presented by the newly elected federalist Government in Québec. Our response received widespread support in Québec.

Premier Bourassa characterized our proposals and those responses as constructive, precise and concise. Québecers generally considered them to be progressive. At St. Hyacinthe, Québec Liberals embraced my proposals. At our convention in November of 1986, 3,000 Liberal delegates from all across Canada resoundedly endorsed a confirming resolution.

This was a Liberal initiative, it is true, but partisan politics have no place in the process of making it possible for Québec to join our Constitution, and that is why we depoliticized this debate.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): We have always considered it to be a matter transcending differences between political Parties and a subject that challenged each one of us to find a Canadian solution.

The history of recent years has clearly demonstrated that Québec's absence from the table, even temporarily, impedes any future constitutional development and weakens our country. Indeed, no future constitutional change or reform is possible without the participation of Québec. Those who oppose Meech Lake as an imperfect document fail to take that into account.

I do not believe that the Meech Lake Accord is the straitjacket that its detractors paint it to be. It does not extend the unanimity rule to the entire range of constitutional changes, including the division of powers. The distribution of powers can still be changed under the 50 per cent, seven-provinces rule. The unanimity rule in the Meech Lake Accord extends to federal institutions but will not extend much further than it did before. I say to the Prime Minister (Mr. Mulroney), however, that constitutional reform should not be a casual affair carried out in haste in the early hours of the morning. It should be a well conceived, well thought out, well executed, deliberate effort to reinforce Canadian unity. We deeply regret that the Prime Minister missed that opportunity to present Canadians with a more complete set of amendments to the Constitution.

• (1210)

Québec must be a full partner in the Canadian family, politically, emotionally, and psychologically. It is for this reason that I support the Meech Lake Accord despite its flaws. We do not look to this Accord to solve all the unfinished

business of Confederation. That being said, we still believe that it could have been a better document.

[*Translation*]

Mr. Speaker, when the Special Joint Committee of the Senate and the House of Commons on the 1987 Constitutional Accord presented its conclusions, our party submitted a minority report. In it we proposed changes which would considerably improve and enlarge the Meech Lake Accord. These changes reflect the goals and aspirations of all Canadians. We believe that the aboriginal peoples should not be excluded. Most important, they should not be made to feel less important than other Canadians, because this is not the case. We cannot always be proud of the way we have treated our aboriginal peoples. We have ignored and forgotten them too often. Aboriginal peoples should be recognized as constituting a distinctive and fundamental characteristic of the Canadian society. Aboriginal rights should be a priority in constitutional discussions. That is why our amendments propose that the issue of self-government for aboriginal peoples be put on the agenda of the next round of Constitutional discussions.

Mr. Speaker, since the earliest colonization of North America, our country has welcomed people from around the world. Millions of people from every part of the globe continue to join us. They bring with them a set of values and cultures that enrich Canada and make it a better nation. Our Constitution should therefore recognize the contribution of our multicultural communities. We are proud of the multicultural nature of Canada.

The Charter of Rights and Freedoms stands as one of the greatest achievements of our constitutional development, and it must be paramount. The basic rights and freedoms of Canadian men and women must never be diminished. In particular, we must safeguard the equality rights of women as they are enshrined in the Charter. While we believe that the possibility of discrimination is very remote, we want to ensure that our fundamental rights cannot be threatened by imprecise language.

[*English*]

You know, Mr. Speaker, that we believe in an elected Senate. We want to reach this goal in the foreseeable future. I advanced this course in a debate with the Minister of Justice three years ago in this House of Commons when we debated Senate reform. We propose to eliminate the rigid unanimity rule for Senate reform and return to the formula of seven provinces and 50 per cent of our population.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I believe that our current amendment reflects the demographic and territorial facts of our country. Our proposal would accelerate the move from an appointed to an elected upper House. We would have Senators elected now, when vacancies occur rather than appointing them from provincial lists. I believe that the democratic rights of all Canadians would be strengthened by giving them the power to elect all their national representatives.

Canadians living north of the 60th parallel have been deprived by this Accord of the chance of any future representation in or appointment to the Senate. We propose that the citizens of the Yukon and the Northwest Territories have the right, as do all other Canadians, to senatorial representation. We also suggest that the eventual provincehood of the Yukon and the Northwest Territories be resolved, as it has been in the past, solely by the federal Government and the potential province in question.

We believe that the clauses in the Accord dealing with the appointment of Supreme Court justices could lead to an impasse between the federal and provincial governments. Parenthetically, I believe that the Prime Minister was wrong in his analysis of the 1971 Victoria Charter as it related to Supreme Court appointments.

We have, therefore, suggested a solution which would ensure that the Supreme Court has a full complement of judges at all times in the event of an impasse. It would also protect the basic rights of northern Canadians by granting their governments the same rights as the provinces have under the Accord to nominate candidates to the court.

Another area of the Accord which I have studied very carefully is the provision on shared cost programs. It is my view, certainly shared by the Attorney General of Ontario, that the Accord does not basically change the division of powers as they reside in the federal and provincial governments. In so far as it relates to the federal spending power it probably strengthens its power because it explicitly recognizes for the first time that that power can operate within areas of provincial jurisdiction.

The Meech Lake Accord specifies that national shared cost programs are to be established by the Government of Canada and that if a province carries on a program or initiative that is compatible with the national objectives it is entitled to reasonable compensation.

We believe that this clause should be clarified to ensure that Parliament sets those national objectives and ensures that there are minimum national standards. We would ensure that the minimum standards are met by the provinces in order to qualify for compensation. I do not believe, however, that allowing provinces to opt out of some federal-provincial programs, as has occurred—and the Prime Minister recited this—in the past, will damage our unity.

We also believe that to put the issue of fisheries on the agenda every year would create unnecessary instability in the fishing industry. Three of the four provincial Governments in the Atlantic region have expressed their deep concern that any transfer of this jurisdiction to the provinces would result in anarchy in the fishing industry in the Atlantic. For that reason we propose that the issue be dealt with once and for all at the

first constitutional conference called for within the terms of this Accord.

One of the major thrusts of the Meech Lake Accord was the obligation on the part of provincial governments to preserve minority language rights. This strengthening of bilingualism in itself is a step forward for official language groups and ought to be noted. We in this Party, however, want to offer even more protection to official language minorities by ensuring that Parliament is responsible, not only for preserving, but for promoting the status of official languages.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): For this purpose we have introduced an amendment which would allow any province to adhere to this requirement should it choose to do so. All political leaders in this country have an obligation to ensure that the spirit of the Accord is upheld.

The Prime Minister mentioned Saskatchewan. I am deeply disappointed that the Government of Saskatchewan introduced a language law which the Prime Minister admitted to me here in the House of Commons contravened in spirit and in letter the constitutional Accord. This legislative action was taken by a Premier who sat and negotiated at the table. It was introduced into a legislature which ratified the Accord. Yet our Prime Minister praises that Premier. On his visit to Saskatchewan he should have told that Premier to withdraw the Bill.

Some Hon. Members: Hear, hear!

• (1220)

Mr. Turner (Vancouver Quadra): There are other changes to the Constitution which we have not proposed in our amendments. The reason we have not proposed them in the amendments before Your Honour is that the rules of the House do not permit amendments to parts of the Constitution that are not touched by the Meech Lake Accord. However, these further amendments are part of our constitutional agenda, as are the amendments introduced in the Senate and in the House of Commons in identical language. We would ensure that Section 33 of the Constitution Act, 1982 is repealed. That is to say, the notwithstanding clause which allows both levels of Government to enact legislation exempt from some of the most important sections of the Charter of Rights and Freedoms.

The Prime Minister characterized this erroneously, I believe, as a compromise which made 1982 possible. But in any event, the fact that he failed to obtain provincial approval to omit this clause when he had an opportunity to do so underlines his lack of personal commitment to the Charter.

In future constitutional discussions we propose to eliminate the phrase "where numbers warrant" in the clause relating to the administration of minority rights in education. We would rely on the general interpretation clause in the Constitution, which would allow schools to be set up in a minority language where that was reasonable.

These are my Party's proposals for constitutional reform. They are the focus of our vision of Canada. They reflect the central realities of our history. They mirror the great tapestry which is our country.

I believe in a federalism in equilibrium. I believe in a balanced federalism. A balanced federalism is the Meech Lake Accord plus the amendments we have submitted to the House. That is the formula for our future. That is the prescription for national unity. That is the formula that responds to the difficulties that have been found in this Accord across the country.

I renew my undertaking to argue for this balanced view here in the House of Commons, across the country, as part of our platform during the next election, and as part of our program when we form a government.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra)): I understand that there can be disagreement, but I am going to continue my efforts to persuade those who do not share the vision I have tried to describe of a balanced federalism.

I urge all Members of the House, indeed I urge all Canadians, to accept the fact that constitutional reform is an evolutionary process. The Meech Lake Accord is not ideal. That is true. But it does have the overwhelming advantage to national unity of bringing Québec to the table and bringing Québec back to the Canadian family. We have to build on that unity before we move on to any other constitutional reform.

Let us not lose sight of the goal or turn away from the challenge before the House. Let us move forward with purpose toward realizing our dream of building a stronger, more confident, more united Canada. The greatest enterprise we have ever undertaken is this country itself. It is an enterprise which every generation must enhance. It is an ideal for which every generation must strive. It is a dream which every generation must rekindle. I am proud to be a Canadian. I am proud to share that dream. I am proud to stand for a Canada that is sovereign and that is just and, above all, that is united.

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Edward Broadbent (Oshawa): Mr. Speaker, today's debate will have major historic consequences for this country. That is clear. In fact, in the twenty years I have been a Member of this House, few debates have been as important as this one.

In the sixties, Mr. Speaker, Canadians all over the country were asking: What does Quebec want? That was the question in Jonquière, in Vancouver, in Toronto and in the Prairies. All Canadians were asking the same question. Since then, our history has known some difficulty and I would even say

tumultuous times: the October crisis and the federal Government's excessive reaction which lead to the totally unjustified imposition of the War Measures Act; the election in Quebec of a government dedicated to Quebec's independence from the rest of Canada; the referendum in which the majority of Quebecers said yes to Canada; the patriation of the Constitution which gave Canada its own Constitution and its Charter of Rights, but unfortunately isolated Quebec from the rest of Canada; the negotiations that started after the meeting of First Ministers in 1986 in Edmonton, where it was decided that the next constitutional priority would be to include Quebec in the constitutional process, which led to the Meech Lake and Langevin meetings in May and June 1987, which produced the Accord.

Mr. Speaker, what does this Accord give us? Quite simply, it gives us Quebec's answer to the question: What does Quebec want? And the answer is: Quebec wants to take its place proudly within Confederation as a member of the Canadian community, fully participating in our tradition of co-operative federalism. Quebec wants the rest of Canada to reaffirm our history and incorporate, in our Constitution, that which has been unique and distinct since the inception of this country.

That is the very essence of this debate. Mr. Speaker, Quebec has said a clear and decisive yes to Canada, while reminding us of what we really are as a country, and ten provincial Premiers and three federal Parties answered a decisive yes to the concept of a great country with a distinct society.

• (1230)

[*English*]

Like other federal leaders and Members of both sides of the House, I have travelled recently in the Province of Québec.

[*Translation*]

It is a fact that the vast majority of Quebecers are very positive about the Meech Lake Accord. It is not just the journalists and politicians in the Province of Quebec. We hear it in the streets of Quebec and in the hearts of the men and women of this province. They are positive about this Accord because they realize that Quebec is not a province like the others, and they like the idea that, at last, the rest of Canada has agreed to include this concept in the Canadian Constitution.

[*English*]

Today, however, I want primarily to direct my comments to Canadians outside the Province of Québec. I want to explain to them why I believe this Accord is not only good and desirable, but why it is so very important at this precise moment in the history of our country. We have heard a great deal about the terms of this constitutional Accord, and I speak frankly when I say we have heard a lot of nonsense from many parts of our land and from people who, in my judgment, ought to know better or ought to have made an effort to actually read the document before they spoke out. As a consequence, there are many legitimately perceived misconceptions about this deal, but they are, nonetheless, misconceptions.

There are issues, particularly outside of the Province of Quebec, which have to be addressed and addressed frankly so that the people of Canada will understand that this deal was negotiated in good faith by Premiers who put it on their agenda, and it is accepted in every corner of the Province of Quebec. The people of Canada have to understand that it is good not only for Quebec, but it is good for Newfoundland, Ontario, the Prairies, it is good for all of Canada. We have to understand that.

Many people have said that this Accord drastically changes Canada, that too much has been given away by the federal Government and that the Accord is badly flawed. I want to respond to these arguments because I believe they are fundamentally wrong, and this Accord is fundamentally good. There are those who say that the Accord with its distinct society provision supersedes the Charter. How often have we heard that? How often have otherwise reputable newspapers published, and I speak frankly again, such nonsense? The reality is that courts in Quebec, before this Accord was even written, have referred to the distinct nature of Quebec society in their interpretation of our Charter, and in these judgments, the Charter provisions prevail. They were not abandoned. They prevail in those decisions in Quebec courts, and I say they will prevail in the future. The Charter is not threatened by this Accord.

Professor Peter Hogg of the Osgoode Law School, one of Canada's truly distinguished constitutional scholars, stated quite categorically in his commentary on the Accord:

> The new Section 2 does not override the Charter . . . A law passed to preserve linguistic duality or to promote the distinct identity of Quebec would, like any other law, have to comply with the Charter. If the law was contrary to the Charter . . . then the law would be invalid.

My Party supported and fought for the Charter in 1980 and 1981. We would not have supported this Accord had we believed the Charter was endangered or diminished. I say that with great conviction. There are those who say that the federal spending power will be diminished or significantly altered as a result of this Accord. As a Leader of a Party which in the past has pioneered medicare in Canada, which led the fight for pensions, social housing and other programs, and which is now involved, along with others, in asserting the need for a national child care program, I can tell you, Mr. Speaker, that this argument, if it turned out to be true, would have been of great consequence for members of my Party. But again, what do we see? In the Accord, we see for the first time the federal Government's right to create shared cost programs in areas that have hitherto been exclusively reserved to the provinces in the written Constitution, which is now to be enshrined in the letter of the law in the Constitution of Canada. That, if anything, is an expansion of the federal authority, not its reduction.

No longer will it be necessary for the federal Government to obtain legitimacy for such action either from past precedent by

courts or from the highly contentious use of its spending authority. It will now be written in the Constitution. The federal Government will still have the right to decide where and how and on what terms it spends. It will have the right to attach strings to such a program. It will be the Parliament of Canada that will decide here in this debating Chamber, with all Parties representing all regions of Canada, what the national objectives of such a spending program ought to be.

In so doing, in order to be effective in a federal state, we would have to obtain the co-operation of the Provinces. I repeat once again, we are spending within provincial jurisdictional authority in this kind of activity, and any Government which is sensitive to the legitimate role of the provinces, which does not see the provinces simply as some unfortunate encumbrance around the neck of the central Government, any central Government knows this. Indeed, that is the way we got national programs in the past. It was absolutely essential to obtain crucial provincial support, and that is the kind of approach the New Democratic Party believes ought to be taken. In other words, it will ultimately be a matter of public pressure and political will in deciding whether new social programs are created, just as it was political pressure and political will in the past that led one of my predecessors, Tommy Douglas, and his colleague, Woodrow Lloyd, into action that first brought hospitalization and medicare to the Province of Saskatchewan and, subsequently, because of political pressure, persuasion and argument, we had national programs established in this field.

My Party would not have supported the Accord had we believed that federal Governments would not be able to continue their right of showing this kind of imaginative leadership in the future, whether on child care or some other important aspect of social policy.

There are those who say we are going to create a chequer-board Canada with a variety of social programs. That is another argument that has been trotted out again and again. The Attorney General of Ontario addressed the Ontario Legislative Committee on this subject. I agree with the Prime Minister and would urge every Canadian who is sensitive to the importance of this debate to the future of our country to read the fascinating submission and argumentation on the subject by the Attorney General of Ontario. It is a first rate argument and a first rate scholarship on the history of our Constitution. He said in his address that those who argue against a chequer-board Canada in this sense are more interested in proposing a radical agenda for change in the future of Canada than they are in terms of accurately describing the past reality or the present circumstances.

The truth is that there are already variations in the design and delivery of programs for Canadians in various parts of the country. That is what a federal Constitution, in part, is all about. It is this very flexibility that allowed Quebec, for example, to create the Quebec Pension Plan, which has been regarded not only as a model in this country but as a model in many other countries. Such variations on a theme, if I can put it that way, are a reflection of the difference in public pressure and political will of Governments. Residents of Manitoba, under a succession of New Democratic Party Governments, pay no hospitalization premiums, while Canadians living under different political Parties in the Province of Ontario do.

• (1240)

The point I want to make is that it is not the Constitution that requires one thing to be done in one region and a different in another. What is crucial here is the political decision-making of the people in any given province. All they have to do, if they do not like the present circumstances in terms of this kind of program, is to vote for a different Party and make sure that their political will is expressed in the legislature of that province.

Meech Lake will not change this. However, neither will it reduce the ability of a federal Government with the will to act boldly and decisively on behalf of all Canadians.

There are those who say that the federal Government lost too much with this Accord. We have heard this argument very often from the same people who, in 1982, said that that Constitution Act was a veritable grab by the federal Government in the provincial domain.

Yet if we look at the situation with care and get beyond the rhetoric, the Accord does not change the division of powers one iota as they are outlined in Sections 91 and 92 of the Constitution Act. In fact, the distinct society and linguistic duality section of the Accord state quite clearly that it does not affect the division of powers between Ottawa and the provinces.

As John A. Macdonald noted in 1867, under our Constitution the federal Government retains, in his words, "all the great subjects of legislation". The federal Government retains the power to make laws for the peace, order and good government of Canada, including the provinces. It retains the residual power which gives it the power to make laws in areas not clearly delegated to the provinces. It retains the extreme power to disallow provincial legislation which, fortunately, has not been used in decades.

It has jurisdiction over, just to name some areas, the military and defence, the money supply, the financial system, the public purse and borrowing, the criminal law and corrections system, trade, commerce and navigation. It retains by virtue of the 1947 Letters Patent the exclusive right to make international treaties. It retains by virtue of the constitutional doctrine of paramountcy the guarantee that in the event that a provincial law is inconsistent with federal law the federal law shall prevail. It retains concurrent powers with the provinces over immigration, agriculture, old age pensions and resource exports. In short, the federal authority to provide leadership in great national issues in the country remains as strong today and will remain as strong after Meech Lake as all Canadians desire it to be.

What then did the federal Government give up, if I can put it that way? None of these many powers, for sure, which I have just listed. However, provinces will now have the right to nominate appointees to the Supreme Court bench and to the Senate. With respect to the Senate, I dare say Canadians are no more enthusiastic about patronage appointees coming from the provinces than they have been about those coming exclusively from the federal Government.

Some Hon. Members: Hear, hear!

Mr. Broadbent: On a more important matter, what is wrong in the federal strategy with the provinces having a right to participate in the selection of Supreme Court judges? Surely that change as well as many others was long overdue in our federal Constitution. It is one that we strongly support.

The arrangement arrived at in the Accord is a completely reasonable one. It is an example of the kind of co-operative federalism that my Party has always supported. It is one that we think is desirable in the future.

While giving the provinces a say in a very limited range of federal institutions, it retains for the federal Government the great subjects of legislation that John A. Macdonald wanted and that subsequent federal Governments have used to build railroads, the Trans-Canada Highway, the St. Lawrence Seaway, and to create a vast public transportation system. It retains the power the federal Government used to help create a system of social services that is among the very best in the world.

[*Translation*]

Finally, Madam Speaker, there are those who say the Accord makes matters worse for minority language communities, this as a result of the unfortunate plan of action adopted by the Premier of Saskatchewan, Mr. Devine, in response to the Supreme Court's decision on the rights of Francophone minorities.

In fact, Madam Speaker, he has opted for diminishing the rights of Francophone minorities in his province, rights which had been conferred on them by the former Northwest Territories Act. Madam Speaker, no one in Canada could in good faith support this kind of action. However, I wish to point out that the Act was adopted before the Meech Lake Accord became law. The Government of Saskatchewan can for the time being proceed, on the basis of this Act, because it contains no constitutional guarantees for language minorities. But there are such guarantees in the Meech Lake Accord.

Under the Meech Lake Accord, the Government of Saskatchewan and the other provincial governments will be required to preserve linguistic minorities. Given the pressures of the media, culture and assimilation that threaten them, preservation of these minorities requires more than the passive support of the provinces.

One might expect the Supreme Court to interpret this commitment to mean that action is required of all provinces, although the Constitution in its present form does not require them to take any action.

[*English*]

The Accord does not undermine the division of powers. It does not supersede the Charter of Rights and Freedoms. It does not diminish federal spending power. It does not create a chequer-board Canada. It does not give control over the Supreme Court to the provinces. It does not diminish the rights of linguistic minorities.

What it does is complete the job with patriation that was started in 1982 by allowing Québec to come fully and proudly into the constitutional fold. It allows and, indeed, encourages Québec to become a full member of the Canadian family.

Some Hon. Members: Hear, hear!

Mr. Broadbent: It does that, as the Prime Minister (Mr. Mulroney) and the Right Hon. Leader of the Opposition (Mr. Turner) and I have all argued today, in a manner that is completely consistent with the best traditions of our country.

It allows us to recognize Quebec's contribution to Canada's history. It recognizes what is already implicit in our law, whether we consider the Royal Proclamation of 1763, the Québec Act of 1774, the 1867 Constitution Act, Quebec's unique civil traditions, or successive judgments by the Supreme Court of Canada, which all provide historical evidence that Québec is not a province like the others and is now, and has always been, a distinct society within the Canadian family.

[*Translation*]

The Accord recognizes a specific historical fact: That Quebec is a distinct society within Canada, with its own language, its own culture, its own history and its own customs, of which it is proud. The Accord recognizes that francophones are the majority in Quebec, but it must be remembered that they are a minority in the other regions of Canada and in North America.

The Accord also recognizes that, while they are proud of being Quebecers, they are also proud of belonging to Canada.

A growing majority of Quebecers believes that the best possible future for Quebec is within Canada. They see this Accord as an integral part of the history of change, social progress and impressive gains of Quebec society expressed in this tradition; Quebec society has developed rapidly since the cultural revolution of the 1960s.

• (1250)

[*English*]

Further, there are many Quebecers, and I wish to underline this today particularly for Canadians living outside the Province of Quebec, for instance, the Minister of Transport (Mr. Bouchard), who feels so strongly that this Accord could represent a last chance of *rapprochement* between Canada and

Quebec that he and others have indicated they would leave public life should it fail to be ratified. Should that happen, Madam Speaker, should we allow this opportunity to slip through our fingers, should we fail to grasp the historic significance of this moment, I believe that future generations of Canadians will live to regret it.

As I see Quebec in my travels, I see Canadians who are nationalists in the tradition of my Party as social democrats, like Robert Cliche; I see nationalists in the Province of Québec like Robert Bourassa in the tradition of his Party in the Province of Quebec; and I see nationalists in the Conservative nationalist tradition like the Minister of Transport himself. They are uniquely Quebec, yes, and they are strong nationalists—

[*Translation*]

. . . the pride of the Province of Quebec is its culture and language.

[*English*]

—but there are also links with the common philosophical ideology of the rest of Canada.

Therefore, we have an obligation in this country to be aware of the consequences of what we might lose if we do not act. We see in the Province of Quebec men and women of good faith, pride in their province deeply embedded, and particularly I speak today of francophone Quebecers, many of whom were on the "*oui*" side of the referendum, if we are frank as well, who have said, whether they are Conservatives, Social Democrats, or Liberals, that they want to give Canada a chance because in their hearts they are Canadians and good Quebecers. I say to the rest of Canada that we must listen with care. We must respond with a clear mind and an open heart. We must respond by saying "*oui*" to the Province of Quebec.

Some Hon. Members: Hear, hear!

Mr. Broadbent: In short, we must accept this challenge. We must accept this Accord.

Having said that, Madam Speaker, I wish to turn to the amendments my Party has supported and will continue to support. As we stated the last time that the Accord was before the House, and as I have made clear in a letter that I sent out in September, 1987, to the First Ministers and to the Prime Minister we believe that the amendments that we have proposed are fully within the spirit of the Accord, and that they could be adopted without unravelling or upsetting the Accord in any way.

We want fairness for native Canadians, the first peoples in this part of the planet. We want it in the form of guarantees of future conferences on aboriginal self-government. Surely, it ought to have been in the Accord.

We also want fairness for northern Canadians who have lost the right of appointment to federal institutions that Canadians in other parts of our country enjoy. We also want their right to possible provincial status not to be encumbered by the unanimity rule that we find in the Accord.

After having fought long and hard for constitutional recognition of sexual equality in Section 28 of the Charter a few years ago, a number of Canadian women are now concerned that this right might be undermined. By simply adding section 28 to section 16 of the Accord, out of an abundance of caution as we have said, we could provide a reassurance of fairness for Canadian women.

We have every intention of voting for these amendments, and we will continue to press for them after. But if they should fail, we will be strongly supporting the Meech Lake Accord.

[*Translation*]

With this Accord, Madam Speaker, the future of our country is at stake. On the one hand, we can take this accord and a united country and try to go forward together, to dialogue and discuss together in order to develop a common approach to our country's problems. We can take this Accord and work together to achieve self-determination for native people, a constitutional agreement on the fundamental role of ethnic and cultural minorities, an improved constitutional decision-making process to include guarantees of public participation. And we can talk about removing Section 33. On the other hand, Madam Speaker, we can continue to have the deadlock of years of bad will, a constitutional impasse that existed without the full willing participation of all Canadians, men and women. That is the choice facing us. For my part, I am proud to stand up and be counted among those who say yes to a united Canada. I am proud to say yes to Quebec. I am proud to say yes to a real future as a country.

Madam Speaker, the conquest is past. In our generation, it is time to finally walk together as equals.

[*English*]

The Acting Speaker (Mrs. Champagne): Is there unanimous consent to call it one o'clock?

Some Hon. Members: Agreed.

The Acting Speaker (Mrs. Champagne): It being one o'clock, I do now leave the chair until two o'clock.

At 12.59 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

S. O. 21

STATEMENTS PURSUANT TO S. O. 21

[*English*]

FINANCE

ISOLATED AREAS TAX DEDUCTION PROGRAM—APPLICATION IN NOVA SCOTIA

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, recently the Conservative Government introduced a northern and isolated areas tax deduction program for areas below the 55th Parallel. In doing so, many communities became eligible but still many others were not despite the fact they are quite isolated.

The criteria for an area to be designated isolated are out of touch with reality. For example, the Town of Canso is eligible for the deduction despite the fact that a hospital, museum, library, drugstore, school, et cetera, are to be found there. Meanwhile, areas of the province such as Loch Lomond, where a resident has to travel 30 to 50 kilometres even to find one of those services, are not designated as isolated.

The federal Conservative Government must review the manner in which it designates isolated areas so that equity and fairness are delivered to all rural Canadians.

* * *

CANADIAN BROADCASTING CORPORATION

DOCTOR'S LETTER ON TELEVISING ABORTION PROCEDURE

Mr. Gus Mitges (Grey—Simcoe): Mr. Speaker, I would like to quote from a letter sent to Pierre Juneau, President of the CBC, by Dr. Dennis Culver of Elmwood, Ontario. I totally concur with the letter which says:

> Dear Mr. Juneau:
>
> On Saturday, May 28th, 1988, I watched *The National* news together with my children. I noted scenes from a commentary on an abortion symposium being held in Toronto this week. I am of the opinion that the scene of an abortion procedure being actually performed under local anaesthesia was carrying things just a bit too far.
>
> This sleazy kind of reporting has no place in the living rooms of our household. I and a number of other physicians feel that life at all its stages is to be protected, particularly the unborn child, who represents Canadians of today who are most vulnerable.
>
> This promotional film clip from Henry Morgentaler's clinic I find quite distasteful, and I would like some assurances that your reporters will show some responsibility in the future.
>
> It would be most appreciated if the CBC would show some sensitivity to the position that many Canadians are quite appalled by the deliberate destruction of 60,000 unborn Canadians within the presumed safety of their mothers' wombs each year. This is a disgrace.

NATIONAL DEFENCE

ACQUISITION OF NUCLEAR POWERED SUBMARINES—VANCOUVER CITY COUNCIL RESOLUTION

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, one of the big issues before this Parliament is whether the Government should spend $8 billion on nuclear submarines. The Government and Parliament want to hear from Canadians on how they feel about this issue.

I have here a resolution passed by the Vancouver City Council on May 31, 1988:

> THAT the Vancouver Members of Parliament, as well as the Minister of National Defence, be advised that council is opposed to the Federal Government spending $8 billion on nuclear submarines when there are so many other pressing needs in our communities, and that there are much greater direct benefits to be realized, including employment creation, from a similar expenditure on a municipal infrastructure program;

The Clerk of the City wrote to me saying that the proposal was rejected because the federal Government had rejected a proposed $14 billion joint federal-provincial-municipal fund for improving municipal infrastructure. It was generally agreed there would be a far greater gains realized by this country from the expenditure of this money on municipal infrastructure rather than on the nuclear submarine program.

This is not a left-of-centre City Council. This is a right-of-centre City Council. They are against spending $8 billion on nuclear submarines, and I think the country is against it as well.

* * *

[*Translation*]

THE LATE FRANCINE MCKENZIE

Mrs. Gabrielle Bertrand (Brome—Missisquoi): On behalf of my colleagues from this side of the House, Mr. Speaker, I wish to pay tribute to the late Mrs. Francine McKenzie, the chair person of the Council on the Status of Women, who passed away last week-end.

A woman of superior intelligence, she had fought for women issues with insight and realism until the very last moments of a career cut much too short. She was said to be a pragmatist while remaining a great humanist. She had spent a lot of time on some of our most pressing issues, namely, women's economic equality, security of income and family policy.

Moreoever, under her leadership, feminisim has acquired a new connotation which makes it possible for women's message to be heard and understood by men, something I fully support.

I would not want to omit any reference to the noteworthy and remarkable intervention made by Mrs. McKenzie when she appeared before the Special Joint Committee on the Constitution of Canada and stated that Quebec women should

not fear being deprived of their equality rights within the context of the "distinct society".

To her husband, Mr. Bob McKenzie, a Quebec City parliamentary reporter, to her children and relatives, we wish to offer our deepest sympathy.

* * *

[*English*]

BY-ELECTIONS

LAC-SAINT-JEAN BY-ELECTION

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, I was pleased to read this morning that the Prime Minister (Mr. Mulroney), as a result of the June 20 by-election, might build a $40 million road from Lac-Saint-Jean to James Bay. If the campaign gets any tighter perhaps the Prime Minister might consider sacrificing his pet prison at Port-Cartier by moving it from his riding to Alma in Lac-Saint-Jean, which prison he previously moved from Drummondville. Or, he might consider putting the *Agence Spatiale* in Chicoutimi North, or even testing the nuclear submarines in the deep waters of Lac-Saint-Jean.

• (1405)

Better still, Mr. Speaker, I am wondering if I should resign my seat in NDG would the Prime Minister call a by-election immediately and promise to build three new senior citizens residences and complete the work on the Lachine Canal and the Port of Montreal? Thank God for by-elections!

* * *

HISTORIC EVENTS

ANNIVERSARY OF FIRST MASS DEPORTATIONS FROM ESTONIA, LATVIA, AND LITHUANIA

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, on June 14, 1941, the Soviet Union began its first mass deportation of the Baltic people from the Republics of Estonia, Latvia, and Lithuania.

In one night, 60,000 men, women and children were torn from their families and homes and deported to Siberia, loaded like cattle into boxcars. Many died during the long journey. Those who survived were sent to forced labour camps where conditions were primitive, harsh and inhumane. Larger deportations were to follow.

These deportations were but one step in the long process of "Russification" of Soviet occupied countries. Earlier, in 1932 and 1933, millions of Ukrainians were starved to death by a Soviet imposed famine in their own homeland.

S. O. 21

On the anniversary of these deliberate acts of genocide the Latvian, Estonian, Lithuanian and Ukrainian communities in Canada and all over the world join together to commemorate the tragedies their people endured and as a reminder of the need for vigilance in the defence of freedom, democracy, and fundamental human rights.

* * *

NATIONAL DEFENCE

CRITICISM OF PROPOSED PURCHASE OF NUCLEAR POWERED SUBMARINES

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, last night on *The Journal*, the Minister of National Defence (Mr. Beatty) stated that the goal of the Conservative Government's defence policy was to ensure increased Canadian responsibility for the defence of Canada. In this respect, Conservatives and New Democrats would appear to be in agreement. Canada does need to assume greater control over its own defence. Unfortunately, the Government's proposal to buy nuclear powered submarines will have the opposite effect.

Nuclear technology or, for that matter, any technology, is not the way to responsible or independent action for global survival. Only policy can do that and, unfortunately, instead of adopting a non-provocative defence posture designed to ensure Canadian security without threatening the security of our superpower neighbours, the Government's proposal will tie Canada even closer to the war-fighting strategies of the United States and to the insecurity for the human race that such thinking involves.

The Minister has rejected policies designed to reduce superpower rivalry. Instead his proposal to purchase nuclear powered submarines will increase our ultimate military and policy reliance on the destabilizing and globally dangerous policies of the United States. That, Mr. Speaker, is not Canadianization as the Minister so fatuously called his policy. It is a Conservative high-tech version of the Liberals' deference to the United States' perception of the world that has strait-jacketed Canadian defence policy since the 1950s.

* * *

CANADIAN SPACE AGENCY

LOCATION IN NATIONAL CAPITAL REGION ADVOCATED

Mr. Bill Tupper (Nepean—Carleton): Mr. Speaker, recently the Ottawa-Carleton Board of Trade tabled its 1988 annual policy statement entitled "Clearing the Way for Progress". One of its principal recommendations is that the space agency be located in the National Capital Region.

I fully endorse this recommendation. I have spoken to this effect many times in this House, in Ottawa-Carleton, and

across the nation. When you fully understand the role of the space agency, the importance of the space program in the national agenda, and the merits of where the agency can best fulfil its responsibilities, Mr. Speaker, you can only conclude that it has to be located in the National Capital area.

I have and will continue to direct my energies to persuade the front benches of the Government and, indeed, all Members of this House, that this important national agency be located where it can be most effective, in the National Capital area.

* * *

ENVIRONMENTAL AFFAIRS

CANADIAN ASSOCIATION OF RE-REFINERS—PLEA FOR ASSISTANCE

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the Government has a habit of preaching one way and acting in another. In adopting this practice the most recent Minister to join the Minister of the Environment (Mr. McMillan) is the Minister of Energy, Mines and Resources (Mr. Masse).

In a letter, rich with environmental prose and addressed to Pollution Probe members, dated May 30, 1988, he writes:

> We want to work closely with industry and the provinces to enhance environmental quality.

Yet the same Minister is unwilling to support the Canadian Association of Re-refiners, the people who recycle oil thus practising energy efficiency and sustainable development. In actual fact, re-refiners in Canada are in trouble. Their urgent pleas for assistance from the Ministers of Environment and Energy have fallen on deaf ears.

• (1410)

If the Minister of Energy (Mr. Masse) believes the words he writes, he should act and act quickly in support of this industry before it is too late. Words and letters of self-praise are not enough.

* * *

ABORTION

CALL FOR PARLIAMENTARY DEBATE ON OPTIONS

Mr. John Reimer (Kitchener): Mr. Speaker, as a result of the January 28 Supreme Court of Canada decision in the Morgentaler case, we now have no abortion law. The consequences of this can be readily seen.

Abortions at Dr. Morgentaler's Toronto clinic are up 33 per cent. Abortions at Dr. Robert Scott's Toronto clinic are up 200 per cent. The Ontario Liberal Government is proposing to use public moneys to pay for abortions at women's health clinics. Therefore, we should anticipate that the number of abortions will increase dramatically.

Recognizing that abortion is a fundamental issue and that each Member of Parliament has both the privilege and the responsibility of taking a position on such issues, the Government sought the unanimous consent of the House to have a free vote on several different options to give the Government direction in preparing new legislation. Regrettably, the Opposition played petty politics with the lives of the unborn and said "no".

I would urge all my colleagues in the House to treat this issue with the urgency it demands and put the resolutions to debate and a vote as soon as possible.

* * *

APARTHEID

SOUTH AFRICA—TREATMENT OF THE SHARPEVILLE SIX

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, the Government of South Africa has now been defined as terrorist. How else to describe a Government that would bring to trial and condemn to hang the six black citizens of Sharpeville who are thus held accountable for the actions of a mob?

In most countries people are not held accountable for actions they have not been proven to have caused, but not if you are a black in South Africa.

In most civilized countries the courts do not allow the testimony of confessed liars to bring the innocent to the death chamber, but it is possible if you are black and innocent in South Africa.

Most countries are concerned about being considered a part of the world of nations characterized by humanity, respect for human rights, equality and civilized behaviour. Most such countries would respond to the pleas for clemency of the Sharpeville Six from the leaders of civilized nations of the world, but not South Africa.

In most countries, and this is the greatest error of the six, it is not a capital offence to demand freedom and equality.

As South Africa sinks into the inevitable and violent consequences of the terrorist actions of the regime that rules it, many of the world leaders who plead for the lives of the Sharpeville Six will be burdened by the guilt that they themselves must bear for ignoring the pleas of the 23 million who have asked for action against this terrorist regime commensurate with their actions against other regimes they have defined as terrorist.

[*Translation*]

FREE TRADE

POSITION OF LIBERAL PARTY

Mr. Gabriel Fontaine (Lévis): Yesterday, Mr. Speaker, the Liberal Leader made public the so-called Liberal alternative to Mulroney's trade pact. There were four outstanding mistakes. Quebec was not mentioned. For that matter, have they not always forgotten Quebec? And yet, the Quebec Government and all the political parties in that province are saying yes to free trade.

Second, the West is not mentioned. But, have the Liberals not always forgotten the West? I refer to the national energy policy. And yet, the West is saying yes to free trade.

Third, business people are not mentioned. And yet, they are selling for $95 billion a year to the United States. Why shouldn't they have their say?

Fourth, our main customer the United States, is not mentioned. What good or service salesman would ignore his main customer while re-organizing his sales network by overlooking his regular clients and neighbours with whom he is making money?

Mr. Speaker, so much for the Liberal's expertise on free trade!

* * *

[*English*]

INDUSTRY

CLOSURE OF FIRESTONE PLANT IN HAMILTON

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I am glad the previous speaker directed his ammunition toward the Liberal Party, because that means he has finally recognized who is on the verge of forming the next Government. I would like to challenge him on the issue of the trade deal. We got a taste of free trade in the riding of Hamilton East through Firestone.

Not only did Firestone pack up and leave Hamilton, leaving 1,400 workers without jobs, but to add insult to injury Firestone could not run the machines in Des Moines, Iowa.

Believe it or not, Firestone has actually come to Hamilton, set up a temporary hiring agency beside the union hall, and is asking our workers to go to the United States so they can teach the Americans how to run the machines that were paid for by Canadian taxpayers' dollars so that more jobs can be exported to the United States.

• (1415)

The Government should be demanding interest on the interest-free loan of $13.5 million that went to Firestone which funded machinery which is now being used in the United States, operated by Canadian workers. What an insult to Canada, what an insult to the Canadian workers.

That fund should be set up for the workers at Firestone to save jobs, not to export them to the United States which is what we have done with this trade deal and this gutless Government.

* * *

HEALTH

AIDS DISEASE—INCIDENCE AMONG HOMOSEXUALS

Mr. Jim Jepson (London East): Mr. Speaker, world attention is focused on the AIDS crisis as international medical leaders meet in Stockholm, Sweden. There is a new AIDS case diagnosed every 14 minutes in the United States, yet medical research is not even close to discovering a cure.

In Canada 82 to 90 per cent of all AIDS cases are found among homosexual men. We must show compassion, love, and understanding toward the homosexual community and do everything we can to find a cure for this dreadful disease; however, we cannot accept their lifestyle as an alternative to the norm.

I have in my hands a pamphlet put out by the Ontario Government on AIDS entitled "Let's Talk". Nowhere in this pamphlet does it tell our young people that AIDS is primarily found amongst male homosexuals as a result of their sexual practices and in particular the practice of anal intercourse. The power of the homosexual lobby at Queen's Park and in Ottawa is most evident.

I urge the Minister of National Health and Welfare (Mr. Epp) to give all the facts clearly to our young people when directing new dollars to educational material. We also call on the homosexual community to exhibit self control in their sexual lifestyle because it not only affects their own community but society in general, not to mention the unbelievable burden it will place on health costs in Canada in the years ahead.

* * *

APARTHEID

SOUTH AFRICA—GOVERNMENT URGED TO TAKE STAND AT TORONTO SUMMIT

Hon. André Ouellet (Papineau): Mr. Speaker, I rise today to express my dissatisfaction with the Government's half-hearted approach to the question of apartheid in South Africa.

The Prime Minister (Mr. Mulroney) said in 1985 that "if there are no fundamental changes in South Africa we are

prepared to invoke total sanctions against that country and its repressive regime".

We can see that the Government is reneging on that commitment. Last week the South African Government renewed the state of emergency. We know that it continues to occupy Namibia illegally. Now once again we see that the South African Government refuses to bend to public demands that the Sharpeville Six be given a retrial.

Mr. Joshua Nkomo, one of the founding fathers of the modern state of Zimbabwe, who is here in Ottawa, should serve as a reminder to the Government that Canada should be taking a leadership role in championing the movement against the racist policy of apartheid.

I call on the Government to take these concerns to the G-7 Economic Summit which will take place later this week in Toronto and once and for all act to on this stated commitment to get tough on apartheid.

ORAL QUESTION PERIOD

[*English*]

NATIONAL DEFENCE

PROPOSED ACQUISITION OF NUCLEAR POWERED SUBMARINES—REQUEST FOR CANCELLATION OF DECISION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, more and more strategic military experts believe that the Prime Minister's plan to purchase nuclear powered submarines is absolutely wrong, and the Cabinet is obviously split on the issue. To spend billions and billions of dollars on nuclear powered submarines is a wasteful and dangerous extravagance for a Canadian Government.

Will the Prime Minister address the House in response to this question and advise us whether he is now willing, upon reflection, to cancel his Government's decision to purchase nuclear powered submarines?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, of course the answer is no. My right hon. friend will be aware of the White Paper brought in by the Government of Canada pursuant to, I think he will acknowledge, many years of neglect of the Armed Forces of Canada by predecessor governments.

Political decisions have been made or are in the process of being made with a number of important objectives in mind: the sovereignty of Canada, the defence of Canada, and the respect of our alliances.

It is a very important proposition that this be done while supplying the men and women who serve Canada in the military with first-class equipment at all times. We have a first-class military which was not always treated in the manner in which it should have been. The White Paper and our policy resolve to change that on behalf of Canada.

• (1420)

PRIME MINISTER'S POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I think the statistics in percentage of Gross National Product which the previous Trudeau administration dedicated to defence are at least as high as those dedicated by this Government. I think that should be pointed out.

The Prime Minister knows that our Party is committed to NATO and continental defence. Does he really feel that spending upwards of $16 billion of taxpayers' money is an intelligent use of our funds?

Perhaps I should put my question to the Minister of Finance. Is that an intelligent use of our funds in fulfilment of defence obligations when there are far more pressing needs for the use of those funds?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, indeed there are very important and pressing needs coming from all elements of society. We try to accommodate those needs and have been successful thus far within the fiscal framework set out year by year by the Minister of Finance, which is a rather unusual habit in recent years in Canada.

There are demands for child care, for example, which are very important and which shall be met.

The very distinguished Minister of Veterans Affairs yesterday announced brand new programs on behalf of the veterans of Canada who need and deserve our help.

Some Hon. Members: Hear, hear!

Mr. Mulroney: There are programs for regional economic expansion. I agree with my right hon. friend that all of these matters are very important. However, the defence of Canada is vital. We are not going to contract out our responsibilities to defend the integrity and sovereignty of this nation. We are going to stop the erosion of the Canadian Armed Forces which went on for the previous 20 years. We are going to make sure Canada's men and women serving in the Armed Forces go first class and that this country is given first-class equipment at all times.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): If the Prime Minister and his other Ministers had the good sense and judgment of the Minister of Veterans Affairs, we would be far less concerned about the way his Government is being run.

Some Hon. Members: Hear, hear!

[*Translation*]

PURCHASE OF NUCLEAR POWERED SUBMARINES—PRIME MINISTER'S POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, yesterday, the Secretary of State for External Affairs exhorted the United Nations to reduce world militarization, in particular by adhering to the Nuclear Non-Proliferation Treaty. This Treaty calls on the countries of the world to use nuclear energy only for peaceful purposes.

How can the Prime Minister reconcile the speech his Minister gave to the United Nations yesterday with his Government's decision to buy nuclear-powered submarines?

[*English*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend, the Leader of the Opposition, refers to the very good sense of the Minister of Veterans Affairs. Of course he is right. Just the other day the Minister of Veterans Affairs was saying how saddened he was that the Leader of the Opposition was leading the Liberal Party in such a leftist fashion away from our traditional alliances.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra)): Did you say that, George?

Mr. Gauthier: He denies it.

Mr. Turner (Vancouver Quadra)): You did not say that, George.

Mr. Mulroney: In fact, Mr. Speaker, he is going to take the Leader of the Opposition to the woodshed and straighten him out once and for all.

[*Translation*]

Regarding the Opposition Leader's question, obviously, as he knows very well, to ask the question is to answer it. There is no contradiction between the speech and the policy of the Canadian Government.

* * *

[*English*]

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—WATER RESOURCES

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, in continuing the testimony to the sagacity of the Minister of Veterans Affairs, I point out that in 1979 he spoke strongly against the concept of free trade with the United States.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra)): A lot of good sense. So did the Prime Minister.

Mr. Axworthy: I said testimony to sagacity, not duplicity.

My question is directed to the Prime Minister.

Mr. Mulroney: You can do better than that.

Mr. Axworthy: I will try, Mr. Prime Minister.

• (1425)

The point of the bizarre and unanswered questions with respect to the whole negotiation on trade, is why the Government has succeeded in getting an exemption for beer but did not make any similar attempt, or gain any similar exemption, for the crucial resource of water.

Some Hon. Members: Oh, oh!

Mr. Axworthy: I think we now have an answer to the question.

Some Hon. Members: Oh, oh!

Mr. Axworthy: Or for blood, for that matter.

Some Hon. Members: Oh, oh!

Mr. Axworthy: I do not know what the Prime Minister washes his hair in.

A senior official of the Inland Waters and Lands Directorate of the Department of the Environment has now stated in an interview with the Associated Press that the Canadian Government during the negotiations put forward a specific request that water be exempted, but in the last hours of that negotiation the Canadian Government once again conceded and was prepared to withdraw its demand that water be exempted.

If that is the case, if water policy is left unaffected as the Prime Minister and his Ministers have been saying, why did the Government originally request an exemption? And, far more importantly, why in the eleventh hour of the negotiations did the Government once again concede on this very important issue which affects all Canadians?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the water in the hon. gentleman's knee has moved to his head. There is nothing in the free trade agreement that obliges Canada, or forces Canada, to sell water to the United States. The only mention of it, in fact, is bottled water, water in bottles, I suppose, Perrier water—that kind of water the hon. gentleman might be used to.

There is no danger to Canada's water resources. In addition, our Government, through our colleague, has announced a policy that we are not going to permit large scale sales of water as a natural resource to the United States. We must be believed, because the Newfoundland Coalition for Equality

which had a big workshop on Sunday in St. John's had the awesome number of 25 people turn out to protest, and across the country there were perhaps 2,000 scattered here and there on this mighty day of protest. So they do not believe this kind of twisting of the U.S.-Canada Free Trade Agreement.

Mr. Axworthy: After that convoluted answer, we know that water is certainly not the favourite drink of the Minister.

Some Hon. Members: Explain!

Mr. Axworthy: That is self-explanatory.

Some Hon. Members: Oh, oh!

REQUEST THAT WATER BE SPECIFICALLY EXCLUDED FROM AGREEMENT

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): If I may be allowed to continue my question, Mr. Speaker, the Minister asserts that there is nothing obligatory, but the fact is the tariff schedule contains a reference to water, not mineral water, not aerated water, not whatever kind of water the Minister swallows or swishes, but any water is included in that agreement.

Therefore, considering that the United States is now taking liberties with the agreement and putting forward major proposals to change the rules dealing with subsidies, changing the rules dealing with the dispute settlement mechanism, I would ask the Hon. Minister if Mr. Burney, as he now continues the renegotiation of the agreement, is prepared to request specifically request that water be excluded under the Canada-U.S. Free Trade Agreement and that that exclusion be written into the legislation the Minister is presenting to the House.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, like Winston Churchill, I have at times drunk water but only with a great deal of distaste, and when I had no other choice.

Some Hon. Members: Oh, oh!

Mr. Crosbie: That is why I sometimes sympathize with the Leader of the Opposition.

Some Hon. Members: Oh, oh!

Mr. Crosbie: With reference to the question of water, Canadians do not need a U.S.-Canada Free Trade Agreement to protect our sources of water. The Governments they elect, as long as they continue to elect us, will protect the water. Perhaps we would be in danger if the Liberal Party got in power because its Leader himself, in his famous book which I do not have here at the moment, suggested this might be an article for trade between the two countries. Why don't the two of them get together and discuss their preferences, with water or without water?

• (1430)

TAX REFORM

INSTITUTE FOR RESEARCH AND PUBLIC POLICY'S ANALYSIS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Prime Minister. Four years ago this summer the Prime Minister, the Leader of the Opposition, and myself had an interesting debate in the course of a general election during which the Prime Minister said to the people of Canada that he believed in tax reform and, to use his immortal words, he believed that the rich should pay, and they should pay handsomely.

The Institute for Research and Public Policy yesterday published its analysis of the so-called tax reform of the Minister of Finance. It reached this conclusion, and I quote:

> —the majority of families were worse off in terms of disposable income in 1988 than they were in 1984.

It goes on to state that the only people who will be paying lower taxes after four years of Conservative government will be the richest 1 per cent of Canadians. Those earning $117,000 a year will get a $3,500 tax cut. All other Canadians will pay more.

Is this what the Prime Minister had in mind when he promised tax reform in 1984?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think that the Hon. Member would like to get another point of view on this, a very informed point of view. Let me provide it for him.

That particular study ignores the impact of the change in capital gains taxation—

Mr. Axworthy: That's a big help to families.

Mr. Wilson (Etobicoke Centre): —the change in film taxation, the change in MURBs, and the change in earned depletion, all of which will reduce the impact of these tax shelters that have been brought in over the years. So there is a major negative impact on people in upper income brackets.

The other thing that this particular study does is it ignores the broad impact of economic policy by the Government, that is, the fact that 1,300,000 jobs have been created. It is very, very clear that we are number one in the industrialized world in terms of job creation.

Mr. Broadbent: We are talking about tax reform, come off it.

Mr. Wilson (Etobicoke Centre): The Leader of the New Democratic Party wants to talk about tax reform.

Mr. Broadbent: That is what the question was about.

Mr. Wilson (Etobicoke Centre): I am talking about tax reform, but I am also talking about tax reform in the context of total economic policy, that is, the effect that it has on people

who are working today. There are 1,300,000 more people working today. That is one of the reasons why we have seen tax revenues go up for the Government of Canada.

This is a healthier economy. It is because of the tax reform changes and other changes that have been brought in by the Government to improve the operations of the economy.

Some Hon. Members: Hear, hear!

EFFECT OF TAX REFORM

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is addressed to the Prime Minister. It was the Prime Minister who made the promise in 1984. It is the Prime Minister who is in the House. It is the Prime Minister who has the obligation to answer for his record, not the Minister of Finance.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Broadbent: Considering that working men and women pay income tax on unemployment insurance benefits and that pensioners at the poverty level continue to pay income taxes, does the Prime Minister believe it is just that the only Canadians paying lower taxes in 1988, compared to when he was elected, are the richest 1 per cent, and they will have a $3,500 saving? Is that his concept of fairness?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend will perhaps want to review some of the data on which he bases his question. With tax reform, 85 per cent of Canadian households will pay less income tax. Nine out of ten senior citizens will pay less income tax. Some 850,000 Canadians will no longer pay any income tax. They will have been removed from the rolls. That includes 250,000 seniors.

Among the many initiatives taken by the Minister of Finance—and I think indirectly my hon. friend in the past has made reference to some of the initiatives that he viewed as helpful in terms of establishing a greater degree of tax fairness—most objective people will recognize that there has been both the growth to which my hon. friend, the Minister, referred, plus a much greater degree of tax fairness across Canada since the Government was sworn in.

One of the consequences of that is a greater degree of fairness in regard to the number of people paying tax, and the number of people who have been removed from the tax rolls. I would think my hon. friend, the Leader of the NDP, would want to celebrate that kind of achievement on behalf of the ordinary taxpayer.

Some Hon. Members: Hear, hear!

PRIME MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I would celebrate if the Prime Minister was dealing with the right year. The Prime Minister talks about reduced taxes this year compared to the big increases we saw in the previous two years of Tory Government. The study does not make a comparison with this year and last year. It makes a comparison with the period in which the Prime Minister made his promise in 1984.

[*Translation*]

That is the real context. Is the Prime Minister of Canada pleased that 99 per cent of Canadians have to pay more tax, while only the richest pay less? This is Conservative justice! Is the Prime Minister pleased with this program?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, as the Minister of Finance has already indicated, we do not necessarily accept all the data and conclusions drawn by the gentleman who prepared this source document. Many factors enter into an economic paper and I will give him another one that has an impact on government revenues and the fiscal situation. Last Friday, for example, Statistics Canada indicated that 41,000 new jobs were created in Quebec last month alone, whereas in the 55 months of the previous Liberal Government, 40,000 new jobs were created in Quebec. More jobs were created in Quebec in one month of Conservative Government than in 55 months under the Liberals, and that has an impact on the revenues of the Government of Canada.

* * *

THE ECONOMY

EFFECTS OF MONETARY POLICY—MINISTER'S POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is directed to the Minister of Finance. Yesterday, the Premiers of Quebec and Ontario met in Montreal to take stock of the situation, and, more specifically, to talk about economic and fiscal issues. Their conclusion as that the federal Government was on the wrong track, and that increases in interest rates, together with the increased value of the Canadian dollar compared to the American dollar, were having a disastrous effect on the Canadian economy and that high interest rates were causing inflation.

I want to ask the Minister of Finance when he will see the light and espouse the view of the chambers of commerce, economic research institutes and now the Premiers of Quebec and Ontario, that his monetary policy is having a disastrous impact on our country's economy and that our workers will have to bear the consequences of that policy a few months from now.

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have to draw the Hon. Member's attention back to what happened in the 1970s and the early 1980s. He just referred to workers paying for the policies that we have introduced. I ask him to think back to the 1970s when the previous Government ignored the pressures of inflation. Over the last four or five months we have seen pressures building up in terms of 5.5 per cent and 6 per cent inflation in non-energy, non-food areas. That is the signal for inflation about which we are concerned. That is why we are following the policies that we have been following with respect to the monetary policy of the Bank of Canada.

I caution the Hon. Member that this is not to the extreme that he implies in his question. Interest rates, while they are higher than they were two or three months ago, are still lower than they were last October.

[*Translation*]

EQUITY IN TAXES

Mr. Raymond Garneau (Laval-des Rapides): Mr. Speaker, the Minister of Finance seems to think he is the only one who is in step, but isn't his monetary policy following the same line as his fiscal policy, which in fact is based on President Reagan's recommendations?

Mr. Speaker, yesterday Mr. Reagan, the President of the United States, made much of the fact that the Canadian Government was following the same policy as the U.S. administration, raising the taxes of people on low incomes and reducing taxes for people who earn more. The same issue was raised by the Leader of the New Democratic Party, and it was President Reagan who was proud of this fact. So . . .

Some Hon. Members: Question! Question!

Mr. Garneau: Don't get excited!

Why is the Minister of Finance, instead of taking the advice of Canadians, following the policy of the U.S. President who raises the taxes of the less fortunate and reduces the taxes of the rich?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we started our policy against inflation in this country in June last year. That was before there were any changes in the policy against inflation in the United States. We have a Canadian policy for Canadian inflation, to deal with our problems here in Canada. The Hon. Member asked whether the Government of Canada would be prepared to listen to the advice of other legitimate commentators. There are economists today who give legitimate advice on inflation. There are many views on the problem, but the Canadian Government's policy is definitely Canadian.

• (1440)

[*English*]

NATIONAL DEFENCE

NERVE GAS TESTING AT SUFFIELD, ALTA.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is directed to the Right Hon. Prime Minister who, like the rest of us, I am sure, was shocked when he found out that the Department of National Defence had been testing highly toxic nerve gas at the Defence Research Establishment in Suffield, Alberta, and to learn that this nerve gas had been released into the atmosphere at least three times during the past year.

Does the Government of Canada manufacture this nerve gas at Suffield? Does it import the nerve gas? If so, from whom? Why did the Government allow this nerve gas to be released into the atmosphere without prior notification to the people living in the adjacent areas?

Hon. Paul Dick (Associate Minister of National Defence): Mr. Speaker, the Department of National Defence has never made any bones about the fact that at Suffield, in an isolated area, we have tested nerve gas in small quantities, in laboratories and elsewhere, in order to protect our own troops in case they were ever faced with this situation.

I should point out in the case of the testing done outside, it was between 1.4 and 1.5 kilograms of nerve gas that was used in an area of 12 square miles from which everybody else was excluded at the time the tests were conducted.

At the present time we are negotiating in Geneva on the quantities countries can have for their own testing, and the suggested level is 1,000 kilograms. This was 1.4 to 1.5 kilograms.

QUERY ON ORIGIN OF GAS

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my supplementary question is directed to the Associate Minister of Defence. He did not answer the question whether or not Canada was manufacturing this nerve gas at Suffield. If not manufacturing it, was it importing it? If so, from whom?

The Government has allowed the testing of the Cruise missile in Canada. It has committed us as a country to purchasing a dozen nuclear powered hunter killer submarines. Now we find out that we are testing chemical weapons. These are the same weapons that we saw during recent events in the Iran-Iraq war. It is a very serious matter.

Are we manufacturing this nerve gas as a country, or are we importing it? If so, from whom? Will the Minister commit the Government that whenever this testing will occur in the future the residents of the area will receive prior notification?

Hon. Paul Dick (Associate Minister of National Defence): Mr. Speaker, it should be noted that testing is done on the

Suffield range where there are no residents living. It is quite an isolated area.

I happen to believe that, because we deploy some of our Armed Forces in places such as the Golan Heights, Cyprus, and in some other areas where perhaps someone else might use nerve gas, we should test it in order that we are prepared to protect our own forces in case somebody uses it against us.

Mr. Riis: That's not the question.

Mr. Dick: I do not want to have them exposed to somebody else doing it and we know nothing about it.

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CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

ASSOCIATION OF CANADIAN DISTILLERS' PUBLIC SERVICE ANNOUNCEMENT

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Last fall the Standing Committee on Health and Welfare tabled a report in the House entitled "Booze, Pills & Dope: Reducing Substance Abuse in Canada".

One of the recommendations suggested the CRTC require beverage alcohol advertisers to provide public alcohol abuse educational messages.

The Association of Canadian Distillers produced a public service announcement for television that related equivalent amounts of beer, liquor, and wine as being equally dangerous to those who drink and drive, and the CRTC disallowed the announcement.

Will the Minister undertake with his cabinet colleagues the necessary review to allow this type of public service announcement to be aired on television?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, in terms of the role of the CRTC the Hon. Member will know that it is a quasi-judicial body. In respect to the representations that were made on behalf of the Government respecting alcohol advertising, it is my understanding that the CRTC has ruled that the ads that were submitted for approval from the distillers' association, while equivalency was one of the arguments, there was no counterpoint to that relating to use or abuse, especially keeping in mind that the Government has come in with a drinking and driving program in co-operation with the provinces, and also the drug and alcohol strategy.

If the distillers' association wants to come in with a program such as I suggested, that is, 15 per cent of its advertising to be used for alternate advertising, that is fine, and I wish that it would do so. The question it would then have to answer to the CRTC is, how it is relating this to abuse rather than attempting in some way, as identified by the CRTC, to have its name in the public relating to advertisements, even though they were equivalency advertisements.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF HON. DR. JOSHUA NKOMO

Mr. Speaker: I wish to draw to the attention of Members the presence in the gallery of the Hon. Dr. Joshua Nkomo, Senior Minister in the President's Office, Zimbabwe.

Some Hon. Members: Hear, hear!

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PUBLIC WORKS

ALLEGATIONS AGAINST MEMBER FOR JOLIETTE

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Prime Minister, and it is a question that no other Minister can answer.

When the Prime Minister said over the weekend that the allegations against the Member for Joliette were unfounded, what was that statement based on? Had the Prime Minister received a report from the ongoing inquiry by the RCMP? If not, why did he make that statement?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I know it will surprise the Hon. Member, but the statement was made on the presumption of innocence.

PRIME MINISTER'S POSITION

Hon. Bob Kaplan (York Centre): Mr. Speaker, let me then ask the Prime Minister the following question. With an investigation going on, would it not have been better, and would his office not have been stronger if he had refrained from making comments, or reserved comment until the result of the investigation was known? That is what the Minister of Supply and Services did.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, this is going to go down in the annals of hypocrisy, asking me to refrain from making comments about defending the integrity of someone after all the members of the Opposition in the Liberal Party have been doing is slander Mr. LaSalle and saying that he is guilty without any evidence being brought forward.

Mr. Turner (Vancouver Quadra): Who said that?

Mr. Mulroney: This has been said by Liberals in the House of Commons, and that is a disgraceful way to do it.

Mr. Turner (Vancouver Quadra): Who said that?

Mr. Mulroney: Boudria.

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Member for Broadview—Greenwood.

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ENVIRONMENTAL AFFAIRS

QUEEN CHARLOTTE ISLANDS—PROPOSED SEISMIC TESTING

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my question is directed to the Minister of the Environment. It concerns the plan of Energy, Mines and Resources to start seismic testing in the Queen Charlotte Islands, despite the fact that there are important commercial fisheries there, and despite the fact that scientists raise the issue of the effect on fish and whales.

Would the Minister not agree that, prior to any such seismic testing, there ought to be a full environmental assessment of the consequences, and that there ought to be a public inquiry, a public process as part of this environmental assessment?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the decision by the Department of Energy, Mines and Resources was based on a study that had been done in concert with all interested parties, in connection with which there had been considerable public participation, on the basis of which it was decided that the testing in question would not compromise the heritage values surrounding the proposed park.

REQUEST FOR FULL ENVIRONMENTAL ASSESSMENT

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, while there is scientific opinion on both sides of this issue, and certainly in the State of California, and also information from Norway suggests that the effects might be detrimental, the State of California is not going ahead on the basis of scientific assessment.

• (1450)

Will the Minister assure us that there will be a full environmental assessment before the area is opened up to exploration and drilling? Will he also assure us that this will include an opportunity for the public to take part, given the very great importance of this question for the environment and the supposed commitment of the Government and the Minister of Energy to include the environment in all economic decision making?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the Hon. Member has implied that the public has not been consulted or involved in any process leading up to the decision. Nothing could be further from the truth. Indeed, in addition to public consultation, there has been very close co-operation among all the relevant Departments and Ministers, including myself and my Department and the Department of my colleague, the Minister of Fisheries and Oceans.

The information I have, with which I am totally satisfied, is that every due care is being taken to protect both the natural environment and the parks and heritage values at stake surrounding the proposed national park reserve in the area.

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PENITENTIARIES

CLIFFORD ROBERT OLSON—PAROLE ELIGIBILITY QUERIED

Mr. Gordon Taylor (Bow River): Mr. Speaker, my question is directed to the Hon. Solicitor General. Media stories have given rise to worry and concern among the loved ones of the victims of Clifford Robert Olson, as well as the parents of young and teen-aged boys and girls, who fear that if released this criminal will live in their town or city.

Is any consideration whatsoever being given to granting this criminal a parole on a daily, weekly, monthly or yearly basis in the immediate future, or at any time before he dies?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I am sure the Hon. Member knows that I cannot speak for the National Parole Board which has complete jurisdiction in this matter. However, I can tell him and those families affected that Mr. Olson will not be eligible for parole until the year 2006. In addition, over the past several months we have changed the criteria for releasing people on parole so that now the only criterion is whether or not releasing a person would constitute an undue risk to society. I would think it would go without saying that Mr. Olson would.

Some Hon. Members: Hear, hear!

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AGRICULTURE

BROILER EGG HATCHING AGENCY—REQUEST FOR IMPORT CONTROLS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Agriculture. He knows that the Canada-U.S. trade deal prevents the Government from taking proper action on unfair competition from U.S. farm products coming into Canada or putting in place proper import controls. For example, the Broiler Egg Hatching Agency has been asking the Minister for months to put in place import controls on their product. Three producers have already gone out of business because of unfair competition.

How many producers of this commodity is the Minister prepared to see put out of business before he will bring in proper import controls?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the content of the Hon. Member's question bears no greater degree of accuracy than that of his Leader's question yesterday with reference to the FTA and our dairy policy.

The Hon. Member knows there is a process which you are required to enter into and have concluded. As I indicated yesterday, we have already moved a long list of items from the tariff list to the import/export list. When that is done, notification of our trading partners is required under GATT. We have served notice to the Americans with reference to the dairy aspect and we are awaiting their response only with reference to a timetable for meetings to discuss the level of imports.

We are not quite to that stage with reference to this particular industry. However, we gave a firm commitment when we established the national agency that we would complete the process and we have every intention of following through on that commitment.

* * *

HORTICULTURE

FRUITS AND VEGETABLES—CONTROL OF BULK SHIPMENT AND CONSIGNMENT SELLING

Mr. Maurice Foster (Algoma): Mr. Speaker, can the Minister tell us, with respect to the control of bulk shipment and consignment selling of fruits and vegetables, when he is going to bring in legislation and regulations to control the situation? He will recall last year that the cherry industry in southern Ontario was destroyed because of his lack of action. Is he prepared to bring in legislation and regulations this summer to control that, or is that industry going to be sacrificed on the altar of free trade as well?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I am sure the Hon. Member will recognize that legislation has been on the statute books of this country for about six or seven years.

Mr. Foster: It is the amendments we need, John.

Mr. Wise: It has been used only once or twice. Indeed, when we were in Government in 1979 we utilized it.

We have given a commitment that we will be bringing forward amendments to the CAPS Act. We have every intention of fulfilling that commitment. Again, it requires notification of trading partners, which notification has been completed.

This is an important piece of legislation and will give that industry some safeguards it has not had for the last seven or eight years. When the Bill is introduced in the House I hope we have unanimous consent from both opposition Parties to move it through the House in all stages, hopefully in one day.

* * *

PIPELINES

WATER SUPPLY FOR SASKATCHEWAN CITIES

Mr. Simon de Jong (Regina East): Mr. Speaker, the city of Regina is one of the few major cities in the country which does not have a safe and adequate long-term supply of water. In fact, in the last election the Prime Minister promised a water pipeline for the cities of Regina and Moose Jaw. In the first Question Period after the 1984 election I asked him to indicate when we could expect some action on his promise. He replied "Soon".

Four years have passed and southern Saskatchewan is experiencing a terrible drought. I ask again when does the Prime Minister intend to act on his promise to ensure that the people of Regina and Moose Jaw have an adequate long-term supply of water?

Some Hon. Members: Soon!

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, the Hon. Member knows full well the action taken by this Government and my colleague, the Minister of Agriculture, in putting forward a water supply for the people of Regina that was not only adequate but also consumable. I think the people of Regina would recognize that as a fact.

The other thing I would like to draw to the attention of the Hon. Member is the action taken by my colleague, the Minister of Agriculture, and the Government of Saskatchewan, in developing the water supply in the South Saskatchewan River system.

PROJECTED PIPELINE

Mr. Simon de Jong (Regina East): Mr. Speaker, my supplementary is again directed to the Prime Minister. The promise was a water pipeline so that Regina would have an adequate long-term supply of water. People are rationing water. We do not have a long-term supply. Meanwhile, the Prime Minister is trying to buy a seat for his friend, Lucien Bouchard, with taxpayers' money.

Some Hon. Members: Order!

Mr. Speaker: The Hon. Member will put his question.

Mr. de Jong: Mr. Speaker, the question I would like to ask on behalf of the people of Regina and Moose Jaw is when will the Prime Minister fulfil his commitment to the people? Can we expect some action? Like I asked in 1984, when will it be done?

[*Translation*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, constituents in the riding of Lac-Saint-Jean will be very upset to hear an NDP Member criticizing the federal Government for trying to help a peripheral region. The New Democrats ought to be ashamed of objecting to measures aimed at helping a remote region.

• (1500)

[*English*]

With regard to the people of Saskatchewan, I think they will recognize very, very quickly that this is the Government that most quickly responded to their needs in a dozen different areas, including agriculture for openers.

With regard to the matter raised by my hon. friend, the Premier and I, at the ministerial level, have had important discussions which, no doubt, I believe will give the people of Saskatchewan a degree of satisfaction in that area, as we have done in so many principal areas of life on the Prairies.

* * *

HEALTH

AIDS DISEASE—INCIDENCE AMONG HOMOSEXUALS

Mr. Jim Jepson (London East): Mr. Speaker, my question is for the Minister of National Health and Welfare.

The Ontario Government has come out with an information packet on AIDS called "Let's Talk", but it does not address the fact that the greatest purveyors of this disease, 82 per cent to 90 per cent, are male homosexuals, obviously a result of a powerful lobby.

The Minister has indicated that new dollars will be allocated toward education on AIDS. Will he assure the House that young people will be made aware of the consequence of the sexual lifestyle of homosexuality? Will he call upon the homosexual community to exercise self-control in sexual practices in light of the consequences, not only within that community but, indeed, all society?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Government has announced, as Members of the House well know, an additional $129 million for the AIDS program over and above the $39 million which the Government announced previously. As part of the program, Mr. Speaker, education always has a twofold effect. We believe that with more education especially vulnerable young Canadians can be given correct information.

With respect to high risk groups identified in the war against AIDS, there is no question that as we can bring more information forward it is helpful. In terms of people taking responsibility for their actions in changing high risk sexual practices, obviously that would be helpful in reducing both the incidence and spread of AIDS.

* * *

ENERGY

NEWFOUNDLAND—HIBERNIA OFFSHORE DEVELOPMENT

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, for nearly four years the Government has been flogging Hibernia offshore oil and gas development as an electoral carrot holding it up before the people of Newfoundland and Labrador.

Last Thursday in St. John's, the federal Minister of Energy said that the development is basically on hold because of the inability of the Government to reach any kind of deal with the consortium headed by Mobil Oil. Last night in Calgary—a few days later—the same Minister suggested that a deal was imminent.

My question was for the Prime Minister who has since disappeared, but I suppose it will now go to the Member for St. John's West—

Some Hon. Members: Order.

Mr. Tobin: —and is straightforward. Can the Minister tell the House today exactly what is the status of the Hibernia oil and gas potential development? Can he tell the House what concessions have been made by both Governments, particularly by the lead Government, the national Government, to stimulate Mobil Oil and its partners to have a look at Hibernia development?

Hon. Gerald. S. Merrithew (Minister of State (Forestry and Mines): Mr. Speaker, on behalf of the Minister of Energy I do want to report that negotiations have been going on for some time now. Offers have been made to Mobil and its partners.

Hopefully, as the Minister of Energy has said publicly, we will be able to get on with this particular project, but the matter is clearly now in the hands of the companies to respond to the offer.

Mr. Speaker: The Hon. Member, a short supplementary.

SHARING OF ROYALTIES

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, Newfoundland traditionally has the highest level of unemployment in the country and we badly need high quality good paying jobs. I want to tell the Minister that we do not want a job today if we sell out our rights and the royalties forever to Hibernia.

Can the Minister assure the House today, and through the House the people of Newfoundland, that the Government will

resist the temptation to boost its sagging political fortunes here in Ottawa, and the sagging political fortunes of the Peckford administration, by giving away the shop to get a quick announcement on Hibernia and, in the process, deny Newfoundlanders and Canadians their rightful share of the royalties to Hibernia development in the decades ahead?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I am pleased to be able to tell the House that there was a meeting in Calgary yesterday with representatives of Mobil and the other persons involved in the consortium. It was a very positive meeting. Intensive negotiations are now following as a result of that.

The Government, well aware of the needs of Newfoundland and, in fact, all of Canada because all of Canada will benefit, from Newfoundland right to Alberta, with the development of Hibernia, has made the company a most generous and comprehensive offer to assist in this period of low oil prices.

We don't know—this has nothing to do with elections—if the latter goes forward we will be delighted. If it doesn't go forward, we will be very sorry but the people of Newfoundland and the people of Canada will know we did one hell of a lot better than hon. gentlemen opposite who stopped progress on Hibernia for 10 years while in office.

Mr. Speaker: I will hear the Hon. Member for York Centre on a question of privilege and then I will hear the Hon. Member for Regina East.

* * *

PRIVILEGE

ALLEGED ACCUSATION BY PRIME MINISTER

Hon. Bob Kaplan (York Centre): Mr. Speaker, I have a question of privilege arising from the Question Period out of an accusation made by the Prime Minister (Mr. Mulroney). I attempted informally across the floor to give him and the Deputy Prime Minister (Mr. Mazankowski) notice of the fact that this question was being raised. Both have left the House.

Some Hon. Members: Order.

Mr. Turner (Vancouver Quadra): That is perfectly relevant.

Mr. Kaplan: I gave them notice. They have left the House. I, of course, have not seen the "blues", but the statement that I have coming from the Prime Minister was, "All of the members of the Opposition are accusing"—meaning the Member from Joliette (Mr. La Salle)—"of being guilty". I call on the Prime Minister to apologize and to withdraw that allegation.

During Question Period today and yesterday I asked questions about allegations against the Hon. Member for Joliette made not by members of the Official Opposition but made by a Tory organizer named Glen Kealey—

Mr. Speaker: As I understand the question of privilege, the Hon. Member for York Centre is advising the Chair that he has not yet seen the "blues" but that his memory is that the Prime Minister (Mr. Mulroney) said, "All of the members of the Opposition are accusing" and then went on. I have not seen the "blues" either. I think the appropriate thing to do before we get into a lot of peripheral matters, which have nothing very much to do with the words complained of, is for me to examine the "blues" very carefully. I will report back to the House, and I may call on other Members to speak.

With that in mind, I might ask the Hon. Member for York Centre (Mr. Kaplan) to conclude his remarks.

Mr. Kaplan: Mr. Speaker, I will conclude, but at the same time while you are examining the "blues" you may find similar supportive unjustified allegations made by the members of the government Party, and I would appreciate your examination of those remarks as well.

Mr. Speaker: There was an exchange. I cannot, any more than other Hon. Members, remember every word. I think the best thing to do at the moment is for Hon. Members to look at the "blues". I know the Hon. Member for York Centre will do so, and so will others on the government side. I will examine them and come back to the Chamber, and if there is any need to raise the matter further I will ensure that that is done.

Mr. Turner (Vancouver Quadra): Ask for your own independent set of the "blues".

Mr. Speaker: The Right Hon. Leader of the Opposition (Mr. Turner) suggests that I get my own independent set of the "blues". I thank the hon. gentleman very much for that advice.

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Member for Regina East (Mr. de Jong).

ALLEGED IMPUTATION OF MOTIVE

Mr. Simon de Jong (Regina East): Mr. Speaker, I also invite you to check the "blues" in terms of the response which the Prime Minister (Mr. Mulroney) gave me.

I understand from his response to my question that the Prime Minister imputed a motive to me that I was not concerned about the interests of the constituents of Lac-Saint-Jean. By the Prime Minister's reply he seemed to indicate that the interests of the people of Regina were at odds with the interests of the people of Lac-Saint-Jean.

I would suggest, if I may, Mr. Speaker, that you check the "blues". I believe the Prime Minister was imputing a motive in terms of my question and I ask your ruling on that at some time.

• (1510)

Mr. Speaker: Once again, I will of course consider what was actually said and I will return to the Chamber at an appropriate time. If necessary, I will hear the Hon. Member further.

GOVERNMENT ORDERS

[*English*]

THE CONSTITUTION ACT, 1867

CONSTITUTION AMENDMENT, 1987

The House resumed consideration of the motion of Mr. Hnatyshyn, and the amendments of Mr. Turner (Vancouver Quadra, (p. 15617), Mr. Broadbent, (p. 15618), Mr. Caccia (p. 15618), Mr. Johnston (p. 15618) and Mr. Roman, (p. 15620).

Mr. Patrick Boyer (Etobicoke—Lakeshore): Mr. Speaker, this morning, the Right Hon. Prime Minister (Mr. Mulroney) spoke in favour of the Meech Lake Accord. Following him, the Right Hon. Leader of the Opposition (Mr. Turner) rose to speak in favour of the Meech Lake Accord. Following him, the Leader of the New Democratic Party (Mr. Broadbent) rose to speak in favour of the Meech Lake Accord.

I hear people in my constituency of Etobicoke—Lakeshore and elsewhere around the country criticizing the Meech Lake Accord as a document that somehow diminishes the role of the Government of Canada. It struck me, as I listened to the Leaders this morning, that the very best thing I could do would be to reproduce those three speeches by those three Party Leaders and send copies of them to those people.

When the national Leaders of our three main Parties are speaking in favour of the Meech Lake Accord, that most surely represents a deliberate and clear conclusion that this is not an instrument for weakening the Government of Canada or the central purposes of our country but rather for maintaining and strengthening them. Each of the three Party Leaders represents the collective wisdom, advice and counsel that each would have received from those experts in matters of constitutional law, Canadian history and indeed partisan considerations, and in all cases they came forward to speak in favour of the Meech Lake Accord. That is not the position that would be taken, I submit, by national Leaders of any Party if in fact the Meech Lake Accord were, as its critics allege, somehow weakening and undermining the Government of Canada and its positive role in Canadian federalism.

Let us not make perfection the enemy of the good. That statement was made by the Right Hon. Prime Minister this morning, and I was so happy to hear him succinctly express something that in other forums I too have been trying to express. For example, in connection with disabled Canadians, I have recently been saying that part of the difficulty in Canada is this image of perfection that is held out. As soon as we begin to recognize that the image of imperfection is more accurately reflective of human condition and human society, the closer we will be to realism and in turn to a more gentle and caring society. If it applies there, it is no less true in application to matters of constitutional law.

Perfection in a Constitution perhaps could be achieved by each of us individually, sitting in the splendid isolation of our libraries or some other quiet place, putting pen to paper and writing down what according to our own personal lights might be the perfect Constitution for Canada. The beauty of a democracy, however, is that there is never any one person who has all the answers, and that what we achieve is truly a blending through political debate and through political compromise of various points of view.

Certainly, I agree with all of those who spoke, the Prime Minister and the two opposition Leaders, who said that we do not have in the Meech Lake Accord perfection. There are points in the Accord with which I do not agree. My own view with respect to the Senate, for example, is that the only way to reform the Senate is to abolish it.

I am a native of the Province of Ontario where there was an elected Upper House under our Constitution from 1841 to 1867, as for instance so did the Province of Prince Edward Island at one stage in its history have an elected Upper House. We went through that experience and found it was unnecessary. We found that indeed, in a democratic country like ours, with all the different levels of Government, we have more than enough elected representatives to speak for and to represent the Canadian people.

I have deeply held views on the importance of ending the existence of the Canadian Senate as an institution that has long since outlived its historical role in this country. Yet, there is in the Meech Lake Accord provision for getting on in the next phase with discussions to see how the Senate can be reformed. Each of us, I submit, must look at the Meech Lake Accord, and although there are parts in it that may rankle and may not accord with our own views, we have to see that there is something greater here.

I have listened to a lot of debate and discussion. I see in the House the Hon. Member for Saint-Henri—Westmount (Mr. Johnston). He and I were debating this issue recently, not in the Chamber but in fact in a television studio. There were many people who came forward from the audience and expressed their concerns and points of view. What struck me as I heard some of these criticisms was that there seems to be a propensity in Canada for loading on to whatever vehicle is passing all the freight that it can carry. I do not know if this comes from something in our pioneer background. People were scattered across a fairly empty land. Someone who was stranded in the North was happy to see the bush pilot arrive, and those on a homestead were happy to see the wagon finally come by. They wanted to get everyone on the aircraft or on the wagon at once. Our approach intrinsically seems to be that whatever is going by, we want to load all of the traffic onto it.

I see the same thing happening with the free trade debate. We are dealing with a treaty that governs the trading arrangement between two countries, and on the one hand some Canadians are saying that that document is the panacea that will solve all of our problems. At the other extreme, people are saying that with this approach, in 25 years the country will be gone. They are putting onto the free trade debate all kinds of issues relating to cultural sovereignty and the like. No matter how many times they read the document and see that those issues are not touched, no matter how many times Ministers of the Crown rise in the Chamber to give assurances of that, there are still people who want to load all of this extra traffic onto the vehicle of the free trade debate. The same is happening with Meech Lake.

I am hearing the argument, for example, that the position of native Canadians, the position of women, the position of disabled people and the position of so many other groups in society will be adversely affected by the Meech Lake Accord. I would like to speak to that for a moment or two. There is one historic moment here that we must recognize. This is not the one and only time, the now or never chance, that we will have to deal with all of these issues of aboriginal rights, the position of women and the position of Canadians with disabilities, but it is the one and only time, the now or never chance, to say yes to Québec.

In 1980, Quebec said yes to Canada and Quebec is still waiting. That was the verdict of Quebec in 1980 when the people of that province held a referendum to make a choice between thinly disguised separatism and a renewed federalism. As someone who believes profoundly in the importance of referenda and plebiscites in our system, I watched closely what happened in the Province of Quebec. I saw the people of that province at organizational levels, levels of families and parishes, and everywhere possible meeting and debating. It was a cathartic experience for Quebecers to be put to that choice. They made the choice and in the majority they said yes to Canada, yes to renewed federalism.

• (1520)

There was another chance after Quebec was sidelined in the 1982 approach to amending the Constitution and entrenching the Charter. The result of that in 1982 was Quebec's isolation which, as J. W. Pickersgill has said, was to leave a grievance and a wound open in Canadian political society.

The 1987 constitutional accord has again held out to Quebec the promise of a renewed federalism. This is the second chance and the second time that Quebec has said yes. This time it was not the people in a referendum, it was the men and women who are the democratically elected representatives of the people of Quebec voting in the Quebec Legislative Assembly who voted in favour of the Meech Lake Accord.

As in baseball, whether you are playing for the Toronto Blue Jays or the Montreal Expos, the rule is three strikes and you're out. So it is in constitutional law and what is happening in this country in terms of the position of Québec in relation to the rest of the country. Quebec has said yes twice and it must not have to say that again. Québec has now made its position clear.

All the years when I was growing up in Ontario, living in the West, and living in Quebec, I heard other Canadians ask, "What does Quebec want?". The answer came in five very specific questions, very specific answers and proposals by Premier Robert Bourassa. It was to those five specific proposals that a response has been made and embodied in the Meech Lake Accord.

We have voted in this House on this question before and we voted affirmatively. Now, months later, we are being asked to do it again because the other place has succumbed to the smaller view of Canada, the Lilliputians who tied down with a thousand small threads the great giant who otherwise could stand and walk proudly and freely.

Let us transcend the legitimate but smaller points of debate. In the symbolism of politics I believe that some statements and some acts can transcend and transform. There is now an opportunity to transcend, to go beyond the legal minimum of what national unity requires and into a patriotic sharing of the full promise of Canadianism.

I will vote again in favour of the Meech Lake Accord because I believe that we in the Parliament of Canada must say yes to Quebec and to renewed federalism which meets Quebec's needs to preserve and promote its distinct society within Canada yet safeguards the federal Government's role as the voice of all Canadians and respects the equality of all provinces. Not to do so would cast doubts about our commitment here in the 33rd Parliament to a renewed federalism which, I repeat, acknowledges the reality of Quebec as a distinct society within Canada.

I believe we are long past the point where the Accord can be reopened or renegotiated. I believe there has been no demonstrated need to reopen it or to renegotiate it. Take for example the submissions made by some of the women's groups in Canada which say that somehow the Meech Lake Accord is going to undermine the position of women in Canada.

I have here the Charter of Rights and Freedoms. Section 15 says that every individual is equal before and under the law and has the right to equal protection and equal benefit of the law without discrimination including discrimination on the basis of sex. Has Section 15 of the Charter been repealed? No, it is still a vigorous and entrenched part of our Charter of Rights and Freedoms which, by virtue of the Meech Lake Accord, is now going to apply to all Canadians including Canadian women who live in Quebec.

This not an undermining of the position of Canadian women but an enhancement of it by the very fact that years after the Charter was included in our Constitution the Government of the Province of Quebec has signed its agreement, indicating that in laws enacted in that province, it will be subject to Section 15 and all other provisions of the Charter.

There are other provisions in the Charter. There is Section 28. Again, I mention this in the context of some of the lamentations which are being made by women's groups. Section 28 says:

> Notwithstanding anything in this Charter, the rights and freedoms referred to in it are guaranteed equally to male and female persons.

Has Section 28 of the Charter been ripped up? No, it has not. It is still in our Charter of Rights and Freedoms. It has not been repealed, it is there. It is guaranteeing the protection, the equal rights, and the equal freedoms of women with men in Canadian society.

Therefore, why in this debate in our country are groups trying to undermine the effort to, at long last, bring Quebec fully into a renewed federalism by trotting out arguments that the Meech Lake Accord is somehow detrimental to the position of Canadian women? It is a snare and a delusion to argue that way. I must say that those who so argue are doing a tremendous disservice to the great possibilities and prospects which are currently and have historically been before us for a renewed federalism along the lines set out in the Meech Lake Accord.

When the joint Senate and House committee heard testimony on this point there were many who spoke to this very issue. For example, on the issue of sexual equality—and I am not leaving this point because I believe it is fundamentally important and the one that raised perhaps the most concern before the committee—William Lederman, the dean of Canadian constitutional scholars, to name but one, told the legislators on that committee that the Charter "speaks loudly and clearly and it rides right through".

The Meech Lake Accord does not change the Charter. The Charter is there with Section 15 and Section 28. That is why even, for example, the *Fédération des femmes du Quebec* and Quebec's *Conseil du statut de la femme* told the committee that women's rights are not threatened by the distinct society clause.

The distinct society clause is an interpretive provision in the Constitution, as is the section that talks about our Charter being interpreted according to the multicultural traditions of Canada, and as are the other interpretive provisions to be found therein. There is clear need to think back to that referendum and to what the people of Québec said with eloquence which speaks so loudly when, in a deliberate act of casting a ballot, men and women indicated a conscious choice which they had made.

• (1530)

There was moving testimony given before the joint committee by Yolande Chaput-Rolland, an ardent partisan of federalism, a renewed federalism, in all she said and fought for during that referendum campaign in 1980. This is what she told the committee:

[*Translation*]

For me it is really the first time that I have felt I won that referendum.

[*English*]

"For me it was really the first time that I had felt, yes, I won that referendum". Let us answer Madam Chaput-Rolland and every other Canadian who is prepared to go beyond the points of difference, the legitimate but smaller issues, and see an historic opportunity to move Canada to a new plateau in its evolution.

This is the unfinished business that was begun by a former Prime Minister in his effort to entrench the Charter of Rights, to have an amending formula that would allow Canadians to see our own Constitution amended here in our own country. That process was begun but it has yet to be completed. We are now in the process of completing it.

I stand as the representative for the men and women of Etobicoke—Lakeshore, an Ontario constituency, and say with deepest conviction as a Canadian that I will stand in this House and vote in favour of the Meech Lake Accord.

The Acting Speaker (Mrs. Champagne): Questions and comments? Debate.

Hon. Chas. L. Caccia (Davenport): Madam Speaker, one year after the Meech Lake Accord was born, a date historians will not remember as a great day for Canada, a strong case can be made for rejecting it. Canadians would be badly served by this Constitutional Accord. It was arrived at without public consultation, driven by the notion that a yes vote for Canada in the 1980 Quebec plebiscite requires reciprocation. It makes only one province responsible for the promotion of linguistic rights. It is based on an outdated vision of a Canada mortgaged by the distinct society concept which could lead to the two-nation idea, a view of Canada pursued by the Progressive Conservative Party in the 1960s. It would jeopardize the equal opportunities provided to all Canadians in the Charter of Rights and Freedoms. This is where I disagree fully with the Hon. Member who just spoke.

The process also must be severely criticized. The way the Accord was arrived at can only be described by one word: awful. The process pre-empted any reasonable thoughtful input by any interested citizens, who were left out in the cold by 11 omniscient politicians playing kings. Interested Canadians were politely listened to by the joint parliamentary committee but their concerns were ignored. Indeed, the process did not produce a single amendment. What a disgraceful performance, so much in contrast with our fine democratic traditions and practices.

As many have noted, the Accord reveals a severe imbalance. While each of the proposed changes transfers powers to the provinces, there is no transfer of power to the federal state. If the Accord is approved, the national Government will emerge

weaker. At a time when social programs, education, environment, international issues require new and creative federal roles, Ottawa strips itself of powers needed to tackle the future. What a vision of Canada this Progressive Conservative Government reveals.

Fortunately, Canadians have realized the dangers of the Accord. Public support has rapidly been declining. Provincial premiers who signed the Accord are gradually being knocked off by their electors. Witness New Brunswick and Manitoba. Some of those in power have admitted there are flaws. Time will take care of these short-sighted self appointed constitutional wizards, unperturbed by the absence of public input, inebriated by power, blissfully applying the "trust me" school of decision-making. If you have ever searched for a classical example of pornography of power, there is one here.

The disturbing fact about this Accord is that while technically it has not yet and may never come into force, its spirit is already being applied in the shaping of laws presently going through Parliament. The Environmental Protection Bill presently in the Senate is a case in point. There is the pathetic scene of the Minister of the Environment (Mr. McMillan) first trumpeting this Bill as the strongest ever federal legislation in Canada that will remove and prevent all polluting evils from the face of the nation. He emphasizes that the federal Government will proceed on its own in enforcing its legislation. However, one day he appears before the legislative committee sheepishly requesting amendments to his own Bill. Why? Because Ottawa must consult first with the provinces before making federal environmental regulations.

The federal Government yields again when it decides not to apply federal environmental protection standards if a province comes up with provisions considered to be equivalent, whatever that word means. What has happened? There is no political will. The Government has given up on its federal mandate. It will not establish national standards of environmental protection for all Canadians.

The Meech Lake virus has infected the thought process of the Government and weakened Canadian federalism. The Coalition on the Constitution, which is comprised of the Canadian Environmental Law Association, the Citizens Network on Waste Management, Energy Probe, Pollution Probe, in a letter to the joint committee dated December 10, 1987, made two significant points regarding the Accord and the environment. First, commenting on the environment Bill, they said that this is a step backward from existing federal law. Second, commenting on Section 9 of the Meech Lake Accord which allows provinces to opt out from national programs, they said that this provision could apply to national environmental programs, undermining the ability of the federal Government to provide national standards of environmental protection.

The same can be said, alas, for national social programs because they too will be affected.

Another upsetting aspect of the Accord is how Canada and Canadian society are described, something that you could call the heart and soul of the Accord. A constitution should make the citizen say with a certain degree of pride: "Yes, I recognize myself in that definition of Canada". That is what a good constitution is all about. Instead, we see a definition which excludes millions of Canadians. If you are an aboriginal, you have been left out. If you do not speak English or French, and many good solid decent citizens do not speak English or French, you have been left out.

In other words, the Accord fails to describe all the people of this country: the new Canada that has emerged in recent decades and first Canadians.

The description of the Canadian society in the Accord is not the Canada of today, it is the myopic view of tired politicians who failed to recognize the society they were supposed to understand and represent. What did the 11 wizards do in the middle of the night while the nation was sleeping? They provided, if indeed the courts will accept at all the distinct society notion, a springboard for special status to one province, thus laying the foundation of a duality which could lead to the creation of a two nation Canada. That is what they did. What a prospect. This is certainly not the Canada Canadians want for themselves, for their children or for their grandchildren. The evidence produced in the Senate, and the contributions made by Senators, is sufficient to convince any reasonable person that the Accord should not be supported. The evidence contained in Issue No. 6 of the proceedings of the Senate submissions group, most ably chaired by Senator Molgat, says it all. I would like to quote from the report which deals with the comments of 43 groups and individuals on the Accord.

> Many Canadians fear that the rights accorded to them by the Canadian Charter of Rights and Freedoms will be diminished by the linguistic duality and distinct identity clause. Women's groups, French speaking Canadians living outside Quebec, English speaking Canadians living in that province, to name but a few groups, want the Accord amended to ensure that their charter rights will not be diminished by the "linguistic duality-distinct society" clause.

And I quote again:

> Aboriginal organizations stated that they are left out of the description of Canada . . . Aboriginal people asked to be recognized as distinct societies.

Some witnesses say the Accord does very little to promote multiculturalism. They request that it also be recognized as a fundamental characteristic of Canada, and so on.

• (1540)

One has to conclude so far that the only parliamentary institution which has really defended the views of people, the rights of Canadians, and made a really powerful contribution to this debate, is the Senate. The Senate held hearings that were meaningful. It moved amendments and certainly did not vote for the Accord. The House of Commons hardly had a debate a year ago on this matter. One would think, then, in light of the evidence brought out in the Senate, in the wake of the language dispute in Saskatchewan, in light of the defeat of Premier Hatfield and Premier Pawley, in light of the tensions

caused every day by Bill C-101 and the pending Supreme Court decision, in light of the substantial decline in public support for the Accord, that the present Government would stop and think instead of having the Prime Minister engage in threats against those who do not agree with the Accord.

Would it not, I ask, be in the public interest to find out what "distinct society" really means in constitutional terms, what the consequences would be to national unity if such a term were to have legal meaning? After all, a reference to the Supreme Court is not novel. In 1981, former Prime Minister Trudeau referred the constitution proposal of that time to the Supreme Court. "Oh, but listen", some say at this point, "you don't need to worry too much now. If amendments are needed, there will be a chance to make amendments on a second round. Approve the Accord now. We can improve it later". I submit, this is utter nonsense. These people who are not accepting changes now will not accept changes in a second round. If they are serious about changes, why not make the changes now? Why go ahead with constitutional changes when almost everyone agrees it is bad for Canada?

The amendment the Hon. Member for Cochrane—Superior (Mr. Penner) and I are proposing tries to define Canada and Canadians. It is a description of the Canadian people in contemporary terms, the very people for whom this Constitution is written. We wrote this motion with three thoughts in mind, first, to offer a mirror of contemporary Canadian society, second, to strengthen the notion of one Canada with two official languages and, third, to highlight an historical fact and evolution over time. In our amendment, aboriginal Canadians are included. Canadians who do not speak either English or French are included, and the distribution of English and French speaking Canadians across the nation is described. This amendment describes today's Canadian scene, the new Canada to which present and future generations belong. If, in reading this amendment, each Canadian recognizes himself or herself, then we will have succeeded in our effort. I invite the House to examine it and support it. Our amendment reads:

> That the motion be amended in paragraph 1 of the Schedule
>
> (a) by deleting Section 2(1) and substituting the following therefor:
>
> "2(1) The Constitution of Canada shall be interpreted in a manner consistent with the recognition that Canada consists of aboriginal and multicultural societies, with English and French as the official languages of Canada, French-speaking Canadians being centred in Quebec but also present elsewhere in Canada and English-speaking Canadians concentrated outside Quebec but also present in Quebec",
>
> (b) by deleting Section 2(3).

In so doing, we bring together a concept, a mirror of Canada, which we think is contemporary, one that does not leave out one Canadian citizen, because one would be too many. We recognize in this motion the linguistic duality of this country and the spread of the population from coast to coast according to the language they speak. When we hear someone in this House say: "Let us not make perfection an enemy of the good", we believe that kind of approach is a signal for settling for less than mediocrity. We do not want to have a Constitution that is less than mediocrity. We have had the time and we have the skills and ability to produce a Constitution that corresponds with the composition of the society of today, not only that, but a Constitution that will not lay the foundation for division in future times. The Conservative Government vision of Canada is the wrong vision. It must be rejected.

Mr. Attewell: Mr. Speaker, I would like to address a question to the Hon. Member for Davenport (Mr. Caccia). I am reminded that he was the former Minister of the Environment, a portfolio in which precious little was accomplished. Yet day after day we hear him comment and criticize the great work our Government has done on the environment. We hear again today some relatively hollow remarks from the Hon. Member with respect to the Meech Lake Accord.

I am not sure if the Member was in the House this morning when the Prime Minister (Mr. Mulroney) spoke, but I disagree strongly with the Hon. Member for Davenport when he says the Accord should be a perfect document. We are not saying it is mediocre. We are saying it is a good document. One of the telling points the Prime Minister made, I thought, was that Quebec should participate in the final completion or other phases of the document to deal with the aboriginal people or if there are some issues surrounding women as well. Why would the Hon. Member deny the people of Quebec the right and obligation to participate in future improvements to that important document?

Mr. Caccia: Mr. Speaker, I am certain the majority of people in Quebec would want to have the best possible constitutional agreement that can be arrived at, and that the majority of Quebecers do not really wish to be singled out and given a special status. That is what the issue is all about. Quebec's vision of its own role in Canada is one that encompasses this nation from coast to coast. It wants to be in a Canadian federalist state in which no one is given special privileges. I am sure that Quebecers are the last ones who would want to be given special privileges.

• (1550)

What I am saying in my intervention is that we have here a document which was arrived at without public consultation. That in itself is a poor process. In a way it is a signal to members of the public that politicians know better than they, the people for whom the Constitution was written. I am saying that this proposal which we have before us today makes only one province responsible for the promotion of linguistic rights. That is not the approach that Quebecers or anyone who speaks French in Canada would want to have. We want to have this responsibility across the nation, as it should be because in law and linguistically we are a society which speaks two languages.

We are saying that the concept of a distinct society could lead one day to a two-nation Canada which is a concept that the Party of the Hon. Member fondly developed in the 1960s and one which it has flirted with on more than one occasion.

That in itself is reason enough for speaking against the Meech Lake Accord. Who wants to lay the foundation with this document for future generations of politicians to say: "Well, there is a distinct society clause in the Accord which allows, gives us the premise, the jumping board to claim one day that actually one province should become a separate nation"? That is not what the majority of Quebecers want. The Hon. Member has it all wrong.

If one looks at the totality of the document before us and the impact that it has and adds to that the description of Canadian society in Section 2(1), which is so outdated, one cannot help but say that this exercise, this drafting has to be sent back to the drawing-board to be started all over again. In the long term it is not a real definition of Canada. It is not a good document in the long term for Canadian unity.

Mr. Attewell: Mr. Speaker, if the Hon. Member is talking about the idea of perfection, and I gather he is, then I think he is being misleading. I do not know what he did before he was a politician, whether he was a teacher, a businessman or something else. In any endeavour I think one works toward the greatest degree of success along with a number of men and women attacking the problem. However, there comes a point in time when a decision has to be made and we must move on. One cannot keep striving for that perfection. Maybe that is what he was trying to do in the environment portfolio when he was Minister. Is that the reason he accomplished nothing?

Mr. Caccia: Mr. Speaker, I would be the last one to boast about my record as Minister of the Environment. I would seriously question the Hon. Member's concept of a healthy democracy when constitutional amendments are made and the people who will be affected by them are not consulted and when no amendment will be accepted in the process. That is not a definition of perfection. That is simply a definition of healthy democracy which we apply in our country in every walk of life. We seem to have forgotten that in the evolution of this most important and central document, the Constitution of Canada. What is wrong with healthy consultation with the public?

Mr. McDermid: Mr. Speaker—

Mr. Prud'homme: Time!

Mr. McDermid: —I want to question the statement that the Hon. Member made about public consultation on the Constitution and on the Meech Lake Accord. The Constitution has been the subject of consultation with the provinces and with people from all walks of life for many, many years.

Back in 1980 and 1981 when the former Prime Minister and most of the First Ministers reached an agreement on the Constitution, it was done with a great deal of negotiation and bargaining in the back rooms. We all remember the Hon. Roy McMurtry, the Hon. Jean Chrétien and the Hon. Roy Romanow and the deals they were cutting in the back kitchen to bring the Constitution together for the First Ministers of the land. We remember at the time the joy there was because a decision had been made, although it was not perfect. We also remember that at the time one province was left out. The Meech Lake Accord has a great deal to do with bringing that province in.

Since that time there has been public consultation among people in all walks of life. The Hon. Member knows that full well. If the Hon. Member had paid any attention to the election campaign of 1984 and the speech that the Prime Minister gave in the Province of Quebec on the constitutional Accord and bringing Quebec into our Confederation under the Charter of Rights and Freedoms and the Constitution, he would know full well that there has been a great deal of public consultation going on since that period of time. For the Hon. Member to stand up and tell the Canadian people that there was no public consultation is completely erroneous. I do not believe there is a Canadian who would buy the nonsense that the Hon. Member is trying to spread.

Mr. Caccia: Mr. Speaker, I would always defend the right of the Parliamentary Secretary to disagree with me. Nevertheless, that does not take away from the fact that his knowledge of historical facts is totally incorrect.

Mr. Berger: Mr. Speaker, I wish to elicit a comment from the Hon. Member for Davenport (Mr. Caccia) by way of a question. The Hon. Member for Don Valley East (Mr. Attewell) referred to the Hon. Member's remarks as being somewhat hollow. I would ask the Members of the House not to impute motives or try to castigate Members who hold legitimate opinions. One can have one's opinion about this agreement. One can be for it or one can be against it.

I say to the Hon. Member for Davenport in support of his remarks that there are two competing visions of this country. One is a vision of Canada wherein Canadians owe their attachment to the country as a whole, a Canada greater than the sum of its parts. The other vision is that one owes one's loyalties to the particular province or region from which one comes.

The former Prime Minister, Mr. Trudeau, in his remarks to the Senate on March 30 really made that point when he was referring to Henri Bourassa who said that many generations of Quebec politicians will have fought for the establishment of the French fact in Canada, not in Quebec. He saw this as a retreat from that way of viewing the country.

Does the Hon. Member care to make any additional comments about what I feel, and what I beg all Hon. Members to understand, is a very legitimate view of what Canada is all about?

Mr. Speaker: I very much regret to interrupt but it may well be possible as the debate goes on for the Hon. Member for Davenport to be able to respond. However, there is some indication from Hon. Members that there does not seem to be complete consensus within the Chamber to extend the time for questions and comments. That time has expired.

Mr. Lewis: Mr. Speaker—

Mr. Speaker: The Minister of State (Treasury Board).

Mr. Lewis: Mr. Speaker, I appreciate your recognizing me. I just wish to explain something to the House. On the day that the House order was made to frame this debate, that is, May 17, there were consultations among all Parties in an effort to put the House order to the House and to have it approved.

• (1600)

Unfortunately, my hon. friend, the Hon. Member for Saint-Henri—Westmount (Mr. Johnston), was not in the Chamber at the time that order was being negotiated, and he came in just immediately prior to it being called. At that time, I went over to the Hon. Member and we discussed the matter. His concern was the length of time for debate. I indicated to him at that time that I was sure that I had the authority on behalf of the government Members to suggest that the amount of time allowed to him to speak could be extended, as far as we were concerned. I wish to reiterate that comment to the House and put it on the record.

Mr. Speaker: The Hon. Member has the floor.

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, I appreciate the comments of my hon. friend. I do seek the indulgence of Members if I run slightly over the time, but I do not expect to be much in excess.

The 1987 Constitutional Accord, which like others I refer to as Meech Lake, has been with us now for almost one year. Despite the conspiracy of silence, one might call it, established among our so-called political leaders and some of our aspiring political leaders, Canadians are slowly becoming aware of what is truly at stake in Meech Lake. The result of that awareness was predictable. The more Meech Lake is understood, the more it is being rejected by Canadians. Some Canadians see it only as a problem for themselves, and that is understandable. For example, the native peoples, women, representatives of the Yukon and the Territories, and so on, have pleaded their cases eloquently at every opportunity.

[*Translation*]

The proposed constitutional amendment is invasive in that it affects every aspect of our economic and social fabric, even our political geography. When we talk about Meech Lake, we are talking about the future of Canada, the Canada we have known for 121 years, the Canada we love and the Canada where we have prospered.

Mr. Speaker, my concerns about Meech Lake aren't restricted to a single issue: whether we are talking about the future of Anglophones in Quebec; whether we are discussing the sad plight of our Native people, the weakening of sexual equality, the restrictions that would apply to federal spending powers, the absurd suggestion regarding appointments to the Senate or the dangerous proposal for appointments to the Supreme Court, my concerns rise from the proposed amendment as a whole.

[*English*]

Thanks to Meech Lake Canada is to be partitioned into two distinct societies based on language and territory: Québec will be French, the rest of Canada English, albeit with each agreeing to preserve the existence of those whose tongue is alien to the particular society in which they find themselves.

Linguistic genocide, therefore, is not proposed, but neither is a bilingual nation where public services would be available in French or English from coast to coast.

Québec will have a special status, authority to promote its distinct identity at home and abroad, with additional powers not available to other provinces. What authority remains to the federal Government to deal with the social and economic challenges of Canadians is also being removed.

Canada is to become an association of provincial fiefdoms with semi-annual meetings between First Ministers to co-ordinate national objectives and policies, and strip Ottawa of whatever other authority the provinces might cherish. Meech Lake is very clearly the beginning of that process.

At Ottawa's expense, the provinces acquire powers in immigration, social and economic areas, appointments to the Senate and the Supreme Court, and a veto for each over all major changes, including the creation of new provinces. To make those gains secure, there is an amending formula that puts Canada's evolution on a one-way street to more and more decentralization and the potential break up of the federation.

You might ask, Mr. Speaker: Why do so many accept Meech Lake? Well, most accept it looking through rose-coloured glasses, hoping that the various scenarios implicit in Meech Lake do not unfold. Having listened to the Prime Minister (Mr. Mulroney) and the Leaders of both opposition Parties here today, I believe that they are wearing the rosiest glasses of all. They rationalize away what concerns they may have on the ground that Québec's moral adherence to the Constitution is worth the price. They hope the price is not too high, but they do not know. Some, even our Prime Minister as a matter of fact, admit that they do not know what the price is. What is the meaning of the distinct society clause? "Some day the Supreme Court of Canada will tell us", he says. Yes, indeed, the courts will one day tell us what we have done to Canada through Meech Lake, should it move forward. If we do not like it at that time, too bad. It will be too late to change directions.

Others, of course, embrace Meech Lake because they covet a further reduction of federal authority. If a form of sovereignty association with a unilingual French Québec is necessary to achieve that reduction, well so be it. Québec nationalists want it because they will finally have created the long dreamed of *deux nations*, and the extreme nationalists in Québec see Meech Lake as a solid stepping-stone to Québec's independence.

When the Prime Minister, and the Leader of the NDP Party (Mr. Broadbent), say: "We now know the answer to the question: 'What does Québec want?'" I would say we have a vague idea of what the current Quebec Government wants. The two are very different. We have heard all leaders, and we just heard the Member for Etobicoke—Lakeshore (Mr. Boyer) say that Quebec has said "Yes" to Canada and now Canada must say "Yes" to Quebec. In fact, the Prime Minister said very specifically Quebec—

[*Translation*]

"Quebec said yes twice". That is not true, Mr. Speaker. The people of Quebec said yes in 1980, but the *Parti Québécois* Government said no to Canada.

The two are not the same. What the population said and what the Government said are two entirely different things.

[*English*]

In 1980 the Quebec Government said "No" to Canada, and we are not hearing from the Quebec people except through the Quebec Government which replaced the *Péquiste* Government of Mr. Lévesque.

What does this adherence mean? We hear that it will allow Canada to move forward with constitutional evolution, that Quebec will now come to the negotiating table on a regular basis, that this is the Quebec round that has been finished. We have heard all of this, Mr. Speaker. Where do we see any of this in Meech Lake? As a matter of fact, when I look at Mr. Bourassa's comments in the National Assembly, I hear him say, or I read that he has said that Quebec has not lost anything through Meech Lake, that there has been no step backward.

[*Translation*]

In fact, the Liberal Party, and I quote: "recognizes Quebec's right to determine its internal constitution and to express freely its desire to either maintain or terminate its membership in the Canadian federation". That was a resolution passed by the Liberal Party in 1980, and it has in no way been changed or affected by Meech Lake.

[*English*]

I am not so sure that the attributes of this adherence that are being given to Quebec's signature by Members in the House, and by the Leaders of the Parties, are really those that Mr. Bourassa gives. I see no guarantee that the Quebec Government in future will come to the table, if it does not suit its purpose.

Where are the defenders of Canada in this debate?

[*Translation*]

Today, Mr. Speaker, I am here as one of Canada's elected representatives, and I am ashamed, because our elected politicians have done a disservice to the 25 million Canadians they are supposed to represent. Mr. Speaker, this is a sad moment in our history. It is a sad time for our political system, and I think it is even sadder for those in whom their constituents have placed their trust.

Mr. Speaker, this constitutional debate, the most important one of our time, and its effects that will determine the very nature of our federation, of our national, political and economic institutions, and even the future of our country, this debate will go down in history without any expression of dissent from the Opposition parties in this House.

• (1610)

[*English*]

What have some of our political Leaders said about the Meech Lake Accord? In recent weeks, and I will come to some of the comments made today, I heard Premier Bourassa ask: "Who has found a serious flaw in Meech Lake?" The answer to that is: "Who has not?" We can begin with 80 per cent of the lawyers polled by the Canadian Bar Association who responded with various degrees of concern about Meech Lake. The list of flaws and critics is virtually inexhaustible. Only our so-called political Leaders have chosen to duck the issue.

The Prime Minister stood in this House again this morning claiming that no one had found an egregious error. That is simply nonsense and the Canadian people know it. Mr. Lucien Bouchard, who supported the separatist aspirations of René Lévesque and the *Parti Québecois*, is now an unelected Minister of the Government. He is reported in the May 18 edition of *Le Devoir* as saying:

[*Translation*]

"What we must tell English Canada is that Quebec's aspirations can no longer be kept out. There is a very simple solution—the Meech Lake Accord."

What aspirations is he talking about? Something like the sovereignty-association that he fought for in 1980. It is quite obvious, as my colleague from Davenport (Mr. Caccia) has just said, that the Accord could provide a way to attain it. And like the Meech Lake Accord, Mr. Speaker, Mr. Bouchard divides the country into two language groups, French Canada in Quebec and English Canada elsewhere.

And my colleague, the Hon. Member for Laval-des-Rapides (Mr. Garneau), who is in the House this afternoon, talks in the same way. In an interview in *La Presse* on May 18, he accuses us, that is Jean Chrétien, Pierre Trudeau and myself, whom he considers the old guard, of completely misunderstanding the Meech Lake Accord:

"I said that I was going to Ottawa to defend Quebec's interests, not to defend Ottawa's interests in Quebec."

[*English*]

My friend from Laval-des-Rapides also seems to divide Canada into two territorial linguistic communities. Here we find a fundamentally different view of Canada and even of the role of Members of Parliament. Mr. Bouchard and my friend from Laval-des-Rapides are no doubt sincere in their belief

that they are here to defend the interests of Quebec. However, by that they clearly mean the interests of the Quebec Government. Clearly they have no better mandate to speak on behalf of the people of Quebec than I do. Or, would they say an Anglophone MP cannot speak for people of Quebec? If so, would they say that the Hon. Member for Ottawa—Vanier (Mr. Gauthier), a Francophone, cannot speak for people of Ontario? Or, the Hon. Member for St. Boniface (Mr. Duguay), also a Francophone, cannot speak for Manitobans? I do not think they mean that. Therefore, when my friend from Laval-des-Rapides refers to Quebec, I believe he refers to the provincial Government of Quebec and sees this House as a kind of brokerage house for provincial interests which he believes he has a mandate to defend.

I say to you and to him that if we in this House adopt that attitude, who in this Chamber is going to speak for Canada? Who is going to defend the national vision? I would add that I have enormous respect for my friend from Laval-des-Rapides, whose sincerity, dedication and integrity are beyond reproach. That is a healthy and welcome contrast to what I sometimes see elsewhere in this Chamber.

I did not come to Ottawa to defend the interests of the Quebec Government. Premier Bourassa does a good job of that. We here are elected to a national Parliament and we must never forget it. Our duty is to defend the national interest. In doing so, we must be accountable to those who elected us but not to provincial Governments. While we defend and promote the interests of our communities and our regions, we must do so within a national context.

Meech Lake is very much in keeping with the other view, namely that the federal Government and this Parliament are simply delegates of the provinces, like the manager of a condominium project with the responsibility delegated by the owners to take care of the common property, cut the grass, remove the snow, and clean the lobby and hallways. That is not my vision of Canada. It was not the vision of the *vieille garde* and all those who preceded them, from Sir John A. Macdonald to Pierre Elliott Trudeau. I want to say, judging by the volume of mail I have received and the reception I have received across this country on many speaking engagements, that this vision of the old guard is strong, healthy and growing every day.

During the past year I have addressed the subject of Meech Lake on many occasions in all the provinces of Canada with the exception, regrettably, of Newfoundland. That experience tells me that Canadians believe in one nation, one society, and when informed they overwhelmingly reject Meech Lake.

I respect the fact that some sincerely believe that the federal Government should be, as it were, a condominium manager and Canada should be divided into two nations, one French speaking and one English speaking. I profoundly disagree and I will fight to defend my vision of the country. I do respect those views, but I do not respect those, and we heard from the three Leaders in this House today, who would have us believe that Meech Lake is not changing the nature of our federation. Some even pretended, for goodness' sake, that it promotes national bilingualism even in the Province of Québec. I refer to the earlier speeches of the Minister of Justice (Mr. Hnatyshyn), my friend from York Centre, and the Hon. Member for New Westminster—Coquitlam (Ms. Jewett), and the speeches again given today by the Prime Minister and the Leaders of both opposition Parties. If I may say so, those speeches are replete with naivety, inaccuracies, and even legal stupidities.

Ms. Jewett: How conceited can you get?

Mr. Johnston: I am glad to see my friend from New Westminster—Coquitlam here today. She said:

> If Meech Lake were already in effect, it is our firm belief that that limiting action of the Saskatchewan Government would have been declared contrary to the Constitution as amended by Meech Lake.

Ms. Jewett: Right on.

Mr. Johnston: Really? That seems to be the view supported by the Leaders today.

Ms. Jewett: We think it is the right view.

Mr. Johnston: As far as Saskatchewan is concerned, Meech Lake was in effect morally, it being the second province following Québec to accept it. However, if one reads Meech Lake, which most people apparently have not, it clearly states that provincial legislatures have a role to "preserve the existence of French-speaking Canadians elsewhere in Canada". There is nothing in there referring to the preservation of rights, notwithstanding the fact that the Prime Minister said that today and the Leaders of both opposition Parties said the same thing. One final nail in the coffin of that argument is that Section 2(4) of Meech Lake is absolutely clear: No power with respect to language that belonged to a legislature prior to Meech Lake is affected by Meech Lake.

The Supreme Court of Canada told Saskatchewan it had the power to do what it did, but it would seem the Prime Minister and the spokespersons for the opposition Parties are offering us legal opinions that even a layman would reject reading the text of the Meech Lake Accord itself.

Finally, I ask them this question. If Meech Lake is intended to protect existing rights, then French-speaking Canadians elsewhere in Canada would have more rights in Saskatchewan or in Ontario than they would in British Columbia. Mr. Vander Zalm presumably feels that he would be discharging his role to "preserve the existence of French-speaking Canadians" without adding any rights to his statute books. Why should not Mr. Peterson and Mr. Devine be entitled to discharge their roles at the same level as Mr. Vander Zalm? Some day the courts will answer these questions, but please do not then turn and say that we were not warned about the disastrous consequences of Meech Lake on the linguistic rights of Canadians from coast to coast.

• (1620)

Finally I turn to some of the remarkable comments of the Minister of Justice speaking on behalf of the Government, Mr. Speaker. He assures us that the territorial division of Canada into a distinct society of Quebec on the one hand and the other distinct society in the rest of Canada is not to be feared by minorities in Quebec. He said:

> When we say that Quebec constitutes a distinct society within Canada, it is understood that all residents of Quebec are an integral part of that society . . . Those Quebecers from a multicultural community are part of it. Quebec's English-speaking community is an integral part of the Quebec's distinct society.

That is an interesting comment. Is that what Premier Bourassa meant when he said in the National Assembly:

[*Translation*]

For the first time in 120 years of history, the Constitution will recognize Quebec as a distinct society. The Constitution will provide Quebec with the means to preserve and promote its distinct identity and will give a constitutional basis for the French fact in Quebec.

[*English*]

Is the Minister of Justice really telling us that the Quebec Government sees itself as having a role to preserve and promote the English presence in Quebec? If so, how does he view the current policies which forbid the use of English on commercial signs, which limit access to English schooling, which insist on French dubbed films before general film distribution and so on? Does he see all this as changing after Meech Lake when Quebec will set about to promote all elements of its distinct society including the English component? If he does, then the Minister of Justice—

Mr. Speaker: I hesitate to interrupt the Hon. Member but the Hon. Member for Saint-Denis (Mr. Prud'homme) is rising on a point of order.

Mr. Prud'homme: Mr. Speaker, I have a point of order. I would like you to remind us of the rule of the debate. I have no objection to listening further to the Hon. Member, but are Members allowed 30 minutes or 20 minutes for their speeches? I think the time of the Hon. Member expired some time ago. We have four Members who want to speak. If the Hon. Member has a few more minutes, then that is okay with me, but he needs permission.

Mr. Speaker: The Hon. Member raised a legitimate point of order. As Hon. Members know the Party Leaders had unlimited time. All other Members are speaking for 20 minutes followed by a 10 minute question and comment period. The Hon. Member has spoken for about 21 or 22 minutes at the moment. I am in the hands of the House. I will let him continue for a few minutes if it is the wish of the House.

Some Hon. Members: Agreed.

Mr. Johnston: I thank you and my hon. colleagues for the courtesy, Mr. Speaker.

I was pointing out what had taken place in the Province of Quebec and that the Minister of Justice seems to believe that there is an obligation to promote the English component of Quebec society. In light of what we have seen, if he believes that, I would add that he must still believe in Santa Claus and the tooth fairy.

Professor Lederman in the *Financial Post* on August 31, 1987, an authority quoted with approval in this House by the Government, had it right when he wrote of "the distinct society of French-speaking Canadians in Quebec". That is what Meech Lake is all about. It is about a French Québec in an English Canada. There are 800,000 English-speaking people in Quebec who are not part of that distinct society. Make no mistake about it, Mr. Speaker. Meech Lake is opting for the Belgian solution, which our Commissioner of Official Languages in his recent report has described as a recipe for national suicide. Only days ago as we know Mr. Remillard made the Quebec Government's view absolutely clear. Meech Lake is to support a French Quebec not a bilingual Quebec. For once I found myself in entire agreement with Mr. Remillard because that is what Meech Lake is telling us.

The message is coming through to Canadians despite efforts to suppress debate even in this House. What is that message Canadians are receiving? If you believe in one Canada, you must reject Meech Lake. That is part of the message.

[*Translation*]

And if you believe that this country should keep a national vision that is greater than the sum of the provincial visions, that is, that Canada is greater than the sum of its provincial parts, you must reject the Meech Lake Accord.

[*English*]

If you believe that the individual minority rights of Canadians, be they linguistic rights or sexual equality rights, should be protected against the collective rights of a distinct society, then you must reject Meech Lake. If you believe that Canada requires national programs meeting national standards or criteria in research, education, training, income maintenance and health and that the federal spending power should be used for such purposes in the future, I should say as it has so successfully done in the past—

Mr. Prud'homme: You are totally off.

Mr. Nystrom: You are totally off.

Mr. Johnston: —then you must reject Meech Lake. If you believe the Constitution of this country should be a flexible instrument reflecting changing economic and social conditions as our country evolves with a constitutional amending formula to allow that to take place, then you must reject Meech Lake.

[*Translation*]

And if you believe, Mr. Speaker, that the 11 First Ministers should not have the power to change behind closed doors our fundamental law, namely the Constitution, you must reject the Meech Lake Accord. And if you believe that the judges of the Supreme Court should not be appointed from among candidates submitted by the provincial governments, you must reject the Meech Lake Accord.

[*English*]

If you believe that the Senate should be reformed to reflect the original intentions of the Fathers of Confederation, namely, to protect the regions against an overbearing central authority, you must reject Meech Lake.

If you believe in that, in a federation like ours the provinces should exercise the same powers and that no one province should have a special legal status which entitles it to exercise important powers not available to other provinces, you must reject Meech Lake.

[*Translation*]

So, Mr. Speaker, if you see our country as one with two official languages and bilingual institutions in every province, in every region, with sufficient protection for linguistic minorities, you must reject the Meech Lake Accord.

[*English*]

For those who look at this Accord and see where it can take the country, I say to those who voted no in the Quebec Referendum in 1980 that you must also reject Meech Lake.

So, Mr. Speaker, I have tabled amendments, which are found in the Order Paper, seconded by the Hon. Member for Laurier (Mr. Berger), which are designed to satisfy the Quebec Government's five demands for moral adherence to the Canadian Constitution. They are virtually identical to those adopted by the Liberal Party at its 1986 November policy convention and were supported overwhelmingly by Liberals from all regions of this country. I say to my fellow Liberal Members in this House and the caucus, regrettably of which I am no longer a member, that if they do not support the amendments brought forward which reflect the mandate given to us by the Liberal Party of Canada, they are turning their backs on the Liberal Party and rejecting not only the Liberal vision of this country of Canada, which we have held through most of the century, but the specific mandate given by the Party at the November 1986 policy convention.

In order to save time, and I appreciate the generosity that Members have extended to me, I will not go through all of these amendments but I hope Members will look at them because they incorporate the Victoria formula, for example for the appointment of Supreme Court Justices. They invoke the Victoria formula suggested by the Liberal Party for constitutional amendments. They put in a preamble which recognizes the distinctive character of Quebec as the principal but not the exclusive source of French language and culture in Canada. They cover all of those points that were subject to the Liberal resolution of November, 1986.

In conclusion, let me say that these amendments are important because the Meech Lake Accord is not acceptable to Canadians in its present form. Those in this Chamber who think this will pass through all the provincial legislatures, I say that they are dreaming in colour. The answer is not simply to reject what we have, it is to come forward with something that will be acceptable to the Province of Québec and which will be acceptable to Liberals from coast to coast.

I say to those in this House who argue as they have time and time again that it is necessary to proceed with Meech Lake despite its obvious flaws and that it is necessary to adopt it without amendment, remember the wisdom of William Pitt who said in the British House of Commons nearly 200 years ago:

> Necessity is the plea for every infringement of human freedom; it is the argument of tyrants, it is the creed of slaves.

Canadians are not slaves, Mr. Speaker.

• (1630)

[*Translation*]

Mr. Alex Kindy (Calgary East): Mr. Speaker, I want to congratulate the Hon. Member for Saint-Henri—Westmount (Mr. Johnston) for his excellent speech. I think that he has shown the House that his vision of Canada is shared by many Quebecers and most Canadians.

[*English*]

I would like to ask the Hon. Member a somewhat precise question about the distinct society clause. How does he feel about the distinct society clause not being in the preamble but in an operational clause, therefore giving clear instructions to the courts that they should interpret every other part of the Constitution relative to that clause? It would be interesting to know if the distinct society clause overrides the Charter or overrides anything that is in the Constitution so that that may be interpreted in favour of a distinct society for Québec. I wonder if we should refer that clause to the Supreme Court of Canada for interpretation before we vote on this important issue.

Second, I wonder if the unanimity clause prevents amendments to the Constitution as far as the Senate is concerned. As the Hon. Member well knows, western Canadians believe that we should have an equal, effective and elected Senate. Will having the unanimity clause in the Accord prevent us from changing the second House in this Parliament?

We have seen what can happen. Last year we were called back to deal with emergency legislation on refugees. The Senate has been holding back that legislation for the last year. Those who are not elected, not responsible to constituents, are holding back our legislation. Will the Meech Lake unanimity clause prevent us from changing the Senate? These are some of the concerns I have, and I am also concerned as to whether

or not the distinct society clause overrides the Charter of Rights.

Mr. Johnston: Mr. Speaker, I have been asked a legal question and I have my own legal opinions, but I do agree that it would be very useful to refer the distinct society clause and a number of other clauses to the Supreme Court of Canada for determination so that Members of the House would vote with the full knowledge of what may be involved. In June of 1987, I in fact wrote to the Prime Minister suggesting specifically that, and I wrote as well to all of the premiers because the provinces also have the right to refer matters to their respective courts of appeal for interpretation, as in fact the provinces did back in 1981 during the patriation exercise. I think there is a very serious question as to what the implication of the distinct society clause is, not only on the Charter but also on power transfers.

We have heard Members of the House say that there is a non-derogation clause, we cannot change Section 91 and Section 92. However, some of the most important powers in our Constitution, their distribution and application, including communications and much of trade and commerce and the application of the peace, order and good Government clause, have been brought about through the interpretation of the Constitution. As Professor Beaudouin, a proponent of this particular Accord, said—

[*Translation*]

"It is an interpretation rule that has changed the Canadian federation."

[*English*]

This interpretation clause then is very significant.

With respect to the Senate, that is not a legal question, that is a question of political dynamics. I ask Members of this House who are practising politicians if they know any politician who would voluntarily give up the right to appoint 24 Senators to the Senate of Canada in return for an equal, effective and elected Senate in order to satisfy the concerns of western Canadians. I might say that in the amendments I have put forward, that kind of Senate is put right on the agenda of the First Ministers. The Triple E Senate should be addressed by the First Ministers as soon as possible. In the meantime, no change should be made because if the change which is provided for in Meech Lake is made, then I do not think, and I think the Hon. Member from Calgary shares my view, that we will ever see Senate reform in our lifetimes.

Mr. O'Neil: Madam Speaker, I would like to make a short comment on the Hon. Member's speech and on some of the points of view he put forward. First, I would observe that we have had in Canada a long history of the implementation of the kind of philosophy he advocates, namely that of an extremely strong central Government, the heavy hand of Ottawa coming down on the provinces. We have to ask where that got us, and that is only in recent history.

If this philosophy is the one that keeps our country together, how is it that in 1980 at the time of the referendum, 40 per cent of the people of Quebec and almost 50 per cent of the French-speaking people of Quebec voted to leave confederation as we know it? If that is the philosophy of success as far as keeping our country together goes, how is it that in 1980, we faced a major constitutional crisis, perhaps the most significant crisis in this century?

The Hon. Member spoke of constitutional documents, their perfections and their imperfections. How can a Member speak with such criticism of Meech Lake when in 1982 there was a constitutional agreement reached which left out the Province of Quebec? The National Assembly of Quebec rejected the document. The Government of Quebec was not a signatory to the 1982 constitutional Accord, notwithstanding the fact that the change which was reflected in that document was the change which was promised to the people of Quebec in 1980, change which was an effort to respond to the legitimate aspirations of the people of Quebec.

In the 1987 Meech Lake Accord, there is a series of constitutional changes that date well back into the history of the Liberal Government which was ruling this country in 1968. Changes to the Supreme Court of Canada, the Senate, the shared-cost programs, references to distinct society, the duality provisions and the role of the provinces, all of these have a history that predates this Government. What was new in 1987 was that for the first time, these elements were brought together and an Accord was reached. That is what eluded Canada before this.

The question for us all to consider is not who will speak for Canada, because there is a far more basic question than that, and that is, will there be a Canada. In my view, there will be a stronger, more prosperous Canada because Meech Lake is the glue that will keep us together.

Mr. Johnston: Madam Speaker, I think it is quite appropriate to have a debate in this country on centralization or decentralization or whether we should have two nations in order to keep the country together. I have no problem with having that kind of debate, but let us have that debate, because that is what we are talking about. I do not happen to share that view, but let us not pretend that Meech Lake is anything other than a stepping stone to *deux nations* and to a highly decentralized federation with an amending formula which does not permit the flexibility that we have known historically.

The Hon. Member for Cape Breton Highlands—Canso (Mr. O'Neil) asks what has this done for us. It has brought us to being one of the seventh largest industrialized countries in the world with one of the highest standards of living known to man. I think Canada has been a great success, though certainly there could be improvements.

The Hon. Member referred to the 1982 patriation exercise. It was former Prime Minister Trudeau who pointed out in the Senate that in fact, of elected Members from Québec, whether

in the National Assembly or in this House, comparing the two of them, 109 voted in favour and only 74 against it. The entire *Parti Québécois* and only four others in Quebec voted against it. We remember that in this House overwhelming support was given to the patriation exercise in the Charter by Members who represented every single region of Quebec, just as the Hon. Member represents Cape Breton Highlands—Canso.

• (1640)

It is simply pure folklore to say that there were not elected Members from Québec speaking in favour of the patriation exercise. Did anyone really expect a *péquiste* Premier of Quebec, René Levesque, whose life was dedicated to taking Quebec out of Canada, to sign a constitutional document which would basically bind Quebec to Canada? I think that is somewhat unrealistic.

* * *

MESSAGE FROM THE SENATE

The Acting Speaker (Mrs. Champagne): I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed, without amendment, Bill C-117, an Act to amend the Excise Tax Act and the Excise Act, and Bill C-127, an Act to amend the Cape Breton Development Corporation Act.

THE ROYAL ASSENT

[*English*]

The Acting Speaker (Mrs. Champagne): I have the honour to inform the House that a communication has been received as follows:

Rideau Hall

June 14, 1988

Sir,

I have the honour to inform you that the Honourable Gerald Le Dain, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 14th day of June, 1988, at 4.45 p.m., for the purpose of giving Royal Assent to certain Bills.

Yours sincerely,
Anthony P. Smyth,
Deputy Secretary, Policy and Program

GOVERNMENT ORDERS

[*English*]

THE CONSTITUTION ACT, 1867

CONSTITUTION AMENDMENT, 1987

The House resumed consideration of the motion of Mr. Hnatyshyn, and the amendments of Mr. Turner, Vancouver Quadra, (p. 15617), Mr. Broadbent, (p. 15618), Mr. Caccia (p. 15618), Mr. Johnston (p. 15618) and Mr. Roman, (p. 15620).

Mr. Howard McCurdy (Windsor—Walkerville): Madam Speaker, I really quite doubt that I am going to have an opportunity to finish what I would like to say with respect to this debate on Meech Lake. I understand that we have perhaps two or three more minutes before this portion of the debate ends.

I quite agree with those who say that Meech Lake has its imperfections. It may very well be, as one Member has indicated, that those who believe that it will ultimately be ratified by the provinces are dreaming in Technicolor. However, let me make myself clear. While it is possible to have alternative visions of Canada, it is not possible to have a vision of Canada which disregards the history of Canada. If Quebec is recognized as a distinct society, that is not established by Meech Lake but by the history of this country.

As one whose family has been in this country for 150 years, the debate, in my view, is not on the issue of whether or not Quebec should be a distinct society, but whether one-third of the population will be considered a part of this society.

I grew up in a nation which, according to all that I experienced, seemed to consist of only two peoples, those who were French and those who were English. For too long this country has failed to recognize that one-third of the population of the country, which proportion is increasing, has been disregarded all too completely. It is true that we have provision for multiculturalism. However, insofar as I am concerned as a representative of that one-third of the population which is not derived from either of the founding peoples, the Meech Lake Accord has one single most notable flaw, that is, its total irrelevancy to me.

If it was important, if it was critical to have Quebec a willing partner in Confederation; it if was important, if it was essential to have Quebec as a part of Canada, it is equally essential to have those who are of neither French nor English origin equally a part. That is just as essential, just as critical. Meech Lake failed one-third of the country. We were not included at the time of Meech Lake.

There has been some question raised about the significance of ascribing to Quebec the status of a distinct society. There is no question about the result which leaves unchanged the situation of the one-third when one looks at the Charter of Rights and Freedoms and reads Section 15 which is of

fundamental importance to those of us who are neither French nor English. It reads:

> Every individual is equal before and under the law and has the right to the equal protection and equal benefit of the law without discrimination and, in particular, without discrimination based on race, national or ethnic origin, colour, religion, sex, age or mental or physical disability.

That sounds as though it were a ringing clarion call for equality and equal participation of all citizens in this nation. However, there was a bit of work undone and that was the fatal flaw for one-third of us in the 1982 Constitutional Act. That resides in Section 33 which reads:

> Parliament or the legislature of a province may expressly declare in an Act of Parliament or of the legislature, as the case may be, that the Act or a provision thereof shall operate notwithstanding a provision included in section 2 or sections 7 to 15 of this Charter.

In other words, the rights of one-third of us can be overruled by a decision of any legislature and as long as that is so Meech Lake is irrelevant to one-third of the population of Canada. While Meech Lake may solve the problems which have been historically rooted in this country, a new problem is created when one-third of us consider Meech Lake inevitable. Until that is changed, until the override is eliminated with respect to equality, Meech Lake is an indication of the incompleteness of Canada rather than its completeness.

Mr. Redway: Madam Speaker, I was interested in the comments of the Hon. Member with respect to the override provisions of the Charter of Rights in Section 33. The Hon. Member indicated that Section 33 was aimed only at one-third of Canadians, those Canadians who are not of French or British origin. He implied by his comments that Section 33, the notwithstanding provisions of the Charter, was aimed only at all other Canadians, those Canadians who are normally described as the multicultural community and come from various backgrounds other than French or British.

I am sure the Hon. Member does not want to leave the impression with this House and the public that Section 33 applies specifically only to all other Canadians, that third of Canadians who are not of French or British origin. In fact, as the Hon. Member knows, that provision, which I am sure offends everyone in this House, applies, unfortunately, to all Canadians, whether they be of British origin, French origin, or any of the other many origins which make up this country.

I am sure the Hon. Member would want to correct the record and ensure that he in no way, whether deliberately or non-deliberately, or just by confusing the issue, leaves the impression that that is the case and that Section 33 applies only to one-third of Canadians when, in fact, it unfortunately applies to all Canadians.

• (1650)

Mr. McCurdy: Madam Speaker, I do not know whether that question is based on an erudite understanding of those articles of the Charter to which the notwithstanding clause applies or whether it is based on gross insensitivity to the realities of this country. It is true that the override clause applies to Articles 2 and 7 to 15. It applies to a number of articles that have nothing to do with non discrimination or equality.

If the Hon. Member does not understand it, I know of no situation in this country where the English have been subjected to unequal treatment. I know of no situation in which the English were denied the ability to be pilots in the Royal Canadian Air Force. I know of no situation in which English were not employed or had no access to apartments. I know of no situation of that sort.

The situation of the French in this country was historically much more comparable to that one-third of the population who were denied so many rights. When we look at Section 15 as a guarantee that everyone in this country will be treated equally, we understand that it applies to everyone but that it applies with greater significance to those of us in this country who have been denied the very equality that it refers to, who have been objects of the discrimination to which it refers. That includes Ukrainians, Poles, aboriginal people and members of minority groups.

This is significant because it states that one does not have to be of either French or English derivation in this country to be treated on equal terms. Therefore, Article 33, the override with particular respect to Article 15, is fundamental to the nature of Canada as I understand it. Progress is made in developing a nation of many peoples, all of whom are equal citizens, with preferences to none.

Mr. Berger: Madam Speaker, I have enjoyed debating the Hon. Member and working with him in committees. I know that he is a distinguished Member, a passionate speaker, and a career scientist. I do not think he has a legal background.

I have the benefit of having had a bit of a legal background and I want to suggest to him that while I understand his concern about Section 33, and find it equally abhorrent, before we had a Charter of Rights we had ways of defending the rights of all Canadians under our Constitution. I will not get into the whole discussion of the implied Bill of Rights or a constitution similar in principle to that in the United Kingdom. The United Kingdom does not have a charter and rights are not violated with impunity there because of the fact that there is not a charter.

While I find Section 33 abhorrent and agree that it should be removed from the Charter, I cannot conceive of any Government invoking that clause with impunity in respect of the kind of concerns he has expressed here today. There was a government in Québec that did it as a political tool, but any government that would do this would suffer from the weight of public opinion.

Even with the notwithstanding clause, the Charter was a great step forward. It was a step forward in the progress that Canadians have sought for 120 years to make our rights more formal, more explicit and provided for in constitutional provisions or human rights legislation. Would he not agree that the Charter should be seen in that light, as a step

forward? Even with the notwithstanding clause, the trend was upward and forward to greater protection for rights and more rights for Canadians.

With Meech Lake, however, for the first time we are stepping back from that trend. Now the trend is down. Therefore, I deplore the fact that when the Prime Minister (Mr. Mulroney) was negotiating this agreement he did not use the opportunity to get rid of that notwithstanding clause. That is where his ire should be directed.

Mr. McCurdy: Madam Speaker, I do not know whether my legal training is at all relevant since my hon. colleague, whom I respect equally as he respects me, ended up with the same conclusion as I, that Meech Lake is flawed from the point of view of one-third of Canadian citizens.

When we were dealing with the problem emanating from the failure to recognize Québec's distinctiveness, we failed to take that opportunity to correct that flaw in the Charter. More than anything else, it is the symbolic value of the Charter that is important, and the importance of recognizing our status within this country. I admit that the Charter was the most significant provision in the 1982 Constitution Act to me and many others.

THE ROYAL ASSENT

[*English*]

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Madam Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the chamber of the Honourable the Senate.

Accordingly, Madam Speaker with the House went up to the Senate Chamber.

• (1700)

[*Translation*]

And being returned.

The Acting Speaker (Mrs. Champagne): I have the honour to inform the House that when the House went up to the Senate chamber, the Deputy Governor General had been pleased to give, in Her Majesty's name, the Royal Assent to the following bills:

Bill C-117, an Act to amend the Excise Tax Act and the Excise Act—Chapter No. 18, 1988.

Bill C-127, an Act to amend the Cape Breton Development Corporation Act—Chapter No. 19, 1988.

[*English*]

The Acting Speaker (Mrs. Champagne): It being 5 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

HOUSING

METRO TORONTO HOUSING SHORTAGE

Mr. Reginald Stackhouse (Scarborough West) moved:

That, in the opinion of this House, the Government should make the solution of the developing housing shortage crisis in Metro Toronto a matter of top priority in forming housing and financial policies for 1988.

He said: Madam Speaker, I ask you why this House should recommend that the Government give priority to the housing crisis of Metro Toronto. The answer is very simple, for the same reason the Government gives priority to crises in other regions, be they drought on the Prairies or fishing rights in the Atlantic. This motion is not just about a city, it is about a region, what sociologists call "a conurbation," an urban region that is home to more than four million Canadians. They are people who are just as much a part of this country as if they lived in the East, the West or the North. As such, they make a claim on us in this House and in this debate because they are facing a crisis. It is a crisis in meeting a basic human need, a basic human right.

I do not exaggerate when I refer to the housing crisis of Metro Toronto in those terms. There has to be a crisis for most people when the price of an average house in this region has risen since last February from $200,000 to $233,000, and when the rent of an average apartment is over $800 a month, if one can find an apartment. That average is based on the rents for rent control departments as well as those in the so-called free markets.

The social implication of this crisis demands the recognition of this House of Commons. A basic cause of poverty in Metro Toronto is now housing. Where 30 per cent of a person's income was once enough for accommodation, it is now 40 per cent or much more. This vast conurbation stretching from Oshawa, or even Bowmanville, to the east, right around the "horseshoe" to Niagara Falls, a spur going up from Hamilton to Cambridge and Kitchener, is close to 100 miles long and embraces four million or more people.

We have in that area a tragic paradox of full employment and "food banks". That is why we have a new social category called "the working poor". But this crisis afflicts not only low-income people, not only those at the very bottom of the scale. It threatens others who are just above the level of low income. It threatens people who hitherto had enough to provide for themselves and perhaps had a little more to help provide for others. But the escalation of the housing crisis in this kind of conurbation threatens to erode the middle class. Part of its essence has been its ability to provide for itself. The soaring cost of housing now makes many ask if they can do for themselves what their parents did for them. For so long in Canada we have assumed, generation by generation, that each new generation would try to do better than the one before it. Each generation of parents hoped their children would go

further than they were able to take them. We are now finding the possibility of a reversal of that. We find young people wondering if they can achieve what their parents achieved, when the sorry cost of housing makes them wonder if their dream of owning their own home is going to be nothing more than that, a dream.

• (1710)

I speak of this as a small cloud on our social horizon. But it is a warning cloud that should alert us to a sinister social change, that is, the erosion of the middle class. I call upon the House to give attention to all who are anxious about housing, the destitute homeless, the working poor, the threatened middle class, none of whom aspire to the so-called "executive homes" that are advertised in the Saturday editions of our newspapers or that some municipal councils favour. I am referring to people who seek what no Canadian should be denied, a place that he or she can call home.

Let us look at some questions that might be raised in this debate. For instance, why do these people not go where housing is cheaper? That is a good question, since housing is dramatically cheaper in some parts of the country. Last February a $200,000 house in Metro Toronto would have gone for $120,000 in Winnipeg, or $84,000 in Fredericton.

Moving is no solution. Metro is where the work is. That is why there may be pouring into this region 100,000 a year. One reason for increased housing prices in Metro is this ingress of people from all parts of Canada as well as from beyond. That is why it is not simply a municipal problem, not simply a regional problem. It is a problem that should concern us all in this House because it is generated by the needs of people from all parts of Canada who are concentrating in one region.

All the efforts of government to decentralize the industry of Canada, to spread jobs around, so that they are more plentiful in other areas has not had the effect to which these sincere desires have aspired. Metro remains the Mecca for job seekers. People will not leave in order to find the blessing of a cheap house and the curse of no job.

Let us look at another question. Why should Parliament care about a problem in Metro Toronto? Why not let the people fend for themselves? A former Mayor of Toronto once said Toronto provides the most unifying effort in the whole of Canada because it gives everybody else in Canada something to hate. So we might ask why Parliament should care about a problem in Metro. I hope that none of us here forget that when money was needed to assist grain farmers Metro Members stood with rural Members to provide what was needed, and stood rightly.

That is what I ask today. My motion focuses on Metro because I speak as a Metro area Member of Parliament. That is where the housing crisis is most acute. However, if any Member of the House wants to amend the wording of the motion to embrace a larger area, I would support any initiative that would bear on meeting human need anywhere in the country.

Let us look at another question. What can the Government do? The tone in which the question is normally raised assumes from the outset that there is no possibility. A partial answer would be that the Government should stop exacerbating the problem.

Here is an example of how three levels of government in the Metro area have been guilty. First, many municipalities impose approval processes that are so long and so expensive that they add immeasurably to the cost of every dwelling unit. The Province of Ontario has maintained a rental control system that has often helped the people who have needed it least and left unprotected those who have needed help the most. This is a system that has exacerbated the critical apartment shortage when the Government should have encouraged rental construction. This is a system that has led to property deterioration that has not been a blessing to people. That is not saying that the system should be abandoned. It is to say that the system could be examined, amended and improved.

Let us remember federally that we are not guiltless. Recently the Canada Mortgage and Housing Corporation unintentionally but no less effectively drove up the price of land in the north-east Metro region by using a sales method that at one time may have been plausible but in this time of crisis served to add fuel to the fire of speculation. It set a new level of price for the cost of land, a level of pricing that was inflationary in itself.

We might agree that if Governments just stopped making the crisis worse they would certainly help. I believe that Governments can do more. I put before the House a 10 point housing program which I believe should be considered by all three levels of government, points upon which all three can co-operate and which can certainly serve to meet the needs of our people in a way that are not being met now.

First, the Government of Canada should devote a major part of the Armed Forces base at Downsview to affordable housing. This act alone could provide 5,000 affordable homes, if CMHC can rid itself of its bottom-line mentality and made sure that the lots were made available to people within the price range of low and middle-income earners.

Second, let these lots be leased rather than sold, or at least be available for leasing. Let them be leased to people who can buy the house and rent the land until they are in a position to acquire the land as well. This method has already been tried and has been found to be effective. When the Malvern housing project was opened by Canada and Ontario in Scarborough less than 20 years ago that was precisely the method that was used. It worked then and it can work now. All we need is the will.

Third, in several elections the Progressive Conservative Party promised to remove the federal sales tax on building

materials used for houses. That promise was not made in 1984, and this Government is not committed to it. Let us be clear on that. But it is a policy that once committed itself to my Party. If it did so again that move could reduce the price of a new house by several thousand dollars, especially for people who would meet income criteria.

Fourth, to put more money into mortgages let us examine the possibilities of a mortgage exchange which would create a secondary market for mortgages. This proposal has already been approved by the Parliament of Canada, a previous Parliament. It has never been implemented for reasons that have never been made clear to any Parliament. But now that we are freeing up the financial services industry, I say again that this idea, already proposed and approved in a Budget by the Parliament of Canada, should be looked at again with a view to opening up the market and making more money available at competitive rates.

Fifth, let us look at subsidizing the interest rates on mortgages for home buyers who meet income criteria. We do that for organizations. The idea that I am recommending is not radical at all. We are already doing it. This Government has already announced it in terms of serving organizations who sponsor co-ops in that way. What I am asking is for this Parliament, for this Government, to look at the practicality and the possibility of doing that for individuals, to believe in individuals, to believe in families as much as we believe in organizations. Will it work? It has already worked. Between the years 1968 and 1972 that method helped fund the purchase of 400,000 family homes in the United States. So it is certainly worth looking at.

Sixth, we need to examine flexible loan structures with a view to enabling people to buy homes with lower downpayments and longer term mortgages. Lower downpayments and longer term mortgages stretch the payment period out. It means that the person might never acquire the home free and clear. "But so what", many people would ask for their priority is not aspiring to own the house free and clear. Their priority is to get a roof over their heads. Therefore, if they have a monthly payment within their means, they want that home with the equity they would build up, however little, month by month. They want it with the assurance of having security of tenure as long as they can pay their monthly payment. What I am suggesting is being practised in other countries where they provide for lower downpayments and longer mortgage periods than we are accustomed to in Canada.

• (1720)

Seventh, the Government should consider imposing a speculation tax on people who buy housing not to use it but to flip it. This type of speculation only increases the problem. The best way to reduce it is to burn the speculator. The capability of a government doing that was already demonstrated by a Conservative Government in Ontario. In the early 1970s the Davis Government did precisely that and it cooled off the speculative market within days. I can remember the moaning and the groaning of developers whom I knew in the City of Scarborough, at the thought of what this was going to do to them. They are not the only speculators. There are many individuals who try to take advantage of the speculative market. The Government has within its possibility at either provincial or federal levels, or in concert one with the other, to cool that off and cool it off quickly. Even announcing such a tax could turn the spiral of speculation around.

Eighth, in co-operation with Ontario, let us re-examine the fees charged for insurance, legal services, real estate commissions, and other costs added to the price of a home to ensure that the consumer receives fairness.

Ninth, let us investigate the value of an accommodation or rental allowance as a way of helping low-income persons who are now lined up on waiting lists two years long for social housing in Metropolitan Toronto.

Tenth, I urge the Government to make a study of the economic, social, and psychological implications of social housing which is located in what are rightly called ghettos. Such a study should ask the questions: "Is this the only way people can be served? Is it the best way? Are there options open to us?"

I have put forward those 10 proposals to show that there are initiatives open to governments, including our own, to deal with what is a crisis in Metropolitan Toronto, and in the future could become a crisis in other communities. Each proposal is practical, each has been tried; none is radical, none is living in a dream world. All of them can succeed. I sum them up by saying that together they offer hope.

"Hope" was defined by one French philosopher by the word "possibilities". People have hope when they can see possibilities. Part of the burden of life in our huge conurbations is the hopelessness of seeing or at least feeling that we have no possibilities in front of us, no possibility of gaining a home of one's own, no possibility of owning a piece of Canada, no possibility of providing for ourselves and our families as our parents provided for us. No possibility, but instead frustration, insecurity, and anxiety.

I do not believe that Canada has to be like that. I believe that Parliament can change that and offer the people such as I have described new hope and new possibilities, that we can say to people the simple dream that they have is still possible.

Mr. Sergio Marchi (York West): Madam Speaker, I am pleased to respond in the 10 minutes allocated to each subsequent speaker. First, I would like to commend the Hon. Member for Scarborough West (Mr. Stackhouse) who spoke very passionately on his Private Member's Motion. I would like to commend him for raising the subject and as a Parliament attempt to deal with a matter that is obviously of concern to Metropolitan Toronto, but also to the major centres across the country.

Perhaps the metropolitan area of Toronto defines crystal clear the problem the Member attempted to address. In reference to Toronto, there used to be a saying that everyone's home was their castle. That dream for Metropolitan Toronto is evaporating in the sense, as the Member pointed out in his motion, that there is indeed a housing shortage crisis, yet there is a crisis in affordable housing. Many homes are being built in Metropolitan Toronto and the various suburbs, but they are simply and clearly becoming unaffordable for the average Canadian citizen who resides or wishes to reside in Metropolitan Toronto, and in the major urban centres from one coast to the other.

In Toronto the average young couple is in a dilemma. The dream of owning a first home and then building that nest and moving to the second home is evaporating. For a young married couple in Metropolitan Toronto even the dream of renting is becoming next to impossible. The whole evolutionary process of moving from a starter home to perhaps a larger home to reflect the needs of a family, or perhaps to meet the upward mobility of both parents in terms of their economic livelihood is being stunted, and they are fortunate if they can buy an affordable starter home.

The whole picture of parents aiding their children in the purchase of that first home is also becoming stunted. How can parents who may have three or four children begin to assist one child in purchasing a house, which is now in the neighbourhood of $225,000 or $230,000? How can that parent or parents treat their children equally? It is obviously becoming impossible. In terms of affordable housing, Metropolitan Toronto has, unfortunately, become an exclusive backyard for the well-to-do. This has not happened by any master grand design, but that is clearly the direction in which Metropolitan Toronto is heading.

Without deference to the various municipalities and towns that have sprung up around Toronto, for example, Brantford, Ajax, Newmarket, or Bolton, which are beginning to flourish as they should, but flourishing from individuals who work, shop, and go to Toronto for their various social, cultural, and entertainment opportunities. That should not be the case. The individual ought to have the opportunity of residing and living in that same community without commuting great distances. Those distances are becoming farther. There are people who do the daily trek from Newmarket, Stouffville, Ajax for one hour or an hour and a half into Toronto, they work, and then return because they cannot afford to live in Metropolitan Toronto. Clearly that is wrong.

If we as a Government are to be interested in where and how people live, and why people can live here and not there, and if we have that social conscience as a Parliament and as a Government, and I believe that we can muster that, then we cannot run away from the problem in Metropolitan Toronto, and indeed in the major centres of the country.

In his 10-point agenda the Hon. Member for Scarborough West offered a number of stimulating concepts and ideas that we need to address. We need to address those not only as a Government, and as a federal Government, but in partnership with provincial and municipal elected leadership. We also have to bring into that partnership the builders in Metropolitan Toronto, as well as the real estate industry. It goes beyond simply trying to have a program of assistance for that first time home buyer, or perhaps to take the Downsview Airport base and give portions of that land to affordable housing. Those are legitimate programs and proposals that we need to look at.

• (1730)

We also need to look at the speculative real estate market in urban centres like Toronto. The Hon. Member touched on that briefly but we need to delve into it much more seriously. There needs to be some sort of apparatus which would not allow these artificially inflated prices to take root. How many times have we seen in Metropolitan Toronto a real estate market cutthroat competitive to the point where real estate agents, rather than losing a listing, will list a house at an inflated price.

I am not knocking the real estate industry because they have to put food on the table. However, it is clearly wrong to have an agent list a home for $240,000 or $250,000, when it would realistically sell for $175,000 or $180,000, just to satisfy the seller. It is not the individual transaction that is worrisome. It is the collective effect of many real estate agents and companies doing it. Prices will start upward in an artificial spiral and the transactions will legitimize the price of a home at $240,000 or $250,000 rather than a realistic figure of $170,000 or $175,000. Clearly there needs to be a code of ethics in the sense of looking at housing not only as an economic transaction but as the centre-piece of an individual's existence in any major urban centre.

We should also, particularly municipal leaders, look at the question of property taxes. How often do we hear, from our more senior citizen population in particular, that having suffered and sacrificed for 30 years to move from an apartment to a semi-detached to a bungalow or perhaps a split-level, the property tax becomes a problem. The income of a senior citizen in Metropolitan Toronto is so poor that they cannot keep up their homes much less afford the increasing property taxes imposed on them.

It is time to look at that situation because municipalities have to replace their infrastructure and to do so, perhaps they should have a piece of the income tax pie. When you really get down to it, it is unfair, given what we expect from the various city councils and their budgets, to ask them to deliver the necessary services without passing the cost on to individual home owners. It then becomes a vicious circle. The property tax base is becoming archaic and unrealistic. For example, it is time to reform the system so that when people improve their home through an addition, which will be immediately reflected in increased property taxes, we should have perhaps a freeze so that those taxes do not have to be paid except when the house

is sold. Otherwise, not only are people not going to be able to afford improvements, we will be discouraging them from making those improvements which keep our city clean and proper.

I hope the House of Commons and the Government take this motion and others very seriously so that we can avoid our major municipalities going the way of New York where apartments rent for $10,000 a month. From that lesson let us learn to be different. Let us learn as an elected body to confront the challenges now for a better tomorrow.

Mr. Dan Heap (Spadina): Madam Speaker, I am very glad to be able to speak on this subject of the housing shortage crisis in Metropolitan Toronto. I join with the Hon. Member who just spoke in commending the Hon. Member for Scarborough West (Mr. Stackhouse) for having brought this before us today.

I will not take time to reiterate the evidence that there is a housing shortage crisis. It has been well publicized in many ways and the Hon. Member has stated it well. I wish to comment on some of the past and present ways of dealing with the problem, though.

For the past four decades or so, particularly up until the beginning of the 1980s, the Government undertook to solve the housing problem primarily by subsidizing the builders. That resulted not in lower prices to consumers but in much higher profits and the creation of huge companies such as Cadillac which then took their profits to the U.S. so that we do not have the benefit of that tax gift anymore. That gift ran into the billions.

I believe the Hon. Member for Scarborough West is on a much sounder track with his proposals and I will be referring to some of them in a few minutes. Before I do, I wish to comment on the remarks of the Minister responsible for housing at the Co-op Housing Foundation meeting in Vancouver on the weekend. In his address he made two promises which were mentioned in the newspapers.

* * *

BUSINESS OF THE HOUSE

Mr. Lewis: Point of order, Madam Speaker. I regret to interrupt my hon. friend but there have been discussions among the Parties and I think you will find there is unanimous consent to the following order being put:

That after the recorded division on the subamendment to Government Order No. 26 later this day, the House shall continue to sit beyond the ordinary hour of adjournment for the further consideration of Government Order No. 23 (Meech Lake) and that when debate is completed on the said order the question shall be deemed to have been put and the recorded division deferred until three p.m. Wednesday, June 22, 1988.

I thank my colleague for his patience.

The Acting Speaker (Mrs. Champagne): The House has heard the terms of the motion. Shall the motion carry?

Some Hon. Members: Agreed.

Motion agreed to.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

HOUSING

METRO TORONTO HOUSING SHORTAGE

The House resumed consideration of the motion of Mr. Stackhouse:

That, in the opinion of this House, the Government should make the solution of the developing housing shortage crisis in Metro Toronto a matter of top priority in forming housing and financial policies for 1988.

The Acting Speaker (Mrs. Champagne): Resuming debate.

Mr. Dan Heap (Spadina): Madam Speaker, when the Minister spoke in Vancouver the major promise he made was to increase the project development allowance for each project to a maximum of $500,000, depending of course on the size and circumstances of the project. The other promise was that up to 50 per cent of the units might be subsidized in each of the new projects, although he indicated that that would be partly by increasing the charges on the non-subsidized units and, of course, it would be subject to provincial negotiation which, as we know, puts it in the possibly far Never, Never Land. However, I do welcome those initiatives of the Minister as far as they go. He did not answer some of the co-op movement's particular requests. The co-op movement, taking the same view, which in part is shared by the Hon. Member for Scarborough West, of a public obligation to assist in providing affordable housing, has asked that the Government commit itself to enabling the co-op movement to produce 10,000 units of housing per year.

• (1740)

It points out that in Metro Toronto alone there are 20,000 requests on hand for housing accommodation. It also requested something similar to what was promised, namely, 40 per cent of the unit would be for low income people and 20 per cent for people of not quite such low income. There would be cut-off lines. People with modest income, as the Hon. Member for Scarborough West, said often have great difficulty in Metro Toronto. The Minister's promise as stated was not at all clear on how it would address that problem of those of modest income.

There is a request for a $20 million land trust to enable co-ops to acquire land for building, but this money would come from existing funds contributed by the co-operatives into the co-op housing stabilization funds. It would require the Government to assist in making those funds available for land acquisition. They also ask that administration of co-op housing units be transferred to the co-operative organizations, not each individual co-op, but the 60 service organizations for co-ops that have grown up in the country. They point to the general experience that co-operative housing after five years or so is so efficiently operated that housing charges are lower than

comparable housing rents in the districts around them. In other words, co-ops manage their funds efficiently.

In addition to these, Madam Speaker, I would urge several other points. I agree strongly with the Hon. Member for Scarborough West in saying that we should reinstitute a tax on speculation. Perhaps in the direct sense that must be done by a provincial government—and I am not sure—but this Government could very well do it simply by rescinding its ill-advised capital gains exemption of, I believe, $100,000 at present since that is considered to have done a great deal to inflate land prices in places like Metro Toronto.

There is also the question of lands in Metro. There is more than just the Downsview lands. The federal Government owns a good deal of land in different parts of Metro, which it has been selling off to the highest bidder. Metro council is instituting a reform of its own practices with its own Metro lands, namely, to give non-profit housing first refusal on Metro lands to be sold. That would not produce such a high price in all cases, but it would very directly and quickly go to meet the need of which the Hon. Member for Scarborough West has reminded us. This federal Government would not only with the Downsview land but other lands in all parts of Metro follow the same principle of giving housing, that is non-profit and affordable housing, the first chance whether it is leased or lease-to-buy as the Hon. Member suggests to co-ops. There could be a variation or several plans tried.

I would also agree roundly with the Member's suggestion of removing the federal sales tax on building materials. That would cost some money in taxes lost but I will come back to that. There was a suggestion that a mortgage exchange ought to be assisted financially by the Government. Other suggestions the Hon. Member makes would cost the Government money, and I will come now to that point.

The money is available. It is a question of where the Government's priorities are. The $1 billion that might be squandered on nuclear powered submarines will, which not defend Canada and will perhaps increase the danger of war, would provide a great deal of this housing assistance which the Hon. Member has pointed out is urgently needed and much more clearly needed than nuclear powered submarines. Furthermore, dollar for dollar or billion dollars for billion dollars, building and servicing housing and providing the necessities within housing, furniture and the rest, will create far more jobs than the same $1 billion spent on nuclear submarines.

I hope this Parliament will treat the Hon. Member's motion very seriously and that perhaps we might even have some legislative initiatives in the same direction.

Mr. John Oostrom (Willowdale): Madam Speaker, I am very pleased to participate on Motion No. 156 put forward by the Hon. Member for Scarborough West (Mr. Stackhouse). I commend him for his fine 10-point program. I want to say a few words on the economic situation generally and then speak on matters of housing, particularly for our growing elderly population, especially in Metro Toronto and in my riding of Willowdale which is part of Metro.

I believe all Members will agree that a strong and stable economy is a requisite for a vigorous housing industry capable of meeting the needs of Canadians. The actions of the federal Government in managing the national economy well with low interest rates, low inflation rates and the creation of 1.3 million jobs since 1984 had a profound influence on private business and industry. In the field of housing, entrepreneurs and the Government through Canada Mortgage and Housing Corporation have worked together since the earliest days of the corporation in providing decent housing for Canadians, especially for low income Canadians.

This private public partnership arrangement has been of immense importance. In the early days of CMHC, the private sector developed the land and built the housing according to CMHC standards and designs that were fashioned to make homes available to the majority of Canadians. This partnership philosophy has continued through a variety of government programs, and Canada's housing industry has been a powerful ally in making these programs work effectively. The policies and programs of CMHC as an agency of the federal Government since the end of the war have been designed to encourage home ownership as well as to make housing available to those who cannot afford to buy a home, especially those in the low income groups.

The federal Government and other levels of government have undertaken the responsibility of providing affordable housing to low income Canadians. For Canadians who are able to buy homes, the private sector plays the lead role while the Government's supporting activities set the climate. An area of growing interest is the challenge we face in the coming years of housing our senior citizens, especially in Metro Toronto and in my riding of Willowdale. Before too long, one in four Canadians will be a senior. We must prepare now for that day together with private industry, the provinces and, of course, the municipalities.

It will be necessary for the private and public sectors to continue to work together to meet the challenge. We must determine how the housing for senior citizens will be financed, how regulations can be developed to assist rather than hinder innovation and how appropriate levels of support can be provided within communities. Canadians in general and seniors specifically are well housed. Many of them built their homes in days when NHA mortgages and mortgage insurance helped create 25 per cent of all the homes in Canada. They offered low downpayments on long mortgage terms.

There are about 2.7 million seniors in Canada now and they live in about 1.3 million households. Of that number, 1.1 million own their own homes. This is a group envied by those of us who have not yet graduated to the status of senior, though some of us are getting close. This group is fortunate in that 92 per cent of them own their own homes outright. They

have no mortgage whatsoever, and on average, their homes are worth precisely the same as younger households, $57,000.

• (1750)

Looking at the net wealth of senior-led households versus those who are not there yet, the statistics are remarkable. The total assets minus the total debts of seniors versus non-seniors is again precisely the same, $133,000. The principal difference is that seniors have more liquid assets and little or no mortgage. I do not mean to suggest that turning 65 somehow creates riches. It does not, but planning, good fortune and a wide range of other factors have brought the majority of Canadians to this happy circumstance.

As you and I know, Madam Speaker, there is a group of Canadians who are seniors but do not fit the profile of the fortunate individuals I have just described. That is where Governments have historically played the most important role, in helping those who need it most.

In housing, there is a mix of programs available to ensure that senior citizens remain integrated in the mainstream of society. Through CMHC non-profit housing, co-operatives, rent-supplement assistance and residential rehabilitation, Government helps to provide decent, affordable housing.

In the last three years, more than 15,600 social housing units have been added for seniors, bringing the total number of senior units to more than 184,000. The residential rehabilitation program is a tremendous help for elderly home owners to keep their homes in good repair. In 1986, approximately 10,500 seniors' homes were repaired under this program, using a full 30 per cent of the total budget. A special residential rehabilitation program is now available throughout the country for Canadians who become disabled. All that is required is a call to the local CMHC office.

Seniors have built a country which has created much wealth and they have also encouraged the value of compassion. It is an important legacy which we must carry into the future. There is virtue in this and there is also an imperative. Governments, private industry and concerned groups must lift their eyes to this horizon.

Can we ensure that seniors continue to live independently and in dignity? I believe we can, and this Government is taking leadership in preparing an environment that will allow new financing mechanisms, new types of housing styles and a wide range of housing options for future seniors.

CMHC already has a number of important research programs under way in preparation for this changing population. It is already looking at a wide range of styles of housing and at some very interesting new ways of financing these households. A national demonstration project of garden suites or granny flats is already under way and has met with tremendous response. It may be one option for the future.

Many elderly home owners have equity in their homes but lack the income to pay the taxes and keep them maintained. The federal Government could assist by having property taxes and repairs deducted from income taxes for seniors, or could give a grant similar to that which the province gives on property taxes. Methods of converting this equity to cash are currently being developed by both the public and the private sectors. Reverse annuity mortgages, for example, could allow home owners to take out a significant portion of home equity and use all or part of it to buy an annuity that provides monthly payments for life.

Another option is a sale-lease-back arrangement in which an investor pays below market value for a house in return for a reduction in the rent paid by the seller. Alternatively, the seller could take back the mortgage, ensuring a steady stream of income from the payments. Arrangements such as these allow the elderly home owner to remain independent in his or her own home with security of tenure and an improved cash flow to meet taxes and maintenance needs.

Another area of investigation is the concept of made-to-convert housing which is designed to make it easy for a portion of a house to be made into an accessory apartment during different periods in the life cycle of a family. It could be an income-producing apartment or accommodation for elderly parents. We should also encourage the provinces to gradually reduce rent controls, of course.

An important step in meeting the challenge of housing for the elderly has already been taken. A major national conference will be held in Halifax this October to discuss the issue and to look for solutions.

An incentive for the housing industry to get involved in the problem is a new affordable housing achievement award. This award has been established by CMHC to give public recognition for excellence to those who bring adequate and affordable housing to Canadians.

The Government could lower the tax on building materials for affordable housing, as my friend from Scarborough West suggested. When industries move out, we could use that land for residential and commercial purposes rather than for the present commercial use only. The Government could make available leased federal surplus lands in Downsview and Vaughn, as the Hon. Member for Scarborough West has said, for various types of housing in one community, or could make mortgage deductability available for first time home owners and institute a land speculation tax to cool the market.

Housing the young and the elderly requires urgent and long term planning now. I am pleased to know that once again the private sector is working with the public sector to plan for the future.

Mrs. Shirley Martin (Parliamentary Secretary to Minister of Public Works): Madam Speaker, unfortunately I see that I have only a couple of minutes before you call it six o'clock, but I would like to take this opportunity to outline some of the research activities in housing undertaken by the Government

to improve the availability of affordable housing to all Canadians in Toronto and elsewhere.

As a result of the consultation process started a few years ago between the Government and Canadians with a stake in housing, the National Housing Research Committee was established. This very important initiative is already paying dividends. The committee includes the provinces, industry and other main players in the housing sector. Its general aims are to facilitate the co-ordination of research, to identify priorities and to determine the most effective ways to use research funds.

One of the main issues being looked at is that of regulatory reform which is critically important, particularly where the pressure for housing is intense, and the greater Toronto area is an excellent example. As we know, one of the major constraints on getting new housing on the market is the availability of land, and most specifically serviced land. In the greater Toronto area, and I am including Halton, Peel, Durham, York and Metro Toronto, official plan approval has been given for the development of 45,000 vacant acres, and they have been zoned for housing densities ranging from 4.5 homes per acre to 9.4. Even at these very low densities, 303,000 new residences could be built and 68,000 of these potential units are scheduled for development before the end of 1989.

At the current pace of development, there is a nine year supply of vacant land. With infill projects and redevelopment, an extra 6,000 units per year could be built. Through the streamlining of some approval and regulatory processes, could we not move to this goal far sooner than the end of 1989?

Furthermore, rather than putting four estate-sized homes on an acre, it would be appropriate for some municipalities to zone for somewhat higher housing densities such as apartments, townhouses or other forms of multiple family dwellings, or perhaps they could be zoned for smaller sized homes. Many of us in this House started off our early years in 800 or 1,000 square foot houses, and I do not believe that many of us really need 4,000 square feet and five bathrooms. Surely home buyers should have a choice between large and small homes.

We know that property taxes paid to municipal Governments are based on house sizes and amenities, and it is understandable that they would be encouraging this type of housing. However, zoning exclusively for huge single-family dwellings is not helping to provide affordable housing as we understand it.

One of the first priorities of this committee was to review the regulatory process with the municipalities which can add substantially to the cost of housing, and there is no question that a number of regulations on the books are outdated, even though they may have—

• (1800)

The Acting Speaker (Mrs. Champagne): Order. Unfortunately I must interrupt the Hon. Member. The time provided for the consideration of Private Members' Business has now expired. In accordance with Standing Order 42(1), the order shall be dropped from the Order Paper.

[*Translation*]

Pursuant to Standing Order 41(1), the order is dropped from the Order Paper.

GOVERNMENT ORDERS

[*Translation*]

HOUSE OF COMMONS

MOTION TO EXTEND HOURS OF SITTING

The House resumed from Monday, June 13, consideration of the motion of Mr. Lewis (p. 16379), the amendment of Mr. Guilbault (p. 16387, and the subamendment of Mr. Riis (p. 16390).

The Acting Speaker (Mrs. Champagne): It being six o'clock, pursuant to Standing Order 13(4)(a), the House will now proceed to the defferred recorded vote on the subamendment of Mr. Riis to the motion to extend the days and hours of sitting.

Call in the Members.

[*English*]

(*Division No. 383*)

YEAS

Members

Benjamin	Guilbault	Mitchell
Berger	(Saint-Jacques)	Nystrom
Blackburn	Heap	Orlikow
(Brant)	Henderson	Ouellet
Blaikie	Hopkins	Penner
Boudria	Isabelle	Prud'homme
Dingwall	Jewett	Riis
Foster	MacLellan	Robichaud
Gagliano	Marchi	Rompkey
Garneau	McDonald	Rossi
Gauthier	(Broadview—	Waddell—32
Grondin	Greenwood)	
	McLaughlin	

NAYS

Members

Andre	Champagne	Darling
Attewell	(Champlain)	Daubney
Belsher	Clark	Desjardins
Bernier	(Brandon—Souris)	Domm
Bertrand	Clifford	Duguay
Blackburn	Cochrane	Duplessis
(Jonquière)	Cooper	Ellis
Blenkarn	Corbett	Epp
Bourgault	Cossitt	(Provencher)
Boyer	Crofton	Fennell
Brightwell	Crosbie	Ferland
Brisco	(St. John's West)	Fontaine
Cadieux	Crosby	Forrestall
Caldwell	(Halifax West)	Fretz
Cardiff	Crouse	Friesen

Gagnon
Girard
Gormley
Gottselig
Gray
(Bonaventure—Îles-de-la-Madeleine)
Grisé
Halliday
Hamilton
Hardey
Hicks
Hockin
Holtmann
Horner
James
Jardine
Jelinek
Jepson
Johnson
(Bonavista—Trinity—Conception)
Kelleher
Kempling
King
Ladouceur
Lawrence
Lewis
MacDonald
(Kingston and the Islands)
MacDougall
(Timiskaming)
MacKay
Mailly
Marin
Martin
Mazankowski
McCain
McCrossan
McDermid
McDougall
(St. Paul's)
McKinnon
McKnight
McLean
Mitges
Moore
Nowlan
Oberle
O'Neil
Oostrom
Peterson
Plamondon
Porter
Ravis
Redway
Reid
Reimer
St. Germain
Schellenberg
(Nanaimo—Alberni)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Shields
Siddon
Sparrow
Stackhouse
Stewart
Tardif
(Charlesbourg)
Taylor
Thacker
Towers
Tupper
Turner
(Ottawa—Carleton)
Weiner
Wenman
White
Winegard
Wise—111

• (1820)

The Acting Speaker (Mrs. Champagne): I declare the amendment to the amendment lost.

Pursuant to order made earlier this day, the House will now continue with Government Order No. 23.

* * *

THE CONSTITUTION ACT, 1867

CONSTITUTION AMENDMENT, 1987

The House resumed consideration of the motion of Mr. Hnatyshyn, and the amendments of Mr. Turner, Vancouver Quadra,(p. 15617), Mr. Broadbent, (p. 15618), Mr. Caccia (p. 15618), Mr. Johnston, (p. 15618) and Mr. Roman, (p. 15620).

Mr. Riis: Madam Speaker, since we decided to extend the hours to continue the debate on Meech Lake, and considering that on Thursday we will go into extended hours as a result of the Standing Orders and that the pages have their annual banquet or get together tonight, I wonder if the Chair would seek unanimous consent of the House to allow the pages to leave the Chamber. We will do the services for ourselves.

[*Translation*]

Mr. Guilbault (Saint-Jacques): Madam Speaker, we on this side of the House also much appreciate the services provided by our pages, both ladies and gentlemen, during the past session.

Some Hon. Members: Hear, hear.

[*English*]

We would certainly agree with the proposal made by the Hon. Member for Kamloops—Shuswap (Mr. Riis). We would agree to let the pages go to their party. Maybe, if we sit long enough, they can come back after their celebration and tell us how nice it was.

• (1830)

Mr. Lewis: Madam Speaker, naturally government Members are in agreement with the proposition but not with the premise. If we are to be sitting Thursday night it will be as a result of Government Motion No. 26, and not a motion under the Standing Orders. We are in agreement with the suggestion.

Mr. Prud'homme: Now you're using the book.

The Acting Speaker (Mrs. Champagne): The Chair sees that there seems to be unanimous consent with respect to the suggestion.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mrs. Champagne): As Acting Speaker and in the name of each and every Member of the House, I say to our pages: "*bon appétit*".

[*Translation*]

Mrs. Monique B. Tardif (Parliamentary Secretary to Minister of National Health and Welfare): Thank you, Madam Speaker. It was a very satisfying and also very moving experience to listen to the Prime Minister of Canada (Mr. Mulroney) this morning when he spoke to us about Meech Lake. I must say I also listened with great satisfaction to the Leaders of the Official Opposition (Mr. Turner) and the New Democratic Party (Mr. Broadbent) when they set forth their positions.

However, Madam Speaker, this afternoon I was exposed to the, I must say appalling, experience of listening to the Hon. Member for Saint-Henri—Westmount (Mr. Johnston) who gave us a picture of Canada that is completely outdated.

If we rise above the melee around Meech Lake and ignore the purely linguistic and legal considerations, we get a very clear impression of what this country is, what it should be, and what Canadians want it to be.

The Accord is the expression of a desire to reaffirm and reinforce the federal nature of our country. This is particularly necessary since for many years, the federal Government did so much to make Canadians forget the federal nature of their country. This attitude, unfortunately, led to divisions, the like of which Canada had never seen before. That is now over and done with, as Professor Kenneth McRoberts of York University said, and I quote:

> The Accord will at least have the effect of establishing once and for all that Canada is a federal State.

Professor Pierre Fortin of Laval University added:

Meech Lake is important because of its form and its substance. It fosters confidence in our efforts to build this country in the future, with eleven governments working together in the national interest, instead of just one.

Madam Speaker, I think that the vision of Canada that we see arising from Meech Lake was described far better than any one has done so far by the Hon. Lowell Murray, when he appeared before the Committee of the Whole in the other place on March 31. Senator Murray said on that occasion:

The Meech Lake Accord will help transform our Constitution [. . .] into a more authentically federalist document. In so doing, the accord will not revolutionize our constitutional arrangements. Rather, it reaffirms the view of the federation held by a broad spectrum of Canadians. This view is not based on mistrust, a pugilistic vision of competition between the partners of the federation. Rather, it assumes the interdependence of the federal and provincial governments and provides a better reflection of what Canadians want Canada to be—a generous, tolerant and united society which respects diversity and which believes that governments should work cooperatively within their respective spheres of juridiction. [*End of citation*]

Madam Speaker, I do not believe that it is necessary to add anything at all. That is what the Accord does and the vision of Canada that it defends.

Unfortunately, not everyone shares this vision of Canada. Many prefer the pugilistic vision that Senator Murray spoke of.

And the Liberal majority in the Senate is full of those people for whom federal-provincial relations must be a no-holds-barred combat. For them, the central power is an empire; they are its gladiators and they are sworn to fight for it in the federal-provincial arena.

For the Liberal Senators, Meech Lake is the end of the empire and its replacement by a true federation.

It is not surprising under these circumstances that they applauded when the emperor visited them to inquire about their loyalty. It is not surprising that these Liberal gladiators in the Senate saluted and answered *Ave Caesar, morituri te salutant* or rather, if I may be allowed a free translation, " Hail, Pierre, those who would like to kill the Meech Lake Accord salute you."

But although they did everything in their power to make their vision of Canada triumph, the Senate gladiators cannot prevent Canadians from hoping for a new era of greater cooperation and respect between the two levels of government and all Canadians.

Most Canadians wants us to pass the Accord, I think, because it will bring about this vision of a Canada of cooperation and respect, of a stronger, more united Canada.

How? That is just the question I intend to answer today.

The 1987 Constitutional Accord recognizes first of all, as Senator Murray said, the interdependence of the federal and provincial governments and is based on the principle of intergovernmental cooperation.

This principle was sorely tested during the events that led to the repatriation of the Constitution in 1982. Of course, repatriation, the formula to amend the Constitution in Canada, the Charter of Rights and Freedoms are achievements worth mentioning.

Nevertheless, there is an extremely important shortcoming: every time, the decision was made without the consent of Quebecers in the National Assembly of Quebec. Quebecers did not take part in the constitutional banquet of 1982. They were kept out.

How can one help being struck by the irony of Quebec's situation in 1982, considering the history of constitutional reform in Canada over the last two decades?

As Gordon Robertson, chief constitutional advisor to the federal Government from 1975 to 1979, pointed out when he testified before the joint committee examining the Accord, it was Quebec that launched the idea of reform. After years of fruitless constitutional debate, Quebecers said no to sovereignty-association in 1980 and yes to the renewed federalism solemnly promised them by the rest of Canada.

And instead of renewal, an agreement devised behind its back was imposed on Quebec. The Constitutional Accord helps us turn the page on the worst aspects of the 1982 deal, without compromising the major gains. It helps us reunify Canada. But the Accord does much more than help Quebec return to the Canadian fold, Madam Speaker. It sets up a framework which encourages greater cooperation between the two levels of Government. The Accord reinforces the federal nature of major national institutions such as the Supreme Court and the Senate by offering the provinces an opportunity to suggest candidates. Moreoever, the Accord paves the way to a complete reform of the Senate, and the temporary procedure for the selection of candidates reflects the will of the Government to achieve this reform. It shows that for the Federal Government, the type of Senate as it exists now has become obsolete.

In the case of the Supreme Court, the provinces' participation in the selection of judges will also help reinforce the Federal fabric. After all, it is the Supreme Court which is called upon as a last resort to rule on the interpretation of all Constitutional issues, including conflicts between the Federal and Provincial Governments. It is also the Supreme Court which must rule on the constitutional nature of Federal and Provincial legislation.

As far as the First Minister's conferences are concerned, the Accord eliminates once and for all a traditional source of conflict in Federal-Provincial relations. All of you probably know that until 1985, it was the exclusive privilege of the Prime Minister of Canada to call a First Minister's conference. The Provincial Premiers who, by the way, had been meeting for over 30 years . . . even the 10 Premiers could not force the Federal Government to hold a Federal-Provincial conference. The situation was such that, before 1985, they spent more time trying to convince the Prime Minister of Canada of the necessity to call a conference on the economy than of the need to co-operate and co-ordinate the economic policy.

As you know, in 1985 in Regina, the Prime Minister and his Provincial counterparts signed a memorandum of understanding calling for five yearly economic conferences. By entrenching these economic conferences of the First Ministers, the Accord adds an element of stability in the relations between the two levels of Government. Likewise, the Accord makes it possible for the Constitutional reform to proceed in a more orderly fashion, free from the arguments which always surrounded the calling of a conference.

We find the same concern for stability in the provisions of the Accord dealing with immigration. Here, the Accord makes it possible for the various Governments to constitutionalize the Federal-Provincial Agreements to administer this shared responsibility. Free from political interference, the Constitutional Agreements will contribute to a long-term planning of Government action in this area. It is also the Accord which will ensure the stability without overlooking the need to protect national interests efficiently.

Under the Accord, it is the responsibility of the Parliament of Canada to set "national standards and objectives relating to immigration or aliens including any provision that establishes general classes of immigrants or relates to levels of immigration for Canada or that prescribes classes of individuals who are inadmissible into Canada". The Federal supremacy in the area of immigration is therefore secured.

Madam Speaker, there is another factor which contributes to clearing up relations between governments and strengthening the Canadian federation, namely the provisions concerning the power to spend. This power of Parliament will be maintained and, for the first time, explicitly acknowledged in the Constitution. It seems to me that is one of the factors which has been ignored by the critics of the accord.

Sometimes these people would have us believe that the provinces are forced to join shared cost programs set up by the federal Government in fields under exclusive provincial jurisdiction. Of course this idea is akin to the vision some people have of Canada.

Whether you like it or not, the provinces never did have to accept such programs.

The integrity of provincial jurisdiction is acknowledged in the accord, guaranteeing as it does fair compensation for provinces whose programs are tailored to the specific needs of the people and compatible with the national objectives.

According to Queen's University Intergovernmental Relations Institute Director Peter Leslie, this arrangement might prove to be very good for

Canadians, both as taxpayers and as people on the receiving end of various programs.

He also stressed that the provinces will be in a position to find new solutions to problems which are common to most Canadians, and they will be urged to set up the mechanisms required to reach the national objectives as effectively as possible.

For their part, the joint committee members came to the conclusion that, in fields under exclusive provincial authority, shared-cost national programs can still be negotiated to the benefit of both the federal Government and the provincial Governments, and that basically the proposed change will reaffirm the importance of negotiations. In other words, the accord guarantees that from the outset the federal Government will be inclined to proceed through co-operation and negotiation rather than make unilateral attempts to force the provinces to accept rigid programs. Again this goes to show that after the accord the Constitution will be more respectful of our federal character.

Madam Speaker, this brings me to the conclusion that the constitutional accord strengthens the Canadian federation in two ways.

First it enables Quebec unashamedly to get back to the job of building the Canadian nation.

Second, it ensures that the federal Government and the provinces will make a joint effort in a spirit of co-operation rather than confrontation.

Thanks to the accord we will be united rather than divided in our quest for better ways to respond to the challenges of tomorrow.

Certain critics seem to have quite simply chosen the old approach: seek confrontation and send the country down the warpath.

As I see it, Robert Stanfield aptly summed up the situation when he appeared before the Senate committee and said: "Some people do wonder what the Government and the Canadian Parliament are getting out of the accord. Well, among a few other things, the perspective of leading a united country where people fully respect one another rather than a country slowly moving towards self-destruction."

Madam Speaker, that is a challenging undertaking which all Members can proudly support. I hope they will vote in favour of the resolution.

• (1840)

[*English*]

Mr. Redway: I wish to congratulate my colleague, the Parliamentary Secretary, on her remarks this evening and to tell her that I whole-heartedly agree with them. As she is aware, I am a whole-hearted supporter of the Meech Lake Accord. Inclusive in that is the provisions of the Accord which incorporate the concept of a distinct society. My own personal belief is that the Accord merely puts on paper what has been and has always been a part of Canadian society ever since our country started and, for that matter, for hundreds of years before there was a formal country of Canada.

I know that the Hon. Parliamentary Secretary is aware of concerns that have been voiced by approximately one-third of Canadians whose origin is neither French nor English but come from a variety of minority cultures and backgrounds that make up our great country. In my own constituency there are over 70 different cultures and ethnic groups. On many occasions they have voiced to me their concerns with respect to the fact that there is no mention in the Meech Lake Accord of these other ethnic and cultural communities and that they are concerned that this, in some way, may take away from their rights.

Earlier today we heard a comment from another Member of the House to the effect that they voiced that concern, in that they feel that perhaps the Meech Lake Accord overrides the Canadian Charter of Rights and Freedoms and takes away some of the rights enshrined in the Charter of Rights and Freedoms.

That concern is also reflected in some of the amendments put forward in the House. The Hon. Member for Davenport (Mr. Caccia) deals with that concern in one of his amendments. It is also reflected in the amendment put forth by the Hon. Member for York North (Mr. Roman), that somehow or other the concept of a distinct society for French Canadians overrides the rights of the multicultural communities of Canada.

• (1850)

As you and the Parliamentary Secretary know, Madam Speaker, Section 27 of the Charter of Rights and Freedoms provides that the Charter shall be interpreted in a manner consistent with the preservation and enhancement of the multicultural heritage of Canadians. That provision relates to Section 1 which says that the Canadian Charter of Rights and Freedoms guarantees the rights and freedoms set out in it.

In my view, in no way is there any amendment to that Charter of Rights and Freedoms and in no way is the concept of a multicultural Canada overridden by the Meech Lake Accord.

I would like to ask the Parliamentary Secretary if she and the Government agree that the rights of various multicultural communities as set out in the Charter of Rights and Freedoms are in no way overridden by the Meech Lake Accord and in fact remain as a solid basis of the rights and freedoms and privileges of all our minority groups as citizens of Canada?

[*Translation*]

Mrs. Monique B. Tardif (Charlesbourg): Madam Speaker, I would first like to say that the question asked by my colleague, and especially his preamble, do reveal how much he appreciates the Meech Lake Accord. Concerning minority rights, I think that somewhere in my speech mention was made of the Charter of Rights and Freedoms. That is a vested right for Canadian society and it's for keeps.

The reference in the Meech Lake Accord to a dictinct society means a situation peculiar to Quebec. The idea is not to curtail the rights and freedoms of others, but to recognize that Quebec lives in a situation all of its own. As far as the government and I are concerned, there was never any question of denying other groups any particular right or freedom. To my mind, the Charter of Rights and Freedoms will prevail for Canada's multicultural groups.

[*English*]

The Acting Speaker (Mrs. Champagne): Resuming debate.

[*Translation*]

Mr. Gilles Grondin (Saint-Maurice): Madam Speaker, as a Quebecker, I have always considered it essential for the future of our country that Quebec be a major, full fledged partner in

the Canadian federation and that it have at its disposal the essential tools for development.

In 1980, when the referendum on sovereignty-association took place, a majority of Quebecers said yes to Canada and to constitutional reform. That was the signal which set in motion the process of constitutional reform and renewal.

However, since patriation, we have all deeply felt Quebec's absence and it was imperative to find a respectable way to bring Quebec back into the constitutional fold.

Although I feel that Meech Lake is far from perfect, Madam Speaker, I find it an acceptable compromise to pull Quebec out of constitutional isolation.

It fits our venerable constitution to the realities of the times.

I contend that this debate can be rightfully termed fundamental to the future of Canada. Furthermore, it concerns the Constitution, the uppermost document in our legislative framework.

For some, of course, Quebec should be a province like the others. In their view, any concession to Quebec opens the door to separatism. Their vision of Canada is static and they are neither able to sense the ever evolving reality of our country nor to adapt to it.

Quebec wants certain guarantees with regard to its distinctiveness, to the growth of its population, to its participation in federal institutions, to its full freedom to use the legislative powers granted to Quebec under the Constitutional Act of 1867.

History has shown clearly that there can be no building of Canada without Quebec and that the men and women of Quebec must have their place in life and institutions of this country. In fact, the distinct character of Quebec is a fundamental aspect of Canadian federalism.

The role of the Canadian Government is not a passive one. It has the full right and responsibility to protect and promote the French fact not only here in Canada, but also abroad.

It must constantly define and attune that responsibility in light of changing situations and greater challenges as the country evolves.

Such is the vision that guides us today in this debate on the Meech Lake Agreement.

That is why, Mr. Speaker, I was among those who supported the motion the first time and I now reiterate my support today.

As for the distinct society concept, Madam Speaker, Quebec's distinct identity is not new. Quebec is the main wellspring of the Francophone community's linguistic and cultural energy and inspiration and, as Senator Eugene Forsey pointed out, Quebec is the citadel of French in Canada.

It is a fact that Quebec is different from the other provinces. Its differences lie in its history, language and Civil Code, its origins, feelings and politics.

Madam Speaker, Meech Lake is not unique in recognizing Quebec as a distinct society. The Constitution Act, 1867, created a federal rather than a unitarian State, in order to respect and protect the distinct society established within the territory of the Province of Quebec.

Madam Speaker, that is a historic fact, even if the Constitution Act, 1867, does not say so specifically. However, many sections of our Constitution recognize the distinctiveness of Quebec. Section 133 of the Constitution Act, 1867, provides guarantees for the use of French and English before federal courts, the courts in Quebec and in the National Assembly. These guarantees are not found among the other founding provinces. Section 94 of the Constitution Act, 1867, provides that the Parliament of Canada may make provision for the uniformity of all and any of the laws relative to property and civil rights. This section applies to only three of the four founding provinces, namely Ontario, Nova Scotia and New Brunswick.

From the outset, the Fathers of Confederation decided that Quebec's Civil Code and Code of Civil Procedure would remain distinct from the Common Law practised in the other provinces. That is, in fact, what happened.

Madam Speaker, although the Constitution recognizes provincial equality, this equality is not a major consideration, because on the other hand, the Constitution provides that on historic and geographic grounds, treatment may differ from province to province. As the Joint Committee pointed out, the principle of provincial equality is an important one, but it should not be allowed to stand in the way of the development of a large part of our country and penalize its population. In 1979, the members of the Pépin-Robarts Commission, in referring to Quebec's distinctiveness, pointed out that in a society in transition, politics take on a new meaning. Because of these aspects, Quebec is a society, it is a province and it is the citadel of the French Canadian people. So there is nothing revolutionary, in this day and age, about the constitutional and exclusive recognition of Quebec as a distinct society.

I don't think Quebec will turn inwards or that the Accord will lead to the two-nation or two-Canadas concept. The existence of a political society does not necessarily lead to the creation of an independent State. Quebecers don't want to live in a ghetto. It is possible to have a pluralistic State. The distinct society concept will not affect bilingualism. On the contrary, the Official Languages Act remains in effect. The protection afforded by the Constitution to official language minorities across the country is in no way diminished, and every province still has the option of declaring itself officially bilingual. Finally, Meech Lake obliges governments to preserve Canada's linguistic duality.

• (1900)

As far as immigration is concerned, Madam Speaker, Section 95 of the Constitution Act, 1867, provides for concurrent powers, with federal paramountcy should provincial legislation not be compatible with federal statutes.

Sections 95 (a) to 95 (e) in the Meech Lake Accord which deal with immigration are, in fact, a constitutional rendering of the Cullen-Couture Agreement that will provide Quebec with a sound basis for claiming the right to select prospective immigrants. The Accord guarantees that within the annual immigration quota set by the federal Government for all of Canada, Quebec will have a number of immigrants, including refugees, proportional to its share of the population and, for demographic reasons, it can exceed its immigration quota by 5 per cent.

We cannot help but be pleased with this provision. All the provinces may avail themselves of it, but I believe that especially for Quebec, which faces a serious problem due to a low birth rate, this provision will have major beneficial effects because it will help Quebec protect its particular linguistic character.

As regards the Supreme Court, creation of the Supreme Court of Canada does not go back to Confederation. The Judiciary Committee of the Privy Council of Great Britain at that time took the place of a court of appeal for all British colonies and the obligation to apply to it was maintained even after Confederation. The 1867 Constitution Act provided for the creation of an appeal court for Canada.

Section 101 of this Act authorized the federal Parliament to adopt measures to create, maintain and organize a general appeal court for Canada. The court was created by an Act of Parliament in 1878 and therefore Parliament could amend it by a federal law.

In 1949, the federal Parliament abolished the right of appeal to the Privy Council and in 1975, it required appellants to obtain authorization to do so, thus giving the Supreme Court effective control over the cases it would hear.

I am glad that paragraphs 101(*a*) and 101(*e*) of the Meech Lake Accord enshrine the Supreme Court in the Constitution.

This is even more important because since the Charter in 1982, the Supreme Court influences the evolution of Canadian society as never before. We need only refer to the latest decision on abortion to see what an effect the Supreme Court can have on the Canadian people.

Such a unique court must be enshrined in the Constitution. Furthermore, reports on the Constitution presented over the years are unanimous on this point.

Quebec's civil law legal system is distinct from the other provinces.

It was necessary to guarantee the civil law component in the Constitution. Quebec judges are trained in civil law and practise in French. Their presence is therefore crucial in civil law cases and those pleaded in French.

As for constitutional conferences, Madam Speaker, the Accord also has a provision requiring that a conference of First Ministers on the Constitution be held at least every year, the first one to be held within 12 months of the proclamation of the present constitutional amendment, not later than the end of 1988. The following items on the agenda are expected to be written into the Constitution: Senate reform, roles and responsibilities in fisheries, as well as any other question on which agreement is reached.

But I am wondering: Why did the Canadian Government include none of the matters of concern to it in the agenda of the First Ministers' Annual Conferences on the Constitution. It should have included among other things a provision to abolish the nothwithstanding clause, i.e. Section 33 of the Canadian Charter of Rights and Freedoms, with the aim to provide all Canadians with the most complete protection of their rights and freedoms. Also, it could have proposed an amendment to Section 23 of the 1982 Constitutional Act to provide official language minorities with control and management of their publicly supported educational institutions and also to delete the words "where the number so warrants" in Section 23, while recognizing that Section 1 of the Constitutional Act, 1982 applies to Section 23.

Concerning the spending power, Madam Speaker, it has been there for a good number of years. Mr. Pierre E. Trudeau defined that power as the power of Parliament to pay monies to individuals, organizations or governments for purposes which do not necessarily fall within the legislative power of the Parliament of Canada. That power was not provided for in the 1867 Constitution. It is now entrenched in Clause 106A of the Meech Lake Agreement. But the wording is ambiguous. I am thinking for instance to the terms "shared-cost program" and "national objectives".

As pointed out by Mr. John Whyte, the Dean of Queen's University law school, during the Joint Committee's hearings, the uncertainty as to the eligibility to compensation and its related conditions apparently constitute a very strong disincentive for the Canadian Government to engage into certain expenditures related to social social programs. That uncertainty as to eligibility to compensation is a disincentive because it is impossible to know two things: first, the amount of compensation to be paid, that is compensation for which the Canadian Government will be given no credit and for which it cannot be held responsible either. And second, the attainability of the project objectives because no one can say how many provinces will decide, when a project is announced, to bring their own measures in line with the national objectives.

Will that prevent us from having national programs? Does that mean that from now on it will be impossible to establish a national childcare program? What about the guaranteed annual income and medicare? Would unemployment insurance

have been impossible under the Accord agreed to by the First Ministers?

Will the possibility of opting out of programs with compensation undermine the quality and uniformity of services throughout Canada? Who will set national goals?

As for the Senate, the amending formula will require from now on the unanimous consent of the provinces. It is too strict even with regard to federal institutions. Isn't there a danger of eventually being trapped within the Constitution? Will Senate reform come to pass? Will we finally see a Senate elected according to the formula adopted by the Prime Minister and his provincial counterparts? A reform of the Upper House is highly desirable, but the proposed amending formula is a strait jacket. It will make it very difficult.

• (1910)

And now, Madam Speaker, I would like to go somewhat against what my colleague from Charlesbourg (Mrs. Tardif) said when she seemed to hold the Senate responsible for holding up the ratification of the Lake Meech Accord. As for me, I say that we must live with our institutions and that, as long as they are not changed, we will continue to respect them and each other. It is only by respecting each other that we will be able to make the changes required to get the political instruments we need to go forward and give Canadians the best Government and the best political system in the world.

Madam Speaker, we know from experience how hard it is to amend the Constitution. The Meech lake Accord is more than just an agreement. It is a unanimous agreement which cannot be dismissed out of hand. This unanimity weighs heavily on all Canadians. It means the pride of belonging to a nation which, despite its regional disparities, succeeds in creating harmony from coast to coast. As Mr. Whyte told the Joint Committee: Those who continue to oppose the 1987 Accord, after it has been accepted and approved by Quebec, must realize that they are not only working against conditions for reconciliation, but also attacking an historic document of reconciliation which will clearly have a long term negative impact on Canada. The deficiencies of the Accord would have to be very serious and have highly probable consequences and I don't think it is the case, Madam Speaker.

This time, Canada and Quebec must not miss the boat, although a few riders could be added on later. There will always be time to correct the flaws in the Accord, Madam Speaker. We are at a privileged juncture. Let us say yes to Quebec.

Mr. Grisé: Madam Speaker, first of all, I want to congratulate the Hon. Member for Saint-Maurice (Mr. Grondin) for his interesting speech and especially for his interest in Quebec. Madam Speaker, I was thrilled with the first part of his speech, but the conclusion of his statement leaves me somewhat confused, because there he begins to quote and list the weaknesses that might be found in the Meech Lake Agreement, which was unanimous, as he rightly mentioned, and because we have certain institutions, he must respect their decisions. I have great difficulty understanding the Hon. Member for Saint-Maurice, Madam Speaker, because on the one hand, he says that we must absolutely respect the Agreement as it is, in the interests of Quebec, and he is prepared to defend Quebec's interests particularly. On the other hand, he says that we must respect the decision of the other place, a majority of whose members belong to his party, Madam Speaker.

We know very well that the Senate has a Liberal majority. So how come those Senators decided not to accept a decision of the House of Commons, accepted by all three parties and the Canadian people so that Quebec can return to the constitutional family and they decided for all sorts of reasons that it is not necessary, it is not important, because it is not a perfect agreement? We never claimed to have a perfect agreement. How can you amend a text that you don't even have, something that does not even exist? How can the Hon. Member for Saint-Maurice accept the decision of his colleagues, of his caucus, of the Liberal Senators, to say no to Quebec once again and at the same time say, "Yes, Madam Speaker, I voted for the Meech Lake Agreement and I intend to continue to do so"? How can they split their decision? How can they divide their interest for Quebec into sentimental and political categories?

Mr. Grondin: Madam Speaker, I want to thank the Hon. Member for Chambly (Mr. Grisé) for giving me this opportunity to say that, in this case, respect is a matter of respecting our parliamentary institutions that make decisions on the basis of the texts they receive or the bills submitted to them by the House and which may require improvements or amendments or changes to make these bills acceptable.

If I may make a comparison between the texts we send to the other place and the Government's decision to ask us to sit this summer, we must abide by the decision even if we disagree with the Government's proposal, since we will have to bow to the will of the majority, and the same applies to the amendments proposed by the Senate which will probably be rejected by the Government's majority when the Senate has finished its review.

Madam Speaker, I may also inform the Hon. Member that I always agreed with Meech Lake as a way to bring Quebec back in the Canadian constitutional family, but I am also in favour of adopting certain amendments that were unfortunately rejected by the Government majority. Personally, I believe that the proposals made by the Opposition included amendments that would have been acceptable to Canadians as a whole, especially to Native people and other groups that may feel somewhat frustrated by the Accord as it stands today. I look favourably on Meech Lake because of the prospect of a second round of negotiations that will give us an opportunity to correct the weaknesses of the initial document. That is why I am in favour of Meech Lake and why I pointed out the weaknesses of the present version, and I hope that the second

round will give us a chance to remedy those weaknesses and make the Accord responsive to the wishes of all Canadians.

[*English*]

Mr. Lorne Nystrom (Yorkton—Melville): Madam Speaker, I am very pleased to say a few words in this debate in support of the Meech Lake Accord. I am also very proud to say that all three political Parties are in support of the Meech Lake Accord.

[*Translation*]

I have been a Member of this House since 1968. In fact, it will be twenty years a little less than two weeks from now, and I remember very clearly when the referendum was held in Quebec eight years ago. At the time, Quebecers said yes to Canada and now it is time for Canada to say yes to Quebec.

[*English*]

In the last 25 or 30 years, this country has spent an awful lot of time and political energy on the constitutional issue. We have talked about this issue month after month, year after year, at various conferences around this country. Now, for the very first time in the last 30 years, we have unanimous agreement on a constitutional Accord for Canada that is signed by all 10 premiers, including the Premier of Quebec.

For me as a Canadian from western Canada, perhaps the most moving moment of the constitutional debate surrounding Meech Lake was when the Premier of the Province of Quebec, Robert Bourassa, sat at that table and put his signature on the Accord with the other Premiers of Canada and the Prime Minister (Mr. Mulroney).

[*Translation*]

Madam Speaker, it was in my view an historic moment for all of Canada, for all Canadian men and women, since we have now spent the last 25 or 30 years in constitutional debate.

And I do remember the last 25 or 30 years. At first I was only a young lad in Saskatchewan but I have vivid memories of the quiet revolution in Quebec. I clearly recollect the great quiet revolution headed by Jean Lesage, the former liberal premier of Quebec, and his ministers, René Lévesque, Gérin-Lajoie and many others who were there at the time of the quiet revolution in Quebec.

Afterwards, there was an evolution with Daniel Johnson as leader of the Union Nationale and I recall very well his campaign slogan or "Égalité ou indépendance". He won his election campaign on that slogan, on that platform.

Madam Speaker, after that I was elected in 1968 and I was here facing Prime Minister Trudeau and others, before the Victoria Conference, held in 1971. And as I remember very well, an agreement was signed in Victoria, in June I believe, by the Prime Minister of Canada and ten provincial Premiers, including also Premier Bourassa of Quebec.

After a few days however, Mr. Bourassa changed his mind, he was won over by many Quebecers such as Claude Ryan and others and he came back on his position. That was the end of the Victoria Agreement of 1971.

Madam Speaker, after that, as you well know, there came November 15 1976, the election of the *Parti Québécois*, the election of René Lévesque and his crusade for independence and sovereignty-association and the May 1980 referendum.

After that, there was Meech Lake last year. And that is how the constitutional debate has evolved, not only for Quebecers but for all Canadians.

• (1920)

[*English*]

Quebec has been holding out its hand and saying: "Look, we have signed a document, we are ready to come into the Canadian constitutional family, here is a piece of paper, come and sign it with us and approve it with us". We must accept that gesture. We must not at this time fail to reach out to Quebec. We must seize the historic moment and sign the Meech Lake Accord.

I was one of the Members who sat last summer on the special joint committee of the Senate and House of Commons during July and August hearing witness after witness. I want to refer to the words of Madam Chaput-Rolland which were some of the most moving words we heard about the necessity of seizing this historic opportunity and ensuring that we pass a resolution in this House and all across the country in favour of the Meech Lake Accord. The special joint committee of the Senate and House of Commons was co-chaired by Senator Tremblay and the Member for Cambridge (Mr. Speyer). I quote from the report at page 139. Madam Chaput-Rolland said:

> I think none outside Quebec knew the reality of the referendum. I travelled throughout Canada, about a few months after. It was all over, eh? Good. It was not exactly all over. Families against families, towns against towns, fathers and mothers not speaking to their children.
>
> During the Referendum we spoke with thousands of Quebecers. Women wanted to leave to their children a country as big as the one they had received from their father. That was mainly the article that reached the heart, because you are right: in this country if we put a little more heart into what we are doing, maybe we would be aware of the hurt we inflict on others.
>
> And then we came home. We went back to the National Assembly, back to our villages, back to our houses, back to the friends that were no more friends; they were on the "yes", we were on the "no". It was not a picnic, it was not a social gathering, it was not a think-tank, it was a battle between brothers, a dangerous, divisive battle, and we still feel it. It was not 100 years ago, it was seven years ago that we lived that referendum.
>
> English Canada could not care less one month after, and it stung me and it stung all of us who fought so hard to remain in Canada and to find ourselves outside of Canada. You know, it was a very dramatic gesture when Mr. Levesque put the flag of Quebec at half mast on the day you were all celebrating here. But our hearts were at half mast too that day, because we were out of a country we had chosen to remain.
>
> So the Accord of Meech Lake brought us something "incroyable" as a gesture of friendship.

It is very important that we all listen to the words of the Madam Chaput-Rolland. She was on the Robarts-Pépin Commission on National Unity and is a very wise and

intelligent Quebecer. She goes on to give English speaking Canada a warning. She says:

> But surely by now, surely, you all know that if Meech is to fail for whatever reason, there can be no more negotiations, no more justifications. If Quebec is once again to realize that it is more difficult to opt in Canada than to stay out of Canada, then surely, you know that the roads of tomorrow can only lead to another form of independence, but this time not chosen by any political party in Quebec, maybe chosen and imposed on Quebec outside Quebec.

[*Translation*]

Madam Speaker, that is what Mrs. Chaput-Rolland said when she testified before our Special Committee on the Constitution last year.

[*English*]

I accept her warning that if we do not seize this opportunity and accept the Meech Lake Accord as it is we may have some extremely divisive and troubled times ahead in terms of keeping this great country of ours unified.

Therefore, my first point is that we must accept this historic opportunity. My second point is that I believe the Meech Lake Accord offers this country a new vision of co-operative federalism, a vision of national conciliation, of reconciliation that recognizes the great diversity of this country; on one hand a strong federal Government and on the other hand provinces that are treated as equals and respected in their own domains of jurisdiction.

That vision of co-operative federalism is not a new vision in this country. I remember very well the 1960s when Mr. Pearson talked a lot about co-operative federalism and negotiated the Canada Pension Plan and the Québec Pension Plan, recognizing that Quebec was different and unique and wanted to handle its own affairs in terms of a pension. Mr. Pearson was moving with the co-operation of both opposition Parties in those days.

Tommy Douglas talked an awful lot in those days of co-operative federalism. In Quebec he had with him Robert Cliche, a tremendous Quebecer who talked about the uniqueness of Quebec and the need for a vision of a co-operative federalist society in Canada. In the Conservative Party in those days there was Robert Stanfield, another great Canadian who recognized the importance and value of diversity in this country and the need for co-operative federalism.

In 1968 Pierre Trudeau was elected. Even though I have tremendous respect for Pierre Trudeau in many areas such as the Official Languages Act, the Charter of Rights, his intelligence, his frankness, and his honesty in terms of conducting public affairs, the one area in which I violently disagree with his philosophy, dream, and vision is in how he saw Canada in terms of federalism.

I think that in that particular area Trudeau set this country back by 20 years. We are now, with the Meech Lake Accord, where Pearson, Douglas, Stanfield, Robert Cliche, and all those other people were in the late 1960s. We had a national consensus then. Since then we have had 20 years of confrontation, 20 years of centralism which was too rigid, and 20 years of inflexibility in terms of federalism. Now we are back into an era where this country was 20 years ago. That is another reason why I support the Accord that is before us today.

• (1930)

This afternoon we heard from the Hon. Member for Saint-Henri—Westmount (Mr. Johnston). Although I respect the gentleman, as an Hon. Member opposite said, it was a voice from the past. He spoke of a Canada of yesterday. It is a Canada of yesterday that all three political Parties in this country reject.

I can say that I am proud to see a Leader of the Liberal Party get up and reject that voice of the past and the philosophy of yesterday when he, along with my Leader and the Prime Minister spoke about a co-operative federalism and a Canada that is flexible and built on diversity, with a strong federal Government and provinces that are created equally.

In addition to the historic opportunity and co-operative federalism that the Meech Lake Accord embraces, there are a number of other reasons why I believe this Accord is positive for all Canadians, regardless of where we live.

The third reason is the distinct society. The clause recognizes Quebec as a distinct society within Canada, and I stress that it is within Canada.

[*Translation*]

Saskatchewan, where I come from, is not a province with a large French-speaking community since only 5 or 6 per cent of the population speak that language. Nevertheless I think it is important to recognize that Quebec constitutes a society different from the rest of Canada. It is not a province like the others. It must have a different status and, as I said, that fact was recognized long ago by Mr. Pearson and his Liberal Government in the 1960s, by Mr. Stanfield when he was leader of the Progressive Conservative Party and leader of the Opposition here in the House, as well as by Messrs. Tommy Douglas and David Lewis as national NDP leaders and Mr. Robert Cliche as NDP leader in Quebec in the 1960s.

And I remember very well the national consensus among the three political parties on issues relating to Quebec and its reality. Quebec is different from the other provinces. I also support the Meech Lake Accord because it recognizes Quebec's distinct society and that reality is now acknowledged in the Canadian Constitution.

[*English*]

The fourth reason why I support the Accord is the amending formula itself. I come from a small province, with some one million people or about 4 per cent of the population of Canada. We maintain the same amending formula that there was before, in most cases. In order for constitutional amendment, the requirement is that the federal Parliament pass the resolution and seven provinces, representing 50 per cent of the population of Canada, also approve.

That recognizes the equality of the provinces in Canada and recognizes that in a federal state, Prince Edward Island is equal to Quebec, is equal to Ontario, that Saskatchewan is equal to Newfoundland. In a federal state, all provinces must be recognized as equal on the one hand, while on the other hand, there must be some recognition of the population difference. Our amending formula states that we need seven provinces, but those seven provinces must represent 50 per cent of the population of Canada.

Every federal state in the world of which I am aware has a similar amending formula and recognition of the equality of states. For example, in the United States there are two senators per state, whether it is Rhode Island, California, Maine or New York. That equality is recognized in this amending formula.

The fifth reason why I support the Accord is the spending power. My friend, the Hon. Member for New Westminster—Coquitlam (Ms. Jewett), already stated that for the first time in Canadian history the Constitution will refer to national objectives, where federal spending power can be used in terms of national objectives. As she pointed out, Mr. Pearson had attempted this many times in the 1960s without success. For the first time, this will be reflected in the Constitution of Canada as a result of Meech Lake.

The sixth reason why I support the Accord is that it recognizes that this country is a federal state through the way Supreme Court Justices will be appointed in this country. Until now, the Prime Minister, the Minister of Justice or both would unilaterally appoint a justice of the Supreme Court. While a practice had built up whereby provinces were consulted, bar associations were consulted and there was a mechanism for consultation to take place, the federal Government ultimately would unilaterally appoint a justice of the Supreme Court.

According to the Meech Lake agreement, the federal Government can choose from a list that is submitted by the provinces. In other words, there is a co-appointment of the justice of the Supreme Court. I believe that is only proper in a federal state. The Supreme Court is not solely the instrument of the federal court but is in Canada as the highest court of our land which often must mediate between a federal government and a provincial government in disputes. My Party and I wholeheartedly endorse the approach we see in the Meech Lake Accord.

I have stated the reasons why we support the many positive aspects of the Accord. Our Party has suggested for some time that there are some things missing from the Meech Lake Accord. My Leader mentioned today that there is a lack of fairness for northern Canadians, a lack of fairness for women in this country and a lack of fairness for the aboriginal people of Canada.

Last summer, when we were writing this report to present to the Parliament of Canada, our Party, including myself and the Member for New Westminster—Coquitlam, included addendum B which is found at page 155 of the special joint report. At that time we suggested that the Prime Minister and the premiers go back to the table to try to reach a consensus and clear up at least three areas that are not fair for many Canadians.

The first area of unfairness is the way the Meech Lake Accord unjustly treats the people of northern Canada. The change in the amending formula requires unanimity for the creation of new provinces. That is not fair. My province came into Confederation in 1905 through negotiation between the province and Ottawa. Newfoundland came in in 1949 in a similar fashion, as did Manitoba, British Columbia and Alberta. Suddenly, unanimity is required for the creation of new provinces. That is unfair to the people of the Yukon and Northwest Territories and I urge First Ministers to go back and renegotiate an Accord to include an element of fairness for the creation of new provinces. I believe that would have the support of all Members of the House.

The same applies for the appointment of Supreme Court justices. The provinces will submit lists, but what about the Northwest Territories and the Yukon? They are not provinces and there is no mention in the Accord about the territories. Both territories are treated as second class citizens.

Section 28 of the Charter of Rights talks about equality rights for women in this country. That should be included in Clause 16 of the Meech Lake Accord so that it is very clear there is no discrimination whatsoever based on gender.

Third, there must be an element of fairness in the Accord for the aboriginal people of Canada. Why not do what Pierre Trudeau did in 1981, when he held a conference with all the premiers to discuss women's rights in this country? They eventually agreed, after much pressure, to insert rights for women of Canada in the constitutional agreement at that time. Why not try the same thing in these three areas? If it fails, so be it, but if not, it will improve the Accord and make it much better for all Canadians.

In conclusion, we also suggest that the Constitution should be expanded in the future to recognize not only the duality of this country as a fundamental characteristic of Canada, but recognize the multicultural and ethnocultural reality as a fundamental characteristic of Canada. There must be Charter review to do something about Section 33 in particular as it pertains to minorities and visible minorities.

Finally, I believe we should democratize the process in the future, as suggested by the committee, so that more Canadians are involved in the process of constitutional change.

• (1940)

Mr. Berger: Madam Speaker, I would like to refer to a comment made by the Hon. Member for Yorkton—Melville (Mr. Nystrom). During his remarks he referred to the Hon. Member for Saint-Henri—Westmount (Mr. Johnston) as being a voice from the past. I would like to put to him, as I

pointed out earlier in this House, that there are two competing visions of Canada at play here, both equally legitimate. One holds that Canada is greater than the sum of its parts, that there has to be some way for the national interest to find its expression through our federal and national institutions. The other vision is that we owe our allegiance, perhaps, to the provinces or regions from which we come. These are two visions and I think they are equally legitimate. I think it is wrong to refer to the vision I hold as being a vision from the past.

I would also put to the Hon. Member that perhaps there is a curious intergenerational issue at play. I feel many young Canadians and many young Quebecers do not have the same kind of preoccupations held by the Premier of Québec today. When the Hon. Member talks about voices from the past, I can only tell him that I am happy that the Liberal Party has been the only Party which has focused this debate. The focus on the Meech Lake Agreement has been in the Liberal Party. It had to take place somewhere, and I am glad it has been within our Party. Canadians clearly are concerned. A Gallup Poll in April indicated that support for the agreement had dropped by half in the last year. I am glad there are young Canadians and young Québecers out there. I could name someone like Timothy Danson, a lawyer in Toronto, the son of a former Cabinet Minister, and John Kaplan, the son of our former Solicitor General. I read in the paper a few weeks ago John Kaplan was travelling throughout the country this summer on a campaign against the Meech Lake Agreement. He says he has agreed to disagree with his father on this particular issue.

[*Translation*]

I could speak about Michel Simard, a young Quebecer who shares our vision of this country.

[*English*]

I could speak about a young Canadian of Greek origin. He was born in Canada but his parents came from Greece. His name is Bill Mavridis. He wrote a letter to the editor a couple of weeks ago expressing his concerns and opposition to this agreement. These are all young people probably under 30 years of age. I do not regard them as voices from the past.

All I can say is that the Hon. Member's Party is out of step with the times and his Party will pay for it eventually.

Mr. Nystrom: Madam Speaker, the question was one about two competing visions. I do not really think there are two competing visions. I think there is a great national consensus of three Parties. I ask my friend in the Liberal Party to look at his own Leader's speech today and understand and realize how most members of the Liberal Party are going to vote when it comes to the Meech Lake Accord.

He should also look at the history of his own political Party. If I remember its history correctly, there was former Prime Minister Laurier, one of the great leaders of the Liberal Party, who said: "You get unity through diversity". He did not mean great centralization and everything being controlled by Ottawa. Lester Pearson in the 1960s was one of the fathers of the whole philosophy of co-operative federalism. It was Mr. Pearson who brought in the Canada Pension Plan and the Quebec Pension Plan and who recognized the uniqueness of Quebec and the diversity of this country. It was the Liberal Cabinet of that day that moved in unison along with the country toward recognizing the vision of the country we now have with the Meech Lake Accord.

It was the Opposition of that day, led by people like Bob Stanfield, who also recognized that Quebec was unique and different and that the country was diverse. It recognized that our country was going to grow strong by realizing its diversity and building upon it. It was the New Democratic Party led by Tommy Douglas and great people like David Lewis who also supported that vision in the 1960s. We had a consensus in those days that Quebec was unique, different and distinct as a society. We realized we had to build this country on a foundation of co-operative federalism, that there was diversity and we needed flexibility and harmony, that we would achieve it through this kind of approach.

Then there was Pierre Trudeau, and I suggest rather than having a different vision, Trudeau was an aberration who set back national reconciliation and nation building in terms of the Constitution of this country by 20 years. In 1988, we are back in 1968 in terms of a national consensus. Today, to his credit, the Right Hon. Leader of the Liberal Party (Mr. Turner) is back where Pearson, Laurier and the Liberals were in the 1960s. Mr. Turner is there now with a majority of people in his Liberal Party. Sure, there are some voices from the past like the Hon. Member for Saint-Henri—Westmount but Mr. Turner knows where Canada is in terms of nation building and how he wants to organize this great federal state of ours. He knows because that is where his Party was back in the 1950s and 1960s. That is where the CCF was, that is where the New Democratic Party was, and that is where we are today. I am proud because of those reasons that we once again have this national unity in terms of how we approach this country.

I am also proud to say that after Quebec ratified this Accord in a resolution of the Quebec National Assembly—

[*Translation*]

If I remember correctly, it was in July that the Quebec legislature ratified the Constitutional Accord.

[*English*]

After that, the first province that did so was the Province of Saskatchewan, with the support of all three Parties in that province, including the Leader of the Liberal Party. I am very pleased to see this kind of opening up toward Quebec and toward a vision of co-operative federalism in western Canada, and indeed, all across this great country of ours. Rather than two visions, I think we have some kind of a throw back to the past with Pierre Trudeau, Marc Lalonde, Jimmy Coutts and Keith Davey. Once we go beyond that circle, we are really scrambling to find a few more names.

[*Translation*]

Mr. Berger: As I was saying in my remarks to the Hon. Member for Yorkton—Melville (Mr. Nystrom), Madam Speaker, I repeat that the House was presented with two different visions of Canada, both legitimate. One vision . . .

[*English*]

And that is that Canada is greater than the sum of its parts.

[*Translation*]

You will admit that this is not easy to say in French. The other vision is that our loyalty is first and foremost to the provinces or regions we live in. Personally, I feel that there should be a way for national interests to be expressed in a federation. We must find a way for the national interests to be reflected in our institutions, failing that we might witness the break up of our country not because the men and women sitting here in the Canadian Parliament are wiser, but simply because we have been elected to promote the national interests.

The Provincial Governments and legislatures have a more restricted mandate, which is to promote the wellbeing of their province, something which, you will certainly admit, is sometimes quite different from the wellbeing of the country as a whole.

Over the past six months, we have seen just to what extent the Meech Lake Accord is detrimental to the national interest and to what extent the Prime Minister (Mr. Mulroney) has failed to understand where the national interest of Canada really lies.

Let us have a look at the debate on the linguistic rights of Francophones in Saskatchewan. Let us remember the remarks which the Prime Minister made—I do not have the exact quote—when he stated that if the linguistic rights of minorities were not well protected, it is because the minorities had been overlooked in 1981 by the previous Government. The Prime Minister has also stated in the House, and I quote: "The only way to protect the linguistic rights of minorities in Canada is to include guarantees to that effect in the Constitution".

With all due respect, Madam Speaker, I will say that the Prime Minister is trying to rewrite history. We are aware that the Prime Minister had held several positions and now he would like to play the part of an historian. I feel that Canadians will seek elsewhere an assessment of history.

I feel that the history of our country can be defined as a constant effort to ensure equality among all Canadians. The Prime Minister and the Meech Lake Accord have broken with this tradition. Those who want to have a fair assessment of history should refer to the statement made by former Prime Minister Pierre Trudeau when he appeared before the Senate on March 30th at which time he reminded us of the efforts of such persons as Henri Bourassa to protect the rights of Francophones in Western Canada: "The purpose was to make sure that Francophone and Anglophone Canadians felt at home everywhere in Canada". To achieve this, the Constitution of 1867 included such provisions are Section 133 and Section 93.

In the 1960's, the Laurendeau-Dunton Commission described the linguistic guarantees which I have just mentioned and which dated back to 1867 as pre-concepts of equality. The commission was seeking equality and increased rights and mention was made in its recommendations about what had to be done for the Federal Government and even the provinces to consider Francophones and Anglophones as equals. With respect to employment opportunities, the courts and services offered by federal Government agencies like the CBC or Air Canada, there is no need to go over all the details of major advances made as a result of work done by the Laurendeau-Dunton Commission and of the Official Languages Act of 1969.

The 1982 Charter of Rights enshrined a number of these gains in our Constitution, and we went one step further by including minority language educational rights in Section 23 of the Charter of Rights.

As you can see, Madam Speaker, for 120 years or since 1867 we have been trying to widen, more clearly define and guarantee the rights of all Canadians. That was the work of the Fathers of Confederation. That was the goal of Henri Bourassa, that was the objective of Commissioners Laurendeau and Dunton, and that is what we did in 1982.

Today the Prime Minister (Mr. Mulroney) may very well blame us for not doing more and endorsing the notwithstanding clause. There is always room for improvement, Madam Speaker, but at least we were headed in the right direction.

Such was the history of our country until the day this Prime Minister appeared on the national scene. Before he was elected, the curve of rights was pointing upwards, but now it has shifted and the pattern is just the opposite. So far it has been a trend towards more equality and more rights, the ultimate goal—I mentioned this a moment ago—being to have all Canadians, both anglophone and francophone, feel right at home anywhere in Canada.

The Meech Lake Accord is the first historic constitutional document which takes us one step backwards. With the Meech Lake Accord we are not seeking more rights but a political agreement which ignores rights, which creates an ambiguity that ought to be dispelled by the Supreme Court, of course, but still which leaves a cloud of uncertainty over the maintenance of historic rights.

When the Prime Minister never misses an opportunity to blame somebody and say that the rights of minorities are badly protected, when he claims that the only way to protect rights is to include them in the Constitution, he is guilty of shameful hypocrisy, Madam Speaker. If minority rights ought to have been better protected under the Constitution, why did he fail to do just that at Meech Lake? That is the question I would like to ask him today.

Perhaps the Prime Minister does not understand the logic of his approach. It has always been in the national interest to recognize the French fact and the English fact everywhere in Canada. It is in the national interest that Canada as a whole feels obliged to promote the two languages. With the Meech Lake Accord, we revert to a less generous vision, where provincial interests are paramount. We said the same thing a year ago, six months ago, during the debate which occurred here in September, in October, but now, recent events have confirmed our position.

With the Meech Lake Accord, we are heading towards a French Quebec and an English Canada. Instead of recognizing that linguistic minorities are an integral part of this nation's fabric, we barely accommodate them. We acknowledge their existence, but without conviction.

• (1950)

[*English*]

One would have to be deaf not to have heard the concerns about the Meech Lake agreement expressed by linguistic minorities during the course of the past year. I invite any Member of the House to read the papers or to obtain a tape of the Peter Gzowski show from two months ago on which he talked about the state of bilingualism in Canada today. He interviewed Anglophones in Quebec and Francophones outside Quebec. Hon. Members will see what they had to say about this agreement and how they expressed their concerns.

Yesterday I had an 11-year old boy who is in grade five, an English-speaking Quebecer, come to interview me. He asked me a number of questions about my political career and about the upcoming election. One question which he asked me toward the end of his interview was as follows. He said: "What is the future of the English in Quebec?" I had hoped that that question had been laid to rest over the course of the past 15 or 20 years. I thought it would be unnecessary for an 11-year old English-speaking Quebecer to ask such a question.

• (2000)

The same thing applies to Francophones outside Quebec. I would have hoped that they would not have to ask questions about their future, that their future would be guaranteed. They would be getting a pat on the back, an extra dose of generosity, as the Prime Minister (Mr. Mulroney) has referred to in his speeches, but which we find absent in the Meech Lake agreement. Why? Because, as I have tried to explain, that is the essence of what this country is all about. Obviously there has been concern with Meech Lake. One does not hear that very often in the House today. Obviously there has been concern because of the actions of certain provincial Governments.

[*Translation*]

Indeed, Madam Speaker, at the first opportunity following the signing of the Meech Lake Accord when a government had the choice of maintaining or abolishing the rights of its linguistic minority, it chose to abolish them. I am referring, of course, to Saskatchewan, the first province to ratify the Meech Lake Agreement and one of its staunchest supporters. Premier Devine of Saskatchewan, said that from now it would be up to his government to decide when and if provincial acts will be translated in French.

Therefore, the rights of the Francophone minority of that province are at the mercy of the majority. Mr. Bourassa did not want to intervene when he went to Saskatchewan because he did not want other provinces to meddle in the affairs of Quebec later on. And here is what Mr. Bourassa said before going to Saskatchewan, in Victoria, on April 12 last, and I quote:

[*English*]

"Mr. Getty . . . ", and he is referring here to the Premier of Alberta, " . . . was expressing an obvious fact with which I am in agreement. I take care of language questions in Quebec, and he takes care of language questions in Alberta. That is a self-evident fact". He goes on to say: "I don't think I would be justified in interfering in the powers of other provincial jurisdictions, just as I hope that in Quebec we can take care of our own problems on our own".

Again, I think that most Canadians can see that that is a satisfactory statement coming from the mouth of a provincial premier, but it is not the type of vision of this country that we want to entrench in our Constitution.

[*Translation*]

So, the Saskatchewan matter is a good lesson. It shows the consequence of forgetting the national interest and giving precedence to provincial interests.

I am not blaming provinces, Madam Speaker. They are not required to act in the national interest. Such is not their mandate—it is the national Government's mandate, the mandate of Members here in this Canadian Parliament.

Six months ago, we were told the Prime Minister was relinquishing another aspect of national interest in the area of federal spending power. As we know, under the Meech Lake Accord, provinces can opt out of shared cost programs, with compensation, provided their provincial program is compatible with national objectives.

My concern and that of many others was that it would be impossible to set up new social programs with such a provision. Six months ago our points were rather academic, but today we have an example of new funding programs for childcare services that are satisfactory to no one, including the Quebec womens' groups that oppose the programs. Indeed this is a childcare program in name only, because there is nothing to deal with workers' health, safety, security and qualifications, training requirements, the number of children under the care of each worker, and so on.

This Conservative Government is proposing a program devoid of basic criteria because it fears such criteria would

cause provinces to opt out, thus vindicating the Meech Lake's opponents.

I am not asking for uniformity, Madam Speaker, nor that the Canadian Government should dictate how provinces should manage their programs. What I am looking for is a compromise that would come out of negotiations between both levels of government. That is what federalism is all about. Each level puts forward its own vision.

This leads to healthy competition that benefits all Canadians. Indeed, it is the only way to consider new social programs or an overall reform of our existing social programs, because with the huge cost of that reform and that of new programs, neither provincial nor federal Governments can proceed alone. But under the Meech Lake Accord the dice are loaded. The federal Government, as we have seen with childcare, cannot afford to put forward its own concept because it fears provinces would opt out. So what we are left with is a hollow program where the Canadian Government is limited to keeping the books, supplying money to provinces and saying nothing as to program contents. Under those terms, Madam Speaker, there will be no future social program. The federal level will refuse to take up the odium of taxing in order to transfer moneys to provinces without saying anything about program contents.

Many other examples of how the Prime Minister sacrificed the national interest come to mind, but I cannot mention them in a 20-minute speech. We know very well that Quebec asked for a veto for historical reasons. The Prime Minister gave all provinces a veto for a series of issues, like the future of the Senate.

A few weeks ago, a Minister in the Alberta Government said that his province would object to any constitutional reform unless it obtained an elected Senate with equal representation for all provinces. The veto that Alberta has obtained on several aspects of the Constitution will enable it to do so and block the constitutional development of the whole country.

So I ask you, Madam Speaker, is this the way to encourage the healthy development of the country? I am sure that many Quebecers and many Canadians will say no.

Madam Speaker, in the statements by the leaders earlier today, I detected a note of unreality, because they took the Meech Lake Accord as a *fait accompli*. But it is becoming increasingly obvious that the Meech Lake Accord will not be adopted in its present form. Indeed, more and more Canadians are asking questions about the Meech Lake Accord and wondering whether it is really the best way to ensure the country's future.

If you allow me to conclude, Madam Speaker, the amendments proposed by the Liberal Party are a step in the right direction because we will have to find a way out, some way to go beyond the Meech Lake Accord, since, as I was just saying, it will not pass in its present form. As I said, the amendments proposed by the Liberal Party are a step in the right direction but the amendments drawn up by the Hon. Member for Saint-Henri—Westmount (Mr. Johnston) and myself better reflect the philosophy and traditions of our Party.

Madam Speaker, perhaps on a point of order, I could make a few comments . . .

Mr. Prud'homme: I rise on a point of order, Madam Speaker.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Saint-Denis (Mr. Prud'homme) on a point of order.

Mr. Prud'homme: The debate is proceeding in an orderly fashion. It is time to make comments. I shall ask the Hon. Member whether he has further comments to make. It could be taken on his 10 minutes. Then, there would be no problem, because the debate is proceeding in an orderly fashion.

It is a personal comment which I wanted to make. We will thus keep the order in the House.

The Acting Speaker (Mrs. Champagne): Then, we have reached the period of questions and comments following the intervention of the Hon. Member for Laurier (Mr. Berger). Evidently, he could answer a question put by the Hon. Member for Saint-Denis.

Mr. Berger: Madam Speaker, I want to thank the Hon. Member for Saint-Denis (Mr. Prud'homme). In concluding, I want to say that I understand the enthusiasm with which the signing of the Meech Lake Accord was received. When I say enthusiasm, I am referring to the enthusiasm of Quebecers, because Quebec got what it asked, and more. There is a lot in the Accord that is far removed from the initial positions. However, Quebecers are Canadians too. That is the point I am trying to make today. It is important for us to know what impact this Accord will have on Canada. We should consider the national as well as the provincial perspective, and realize that if Canada is weakened by the Accord, Quebec is the loser.

I want to ask Quebecers and my colleagues here in the House to reflect on the significance of the political achievements of Trudeau, Marchand, Pelletier, Sauvé and so many others. These French Canadians imposed their way of seeing things on the entire country. Our economic, social and cultural policies in this country were shaped and influenced by their philosophy. They showed by their actions what French Canadians can aspire to in this country. They can aspire to leadership roles, to positions in which they can influence the direction in which this country is going. We can and must ensure that our national institutions reflect the values, needs and aspirations of French Canadians. They were convinced, and I share their view, that the best way to guarantee the future of French in this country is to involve the entire country in promoting its existence. It is a role that is as appropriate for the Parliament of Canada as for the provincial legislatures and the Quebec National Assembly, and I am referring to the promotion of the French fact. It is a modern vision that recognizes the fact we are living in a global society and that

Quebecers should not limit their aspirations to a single province.

As Quebecers and Canadians, we must realize that we do ourselves a disservice if we ignore the national interest and if we undermine the ability of the federal Government to act in the best interests of all Canadians.

• (2010)

[*English*]

The Acting Speaker (Mrs. Champagne): Resuming debate.

Mr. Ian Waddell (Vancouver—Kingsway): Madam Speaker, as I rise to speak in this historic debate, I want to say to the Hon. Member for Laurier (Mr. Berger) that when he says Ottawa has had a role in promoting the French fact, it is fitting that he comes from the riding of Laurier. I think those are almost exactly the words Sir Wilfrid Laurier expressed as his philosophy of the role of French Canadians in Canada.

I am from western Canada and western Canadians in the past, and I think in the present as well, when they really think about it, have looked upon the federal Government to promote their interests and to help them when they were in need of help. The federal Government represents the larger entity that can sometimes deal with problems, both external and internal, which the provinces cannot. Of course that is the flaw in Meech Lake. In my view it creates not one distinctive Government but eleven distinctive Governments. When the Prime Minister (Mr. Mulroney) made this deal to get Quebec to accept the proposals in the 1982 agreement, he gave a lot of other powers to the provinces. In doing that he fundamentally weakened the federal Government.

Some of my colleagues disagree. I respect them, and I do not have a monopoly on wisdom. They may be right in the long run and I hope they are. However, my position is quite clear. I spoke in the House on October 22, 1987, as shown in *Hansard* at page 10287. I expressed my opposition to the constitutional Accord at that time.

To summarize, I said that I thought it was important to get Quebec's signature on the Canadian Constitution but it was not a priority such that nothing else mattered. The real priority was a good and sound Constitution. I felt the problem with Meech Lake was that it went beyond bringing Quebec into the Constitution. Under Meech Lake I believe the Senate would become a provincially controlled body endowed with enormous powers within 12 years, which would lead to a decline in the House of Commons. I think the Supreme Court will in effect be appointed by the provinces and, instead of a national institution, I see it becoming a protector of narrow provincial interests. I hope that I am wrong.

I see power as shifting away from Parliament, the provincial legislatures, and the people, to a constitutionally entrenched First Ministers' Conference which I see as a new level of super government, therefore weakening our power here in Parliament. By giving the provinces veto power in some key areas we make the amending formula too rigid and in certain key areas it will be impossible to change in the future.

If there ever was an egregious error it is in the treatment of northern Canada. Northern Canadians will not get a voice in the Supreme Court. Surely that is an egregious error. They cannot appoint Senators and cannot form new provinces without the unanimous permission of other provinces.

I said at the time that present and future spending programs like medicare and child care could be compromised because the provinces can opt out. Commentators differ on that, but some respected commentators say that it will be difficult to get the kind of national programs which progressive people in this country want.

There are people who say that women's equality rights, so hard fought for in 1982, could be put in danger by this Accord. There is dispute over that. The recognition of duality in Canada in the wording of the Accord neglects the original inhabitants and ignores the present reality of a multicultural Canada. Provincial power over immigration could result in a chequer-board of immigration policies across Canada with the possible restriction on people's freedom of movement from one province to another. I hope that does not happen. To some extent we will have to look to the future and trust that these things do not happen, but I see it as possible because of the Accord.

In my remarks tonight I do not want to repeat those arguments but to deal, instead, with some of the things the Prime Minister said today. I listened carefully to his speech and I share his desire to have Quebec sign the agreement. I share the obvious joy he expressed in being a Canadian. I shared his joy in seeing and experiencing this great country, yet I was disappointed by his speech. I did not think that it was very statesmanlike.

There was no mention—and I do not know that any of the Leaders mentioned this—that Meech Lake was in trouble. The fact is that Manitoba has said that it will probably not deal with it. Sharon Carstairs, who has the balance of power as Leader of the Opposition, says that it is dead.

Mr. Prud'homme: No, you have the balance of power.

Mr. Waddell: She said that. The Premier of New Brunswick said that he would not pass the Meech Lake Accord without amendments. However, the Accord must pass all the provinces, not just this House.

• (2020)

Yet I got the feeling, when I was listening to him, that it was sufficient for him to get this thing through the House now and deal with the by-election next week or the general election in the fall or the spring. The Meech Lake Accord and those people who believe in it in good faith will have to deal with the fact that it has to get through the provincial legislatures. I ask the people speaking in this debate why they and the Prime Minister did not talk about how it is going to get through. This

debate is as though we are debating in a vacuum. The Prime Minister also said in his speech: "We would open the agreement if there were egregious errors and we have not found any".

Surely the provisions dealing with northern Canada, for example, as one of the provisions, are egregious errors and worth changing. Some of us were here in 1981-82 during that historic time when we debated the Constitution not only here in the House of Commons but in the country at large. The Trudeau Government said at first, it could not make any changes. Gradually the Liberals needed the New Democrats' support in western Canada, and they gradually started to listen about making changes. I cite two areas: native rights and women's rights. These are areas where Prime Minister Trudeau came around. The Premiers said that they were not going to make any changes. They threw out native rights and women's rights, but Canadians forced the Premiers to make the changes. When Governments and even Prime Ministers say "we can't make any changes", I say: "You have done it in the past and you can do it again". I think those changes made a better Constitution. I am very proud to have voted for the 1982 Constitution in this House of Commons. I am very sad that I cannot vote for this Meech Lake constitutional amendment.

The Prime Minister said in his speech today that Meech Lake is consistent with the federal nature of Canada. I do not think so. I think it is quite different from the federal nature of Canada. This Meech Lake Accord gets the provinces into federal institutions for the first time. I have heard people say in this debate that those of us who are against Meech Lake do not understand it, have not read it properly, or are missing something, but let me quote Tom Berger, former Leader of the provincial NDP in British Columbia and former Judge of the Supreme Court of British Columbia. In *The Globe and Mail* recently we find that he said the following:

> But the provisions of Meech Lake relating to the North and to the Supreme Court of Canada also are of great concern; they may seem peripheral, but they go to the heart of the accord. Their impact is clear: they undermine the legitimacy of federal institutions.

That is a real concern. That is why I think it is different. It changes the federal nature of Canada by putting the balance too much on the side of the provinces. The Prime Minister said in his speech today that this builds on the previous constitutional accord. I kept thinking when he said that about our debate and our own Party, in I believe 1981, in Vancouver at our national conference in which the pros and cons in a very democratic and open debate were voiced on the 1981 proposals. It seems to me that in 1981 and 1982 those who spoke against the Constitution in that debate are now on the side of supporting the Meech Lake Accord. It was the decentralizers and that type of argument which lost the day in 1981 at our convention, and I think lost the day in this House in the vote on the debate, who are now for Meech Lake, with some exceptions.

I felt that the Prime Minister took the low road in his speech today. Let me give two instances. First, he said with respect to the native people that with the return of Québec into this deal it help aboriginal people. We have had three years of constitutional talks and no agreement with aboriginal people. Then we had one evening when the Premiers got together and there was power sharing. What the Prime Minister said today demeans the native people. What native groups are out here supporting the Meech Lake Accord? I cannot find any. How can the Prime Minister say that this will help the native people? That statement is demeaning and wrong.

His second cheap shot was against former Prime Minister Trudeau. The Prime Minister said that the previous Government put through the Constitution in 1982 with the notwithstanding clause in it; notwithstanding the Charter of Rights, the provinces and this Parliament could overrule the Charter of Rights. I saw Trudeau the night we passed the 1982 Constitution Accord in this House. I thought he would be a happy man but he was sad. I asked him why he was sad because it was his big night. He said he was sad because the Constitution was flawed, referring to the notwithstanding clause. The present Prime Minister came into this House today and said that we have a bad Constitution because the notwithstanding clause was inserted. He bargained with the Premiers but did not remove it. How can he come back to the House and take that kind of a cheap shot at the 1982 Constitution? When he was bargaining with the Premiers at Meech Lake he should have had the notwithstanding clause removed. I cannot see anything that the federal Government gained in this matter. I suppose the gain is having Québec included.

Perhaps we should be a little honest in this matter. I know that there are people in my Party who hold their views deeply on this matter.

Mr. Prud'homme: And they are all wrong, I suppose?

Mr. Waddell: In the executive meeting of the B.C. Party they voted against Meech Lake. When we had a provincial council meeting and an overwhelming vote of about 500 to 50 against it—

Ms. Mitchell: What about the caucus and the Leader?

Mr. Waddell: My colleague asked me about my caucus and the Leader. The caucus and the Leader have voted for Meech Lake. I want to put on the record—and I respect their vote—that the British Columbia Party, in spite of the leadership of the Leader, the provincial Leader, the party president and the caucus, voted against Meech Lake. Why? They obviously hold their views deeply. Similarly in Nova Scotia the Party voted against it. There is a lot of division on Meech Lake.

Let me ask what will happen now. I do not agree with Sharon Carstairs. I do not think Meech Lake is dead. I think Gary Doer's Manitoba is more correct when he says Meech Lake is in trouble and it needs some changes. I think the federal Government should think about how it will make changes to it.

• (2030)

From this whole debate and the amendments put forward by my colleague, the Hon. Member for New Westminster—Coquitlam (Ms. Jewett), by members of the Liberal Party and by others, some amendments can be distilled. I think this thing can be changed before it finally passes. I would suggest that the Prime Minister consider sitting down with Mr. Rémillard, the Interprovincial Affairs Minister from Quebec, Ian Scott from Ontario, the Attorney General of Saskatchewan, Mrs. Carstairs, Mr. Doer, a representative of the Premier of Manitoba, as well as the Premier of New Brunswick. Perhaps there may be some amendments that would be acceptable to the various groups involved so that a constitutional deal could go through in the Canadian tradition which is more by consensus than by having something rammed through. If that does not happen, I think Meech Lake will die, and the proponents of Meech Lake have to face that.

I would suggest that in the long term we have to change our method of constitutional amendment. The wheeling, dealing, last minute, back room bargaining is not the way a modern Constitution should be changed. I think there is sufficient good will to have accommodated Quebec and all the other interests, native, women, and multicultural. Some interests will clash, that is true, but other interests can be worked out and we could have an agreement that would have more support.

Meech Lake does not have the support of the people of Canada. Can Hon. Members not see that the emperor has no clothes? Some Members are reluctant to vote for it and will abstain. The whole tone of this debate is different from that of 1982. We as a country can do better. We can come up with a Constitution with which we can all live.

I want to close by saying that I do not know what the future holds for Meech Lake. I think it could be dead and we have to face up to that fact. I have said that Parliament and the Supreme Court are national institutions and the flaw in Meech Lake is that it provides that nominations to the court are to be made from a list prepared by the provinces, in effect giving them control of the appointments, and the same is true for the Senate.

The provisions relating to the creation of provinces in the North and to the Supreme Court of Canada reveal the thinking behind Meech Lake, and that is that national institutions are thought to be without legitimacy unless the provinces share in the power that the national Government used to exercise. This represents, in my view, a diminished federalism, an irresolute idea of Canada. I believe Meech Lake can be rewritten and it ought to be rewritten. It is not my idea of Canada, and I think we as a country can do better.

Mr. Berger: Madam Speaker, I would like to return to the question of the status of Quebec after the 1981 constitutional agreement was reached on November 5. The Hon. Member referred to that in his speech and mentioned the vote in the House. He said something about 75 Québecers, and then I said "70". Actually the number former Prime Minister Trudeau referred to in the Senate was 71, and he was referring to some research that had been done by someone else. I have not checked the record myself, but I think we can safely assume that there were 71 Quebec MPs representing the whole province who voted for the agreement, and four against.

The National Assembly of Quebec passed a resolution on December 1 opposing the patriation package, and that resolution was adopted by a vote of 70 to 38. Thirty-eight Liberal Members of the Quebec National Assembly refused to condemn the patriation agreement. So we have a total, therefore, of 109 elected representatives from Quebec, here in Parliament or in the National Assembly, who voted for the patriation of the Constitution and 74 who voted against it.

It might be of interest to the Hon. Member that the resolution that was proposed by the Parti Quebecois at the time reads as follows:

> The National Assembly of Québec,
>
> mindful of the right of the people of Quebec to self-determination, . . . declares that it cannot accept the plan to patriate the Constitution unless it meets the following conditions:
>
> 1. It must be recognized that the two founding peoples of Canada are fundamentally equal and that Quebec, by virtue of its language, culture and institutions, forms a distinct society within the Canadian federal system and has all the attributes of a distinct national community.

This clause was opposed by members of the Quebec Liberal Party in 1981 when it was presented in a resolution by the PQ. That same Quebec Liberal Party, several years later, under the leadership of Mr. Bourassa, proposes the same thing that his Party voted against earlier, and that is the identical language we find in the Meech Lake Accord. It makes interesting reading and I commend it to the Hon. Member.

Mr. Waddell: Madam Speaker, we are coming at this from different parts of the country. People in British Columbia are asking if I can put it into the language of the street: "Why the heck are you giving Bill Vander Zalm and the likes of him power to eventually control the Senate of Canada, power to put their nominees on the Supreme Court of Canada"? They are asking: "Are you crazy, what are you doing?" This is how many of the people of British Columbia feel. I know that Premier Vander Zalm will not be there forever, but that is the feeling of the people of British Columbia.

The Hon. Member is an English-speaking Quebecer, and I realize the difficult position of English-speaking people in Quebec. There is a feeling in my part of the country that we are not opposed to recognizing Quebec as a distinct society, providing that minority rights can be protected in Quebec. We know it is a strange situation because the majority is really a minority. The French majority of Quebec is a minority in Canada, so it has to have powers to protect itself. I am not against that and I am not against Quebec signing this agreement. I want to clear this up in case I gave the opposite impression in my speech. I am damn glad that Quebec signed it. I was only saying that we should be realistic. Quebec did

not sign before because it was a separatist Government and it was not going to sign anything.

When we make a deal with Quebec, as we did, let us not make it at the expense of the national institutions which protect, in the long run, both French and English. I said originally, if I can use the language of the street again: "You know, Canadians don't think of Mario Lemieux as Team Québec or Wayne Gretzky as Team Alberta; they think of both of them as Team Canada". I think that Trudeau proved that with his victories in Quebec, and so did Laurier. Canadians, both French and English, think of the whole country.

By rejecting Meech Lake, I am not rejecting Quebec or the distinct society of Quebec or Quebec in Canada. I am concerned about this wheeling and dealing that the Prime Minister has done which has fundamentally weakened the country by ignoring the legitimate aspirations of our native people, of women, and of multicultural groups, and by allowing the provincial premiers, the Vander Zalms and the Devines, into the Supreme Court and ultimately into control of the Senate. We will rue the day when that comes through. I hope I am wrong, but that is how I see it and that is how I think a lot of people in my home Province of British Columbia see it as well.

• (2040)

Ms. Audrey McLaughlin (Yukon): Madam Speaker, I rise tonight to speak on this amendment with mixed feelings. First, I am pleased that we are here to debate a constitutional amendment which will serve its first purpose, that is, to bring Quebec formally back into the Constitution. This is an extremely important part of Canadian history. I, people from my constituency, and others from the North support it, in that we know that it will greatly enhance Canada as a nation. Without Quebec formally in the Constitution, without recognizing the distinct qualities of Quebec, many of the contributions Quebec has made, and the integral part of the spirit, culture, and history of Quebec, we have not been a full and whole country.

While appreciating the accomplishment of that important historic event, I want to speak about some compromises that have been made which I do not believe, if addressed, would unravel this Accord or be in any way detrimental to the fundamental purpose of having the Province of Quebec formally in the Constitution.

As a northerner, as someone from a constituency which has neither been consulted nor has been a party or signatory to this amendment, I rise with some sadness and perhaps some anger to speak about my concerns. It is sad that in so doing it may seem that I do not support the main intent of the constitutional amendment. That is certainly not true. However, it is extremely important for Canadians as a whole to realize the depth of feeling, the depth of solidarity, and the commitment which northerners have to furthering the constitutional process.

The Quebecois could probably best understand the feeling of being on the outside looking in which northerners have about this process. They could in a sense become our soul mates and, I hope, understand that what I have to say does not in any way detract from the important historical event but puts forward a problem that we are creating by rectifying a wrong.

In order for the circle of Confederation to be complete, it is essential that Members of the House also welcome northerners and accept the rights of Canada's First Nations, the aboriginal people. I will spend my time this evening addressing several main issues concerning this amendment, which concerns have been addressed by my Party through amendments that were voted down by the Government. Northerners will not forget which Party voted against the North and against aboriginal rights.

There are four main parts of the amendment which I will address, the first being the unanimity clause regarding the creation of new provinces; the second being the clause relating to the extension of provincial boundaries; the third being the failure to include the territories in appointments to the Senate and the Supreme Court; and the fourth being the failure to include aboriginal issues as a priority for First Ministers' Conferences and to redress that particular outstanding federal issue.

First, turning to the question about provincehood, since 1871 provinces came into the Confederation in negotiation with the federal Government. The purpose, one assumes, of this is that it is intended that the federal Government should have a Canadian-wide vision. Provinces, quite understandably and quite responsibly, have a priority of a provincial vision. One must wonder why we have a federal Government if the federal Government's purpose is not to provide an integrated whole and not to have a vision which rises above a parochial provincial one. It is for this reason, I assume, that new provinces historically, the last being the Province of Newfoundland in 1949, negotiated this with the federal Government.

Not only this federal Government but the former Liberal Government did not have this Canadian vision. In 1982, when the Constitution returned to Canada, there was the same issue concerning the creation of new provinces. The current Constitution states that, in order for a new province to be created, seven provinces and 50 per cent of the population must give their assent. The amendment under discussion tonight says, of course, that there must be unanimity in that consent.

I would like to give some examples supporting my assertion that neither the former federal Government nor the current federal Government had a Canadian vision which included the North. In 1981 the former Hon. Member for the Yukon moved an amendment to delete the sections on the requirements for new provincehood as well as the sections on boundary extension. The Liberal Government of the day defeated

that motion despite some very poignant pleas about why that should be deleted from the 1982 Constitution.

I quote, for example, one Member who said that should those measures, that is, the measures concerning provincehood and boundary extension, be enacted they would "virtually eliminate any hope that the two northern territories could evolve as a province, as did the rest of the country—this resolution—is offensive, repugnant and also ludicrous". That was said in reference to the provincehood resolution. That speaker went on to say that if these measures were to pass in the 1981-82 Constitution, the Territories "would be condemned to perpetual serfdom and to perpetual colonial status unless these offensive clauses are withdrawn".

The current President of the Treasury Board (Miss Carney) who made those statements in 1981 and six of her current cabinet colleagues obviously thought very strongly at that time that the clauses related to provincehood and boundary extension were seriously detrimental, since such terms as "serfdom" were used, to the furtherance of the northern parts of the country.

Both the Governments of the Yukon and of the Northwest Territories, for approximately the last two years, have been invited periodically to meetings of the Premiers on a number of various issues. They are signatories, for example, to a number of federal-provincial-territorial agreements. Very often Ministers from the Yukon and Northwest Territories attend joint federal-provincial-territorial meetings. In that forum the territories are regarded as a legitimate quasi-provincial Government, if not having all the provincial powers.

It is perhaps important at this point to reiterate that during the joint constitutional hearings held in the summer on the Meech Lake Accord it was clear that many people were surprised that both the Government of the Northwest Territories and the Yukon Government were quasi-provincial Governments. The federal Government has devolved many powers to these Governments in the areas, for example, of justice, health, forestry, social services, and so on.

Therefore, in both the territories we have a government leader who is analogous to a premier and a functioning legislature which meets on the same parliamentary rules as this House. These government leaders are elected, as are government members, by the population of the Yukon and the Northwest Territories. They are elected on the assumption that elected leaders represent the views of their constituents and will do so not only in the territorial forum but in the federal arena.

• (2050)

This assumption was somewhat rudely shattered when the Meech Lake Accord was under discussion. The government leaders of the Northwest Territories and the Yukon were not consulted, but they came to Ottawa to make their views known. They were not allowed to participate in the meeting to express those views and had to do so through the media and other means.

This is not the way for a country to reach a harmonious confederation. It simply is not at all conducive to the kind of harmony which this constitutional amendment strives to create.

Let me give another example to support my contention that the current federal Government does not seem to recognize that there are two territories in Canada. I received many letters from my constituency about a specific publication called *Strengthening the Canadian Federation: The Constitution Amendment of 1987",* which was put out by the Government in August, 1987. The front shows a lovely picture of all the flags of Canada. Of course, they are the flags of southern Canada and do not include either the flag of the Northwest Territories or the flag of the Yukon.

One can understand when northerners receive material like this that the message is very clear: "You can dress like us, you can come and talk to us sometimes and we will tell you it's okay. but you will not really be a member; you will be outside looking in".

I do not believe that is a principle which anyone in the House would choose to champion, nor would Canadians generally feel that this was a just and equitable way to treat 75,000 Canadian citizens. The unanimity provision in the constitutional amendment is unprecedented in our history. According to my research, it is unparalleled in other modern federations such as the United States, Australia, and India. None of them require that kind of unanimity for the creation of new states or provinces.

Should the territories become a province anyway? It is important to clarify that neither of the territories at this point are discussing becoming a province imminently. However, we recognize that constitutions lay the foundation for the future. They are not just to redress past wrongs constitutions are written to set the future path. Therefore, we are extremely concerned that we will be permanently locked out of the Confederation of Canada through this unanimity provision.

Some provinces seem to be concerned that if the territories become a province they will lose a greater portion of their federal revenues. I realize that equalization payments are entrenched in the Constitution, but I think it is important to look at what is actually happening. Both in the Northwest Territories and the Yukon, at least 70 per cent of our budgets are federal funds. While we may be talking about a different formula, we are still talking about an amount of money which can be equitably divided. Therefore, I find the argument that allowing for the creation of new provinces detracts from the kind of fiscal equity for existing provinces simply specious. I believe it could easily be renegotiated.

I will use the Yukon as an example. In 1985 there was a successful negotiation of a three-year economic development agreement with the federal Government. Many aspects of that

particular agreement parallel the equalization and transfer payments that take place between the federal Government and the provinces. We are not talking about a major effect or change. Many of these mechanisms in the Northwest Territories and the Yukon are in practice now.

A second argument about the creation of new provinces has been that it will create an imbalance regarding the amending formula and so on. Surely this is a relatively easy matter to address. Is it really being suggested that a country of this size cannot have 13 provinces, considering that the Northwest Territories will be going forward with a division into the eastern Arctic Nunavik and Western Arctic in a couple of years?

Is it really being suggested that this would be totally impossible and that the country could not cope with it? Again, it is simply not a valid argument.

In 1987 the Minister of Justice (Mr. Hnatyshyn) said:

> I do not think that anyone can challenge the fact that my Party and this Government have taken a leadership role in respect to ensuring that as quickly as possible we move forward in this area of the territories controlling their destiny and attaining provincial status.

Currently programs are being devolved to the territories.

I do not suggest that there is any intention of duplicity when we see programs being devolved on the one hand and, on the other hand, being given some responsibility without belonging to the club. It certainly gives a message to northerners that they will never have full self-determination, despite what is happening through devolution of powers.

Let me also deal with the issue of boundary extensions. The Accord states that provinces may extend their boundaries, again under the unanimity provision. It was never contemplated in the British North America Act, the Yukon Act, or any relevant statute that any of the existing provinces would extend their boundaries northward.

I believe the idea was first expressed in the 1930s by British Columbia and was reiterated as late as the 1970s. At various times Alberta and Saskatchewan also made the same suggestions.

When I raised this issue with various provincial members and indeed with the federal Government, I was told that no one would ever use this provision. If so, I suggest that it should be deleted.

The practical consequences are ludicrous. For example, if British Columbia suddenly decided to extend its boundaries there would be an uproar.

In the minute I have left, I want to quote Trevor Lloyd because what he said is quite pertinent to this argument. He said: "For many years the Canadian North was governed in a prolonged fit of absence of mind". We have an opportunity to redress this absence of mind. The New Democratic Party has proposed excellent amendments which would address these matters.

Let me finish by stating why I think this issue is important. I held a contest for some Grade 6 students in my constituency. They drew posters depicting what Canada Day meant to them. I think they show why northerners are concerned about the future. Helen Weber of Christ the King School has a poster showing Indian people and non-Indians, the gold rush, the Canadian flag, and the past. For her, the future is a question mark. I think it is time to respond to that question mark.

Let me quote Rosanna Dick from Ross River, Yukon, who said: "To me Canada means the Yukon Territory, my home". For Rosanna Dick, Stuart Dolan, Helen Weber, and all those children who feel that Canada is their home and their country, we have an opportunity, through a just amendment that will not unravel the Constitution, to show these children that they have a future that is not a question mark.

• (2100)

Mr. Waddell: Madam Speaker, I would ask the Hon. Member for the Yukon exactly what the amendment would entail. Where does she see the opposition to the amendment coming from? Is it simply in an egregious error that perhaps the provinces have not considered it, or does she think that the provinces in fact have their own agendas, in other words, they want to grab the North for themselves? Is it true that, for example, if one is a lawyer in northern Canada, one cannot be appointed to the Supreme Court of Canada because under the Accord that is not permitted? I just wonder if the Hon. Member could tell me more precisely what the amendments would propose and where the Opposition, if any, would come from?

Ms. McLaughlin: There are several amendments that have already been proposed which I mentioned in my speech. In 1981, the Hon. Member for Skeena (Mr. Fulton) proposed an amendment regarding the boundary extension. It was in the previous discussions in the 1982 Constitution that boundary extensions should not take place without the consent of those involved, in other words, the residents of the territories. That amendment was, of course, voted down by the then Liberal Government.

In 1987, the Hon. Member for Oshawa (Mr. Broadbent) made an amendment in this House stating that aboriginal rights should be addressed and that section of the constitutional amendment under debate tonight should be changed to include acknowledgement of the concerns around aboriginal issues and the concern about the unanimity provision for provincehood. That amendment was voted down by the current Government.

Also in 1987, the Hon. Member for Skeena made an amendment stating that the Joint Committee on the Meech Lake Accord should travel to the North. That amendment was voted down by the current Government. It is interesting that when one reads the report from the Senate hearings, one finds that in fact the Senate committee travelled to the North, it heard what people had to say, and as a result the kind of

amendments it proposed—I almost hesitate to say so with some of my personal feelings about the other place—first of all, are similar to the amendments proposed by my own Party and do address the issues I have raised.

I have put forward three Private Member's motions, one for the inclusion of government leaders in further constitutional talks, another for the deletion of the section on boundary extension and a third for the deletion of the unanimity provision with respect to provincial provinces. So Members, hopefully, will have an opportunity to show their solidarity with the North should these be chosen, as well as in voting for my Party's amendments when we vote on this constitutional amendment.

In terms of the question, where does the Opposition come from, it is hard to say. I was not invited to the First Ministers' conference. I probably will be next time, but I was not invited last time. From reading the joint constitutional hearings, I find there are certainly quotes from Senators that certain provinces were jealous of the trappings of provincehood the territories had. Others were concerned about equalization payments, and so on. So clearly it was not a mistake or forgetful lapse. It was deliberate.

One thing that is very important, I think, for people to recognize is that the treatment of the North in this amendment was not an oversight. It was a deliberate act. When it comes to the appointment of Senators, it is a curious thing because, yes, as I understand the amendment, the Yukon would not be able to appoint Senators. I am not sure if the one who is there gets drummed out in some sort of official ceremony—and as I understand it, it could not appoint Supreme Court Judges.

What is interesting about that particular section is that the Supreme Court Judges themselves, as you will know, backed by the Canadian Bar Association, supported a particular amendment to redress that particular issue. Therefore, it is difficult to say where the opposition comes from. I think clearly there are very few issues about which there is some unanimity in the North, and this is one.

I think I can say fairly confidently that we feel this has to be a federal territorial issue because it is the federal Government which is supposed to have the Canadian vision. We do not expect each individual province to have that kind of vision. The hope, I suppose, of First Ministers conferences is that there will be some kind of collective vision. If so, I would say it is limited because we in the territories have to be worried about the bargaining. We have been a bargaining chip before. That was certainly a point the former Member from the Yukon made in the 1981-82 debates on the constitutional Accord.

I think we have to be worried about what kind of powers, what kind of agreements, will be made if, indeed, at some point, 10 or 15 years down the road, the territories knock on the door and say: "We would like to become provinces". What will have to be traded off? I think you trade off in the national interest, not in a parochial interest.

It is difficult to say what the particular barriers are because they were closed meetings, of course, which is another interesting point about the process. It is interesting when one of the most historic documents in Canada is a very private matter. I appreciate the negotiations being private, but we are not really privy to the kinds of reasons people had for the very serious decisions they have made.

Ms. Jewett: Madam Speaker, may I join in the small but very attentive audience tonight and say what a very powerful statement our colleague has made. I do want to make two minor points that arose, I think, out of an error introduced by the Hon. Member for Vancouver—Kingsway (Mr. Waddell). It is not a matter that a lawyer practising in the Yukon or the Northwest Territories might not become an nominee for the Supreme Court Bench, it is if a province is willing to nominate him.

Mr. Forrestall: Listen to the Prime Minister today and you know differently. The decision will be made by the Prime Minister of Canada.

Ms. Jewett: I am sorry, I am talking about nominations. The Hon. Member has obviously not been in a state to listen. In the matter of nominations, the fact is, and I am sure the Hon. Member would agree, as I have outlined, and I just want to correct my friend, the Hon. Member for Vancouver—Kingsway.

On the matter of Senate appointments, it was the Joint Committee's understanding, under the relative section—and it slips me for the moment—of the BNA Act, the federal Government is still entirely free to appoint Senators from the two territories. That section of the BNA Act would still be paramount.

I would like to conclude my comment with a question. There is an absence of will on the part of both the previous Government and the present Government to include at all conferences, leaders of the two territories, apart from the sort of jealousy that may be involved in provinces somehow including territorial leaders at First Ministers' meetings. I agree with the Hon. Member that there is not that much difference between 10 and 13, should we divide the Northwest Territories. Is there any other reason that the Hon. Member has thought of? Does it relate, for example—and I realize this is a sensitive point—to the possibility that there will be aboriginal self-government in at least one of the territories in the foreseeable future?

• (2110)

Ms. McLaughlin: Madam Speaker, I cannot—

The Acting Speaker (Mrs. Champagne): The time for questions and comments has actually expired. However, I think it would only be fair if the Hon. Member would take a minute or so to conclude and answer the question.

Ms. McLaughlin: Madam Speaker, I cannot intuit what is in other people's minds. I think the land claims issue is

certainly a crucial one. Since there are land claims negotiations going on in British Columbia and in other provinces I cannot really see that that would be a reason why territorial leaders would not be included. In the self-government provision, this may have some bearing, although I would find it somewhat obscure. The self-government provision is basically supported by the Governments of the Yukon and the Northwest Territories. It is an issue which they are dealing with through the land claims process. I do not see why that would necessarily affect the provinces.

Of course, as we all know, one of the concerns of aboriginal people generally is that the whole issue of self-government nationally must be settled and must be discussed by the First Ministers.

The Acting Speaker (Mrs. Champagne): Resuming debate with the Hon. Member for Thunder Bay—Nipigon.

Mr. Ernie Epp (Thunder Bay—Nipigon): Madam Speaker, I appreciate this opportunity to join in the debate on the constitutional Accord which was made at Meech Lake something over one year ago and which was refined in the Langevin Building in the second meeting of the First Ministers of this land of ours. I appreciate the opportunity to speak not least of all because I have not spoken on the Accord in the House before. Circumstances of one sort and another have conspired against my doing so. Thus, at this late point, quite likely as the last person speaking on the debate in the House of Commons, I appreciate the opportunity to say something about the Accord and perhaps to do so more closely to the perspective I took when very soon after the Accord was arrived at I defended our support of it quite vigorously at a meeting of the Thunder Bay—Nipigon New Democratic Riding Association.

I will be speaking a little more closely to that line this evening than I have felt at times along the way that I would be. The Hon. Member for Vancouver—Kingsway (Mr. Waddell) and the Hon. Member for the Yukon (Ms. McLaughlin) have expressed doubts and strong criticisms on certain aspects of the Accord. As the person in our caucus responsible for multiculturalism, I have inevitably at times felt some very real concerns about aspects of the Accord.

It has been said by a cynic that nothing ever really happens in Canadian history, that the same fundamental problems are there. We try different ways of solving the problems but we never really get there. If one had the time to do a history lesson one could go back, I suppose, to the constitutional Act of 1791, which is conceivably the first attempt to deal with duality and diversity of people as far as the British Empire was concerned, or one could go back to the Quebec Act and start there looking at the Act of Union of 1840-41 with its imposition upon the French-speaking population of what had been known as Lower Canada. One can certainly celebrate the achievement in Confederation.

Against that kind of background one would have a fair basis for considering what happened in 1982 when the Constitution of Canada was repatriated and when the Charter of Rights and Freedoms was added to it. That was of course a novel development within a parliamentary Government. However, I think that all of those aspects would be less significant than the brutal basic fact of 1981-82 which is that a Prime Minister who had been working for a decade and a half to achieve one Canada and to maintain one Canada would have agreed to an arrangement that left the Province of Quebec out, especially when he had resisted any kind of special status for that Province. That failing, that fundamental flaw in 1982 is surely the most basic fact with which we really have to begin an exploration of what was done last year.

The creation of two Canadas, in a sense—if it is fair to say two Canadas when we think of Quebec had it not come into the Accord in 1982—accepted by a Prime Minister who had fought against special status all those years is the most profound kind of contradiction. For him to leave office with that reality can only leave one shaking one's head over the situation that existed.

Politically, that produced a result and a basis for the Accord of last year, a determination that was clear in a speech made by the now Prime Minister (Mr. Mulroney), as well as in convention resolutions of the Liberal Party and the New Democratic Party. It was clear that for the three political Parties of Canada the 1982 result could not be continued. That is the context, surely, within which one has to consider what was done in the spring of 1982.

It seems to me that the determination of that former Prime Minister to maintain one Canada is at the very heart of the Meech Lake Accord. Because of his insistence on all provinces being the same it was not possible to work at a different kind of solution. There were years of rejection of co-operative federalism as we all know from near the end of the Pearson years that had broken down by the kind of determination that Pierre Elliott Trudeau expressed time after time. On the one hand he expressed a strong federalism while on the other an insistence on each of the provinces being like the others.

It seems to me that when Quebec was brought in the political inability to concede to Quebec things that the other provinces did not have made it practically inevitable that the Accord would take the shape that it did. That is why in my opinion, if I may be allowed the two proper nouns here slightly out of order, as far as I am concerned the Accord is very definitely by Mulroney out of Trudeau. That makes the opposition of that former Prime Minister all the more ironic because of course his determination to have one Canada with all the provinces having similar powers is at the very heart of the constitutional Accord of 1987, rectifying the shortcomings of 1982.

As far as appreciating this in all of its complexity, I defer immediately to my colleague, our critic, the Hon. Member for New Westminster—Coquitlam (Ms. Jewett). With her years

of work in constitutional history, constitutional law and Canadian federalism she can do things with all of this that I would not do more than presume to begin with. However, the basic feature of Canadian federalism is that it is a quasi-federalism. It is a decidedly odd system in which the federal power has a very long reach which is not unique to our country but which is certainly a very Canadian feature. I refer to the use of the federal power of appointment in terms of appointment of lawyers to judgeships well down into the court system within the provinces.

Provincial Legislatures establish those courts while the persons who preside over them are federally appointed. That is only one of the features that makes our state not a true federal state. Of course, the Senate most obviously represents the same reality. When we roll into it the kind of nationalism that we Canadians feel within our own affairs, finding it so difficult to express our nationalism outside our borders, we devote practically all our nationalist energy to internal affairs. That, of course, makes some of these features of our system very attractive. It would make changes in them of the sort that the Accord would be more difficult for us in the federal House to accept than they we had a more genuinely federal state. Laying aside all of the prejudices that we in our tradition from the days of the CCF through the New Democratic Party have expressed against the other place, laying all of those aside as we have done in accepting the Accord, and insisting that the Upper House of a federal state shall be controlled solely by the central Government is a most unusual feature in a federal state.

To move to a system in which there is a larger provincial involvement serving here as the reality of our regional existence, to have provinces involved in the choice of Senators and Justices of the Supreme Court of Canada, is moving a little closer to a genuine federal state. One could worry this particular matter to and fro, having deferred to my good friend and her expertise in this area, I suppose I might refer to the historians who have wrestled with this, particularly through the 1960s and 1970s.

• (2120)

Professor Donald Creighton had his own particular narrow views of what the Canadian state was all about and what the determination of Sir John A. Macdonald was, loading all that significance on our first Prime Minister, as far as the very nature of the state back in the 1860s, 1870s, and 1880s was, and again I do not have time to explore that. One could think of the writings of William Morton on this same topic, another notable Conservative historian, and a breakdown of the imperial vision that Professor Morton in his time credited to Sir John A. Macdonald.

The breakdown of that vision came early on. What he failed to face up to in one of his most notable articles on this topic is the democratic reality that destroyed it. Although one may have a federal state, one may have a quasi-federal state, in our time one has certain democratic realities that one has to face up to. Those, of course, were the ones expressed by the determination of the three Parties and in the deliberations of the First Ministers.

In linking the First Ministers meeting to the democratic politics I may offend some people who see this as rather a closed session in which something was done very quickly. I think we exaggerate all of that. I realized afterward that there were certainly clues as to what may happen, such things as a speech made by the Secretary of State for External Affairs (Mr. Clark) to the Alberta Conservative Party not too many days before the Meech Lake Accord, which gave a pretty fair signal to those listening carefully as to what actually would happen. Again, we are in grave danger of exaggerating if we focus only on the reality of 11 men gathered around a table making this particular agreement.

If we have in the Accord a movement toward a more federal state, and that for all of us who are nationalists and concerned about the power of the federal Government, on the other hand we have something that is surely fully as significant as my Leader, the Hon. Member for Oshawa (Mr. Broadbent) has indicated. He pointed to the clause dealing with the spending power and has asserted that here something is being gained.

If there is one thing that we on the federal scene have ignored for decades past, it is the manner in which the federal Government, certainly from the 1950s and perhaps even earlier, asserted itself in provincial areas of responsibility. One could debate how this was being done very easily. One could question the validity of it. Generally the arguments were made around the spending power of the federal Government and its being quite untrammeled. But when it is exercised in areas of social and cultural responsibility, which are quintessentially provincial, if one reads the BNA Act, the Constitutional Act of 1867, and puts it into a modern context, then all of this activity by the federal Government through all these years in areas of provincial responsibility, without a very clear basis for it, certainly could be debated.

Without spending any length of time on it, we know perfectly well from the Tremblay Commission of the 1950s in Québec, and probably before that in reactions, there was the most profound reaction in Québec to all of this. To have in the agreement negotiated by the First Ministers, the provincial Premiers, and the Prime Minister a basis for the federal Government to act in all of these areas in agreement with the provinces is more than just a tidying up of the constitutional scene. It is one that certainly deserves to be recognized, and to have the sense of national objectives. There are those who would have preferred national standards, taking us back to the 1930s and the Rowell-Sirois Commission considering the state of the Canadian federal organization, the weaknesses of the provinces in finances, and so on. In those days, national standards might have been preferable for many of us, but national objectives certainly go a long way toward what we want when we think of achieving programs of one sort or another in areas that are not immediately obviously in the federal area under section 91 of the Constitution Act of 1867.

Having said those things, Madam Speaker, about the evolution in a manner that indicates my basic support for what has happened, there are those areas of concern that have been expressed by various persons. Here we particularly have the politics of the situation.

If we consider the manner in which this agreement was arrived at, by contrast fairly quickly, and contrasted to the failure in three meetings of First Ministers to make any significant progress on aboriginal rights, one can understand perfectly well the outrage of the aboriginal peoples of Canada that something should be done so quickly here to take care of this when their long struggle to achieve recognition and clarification of what self-government means had not been achieved.

Given what I said earlier about the length of time that one can look back through Canadian history at attempts to solve the Canadian problem, one might conceivably argue that there is a longer background to the Accord than there is to the attempt to clarify aboriginal self-government, although that would require ignoring the earlier aboriginal history and a century, give or take, of the Indian Act in making such an assertion. I would not want to do it very loudly. Particularly, I would not want to do it in certain circumstances that we can all think of.

The definition of our duality, which is the reality which the coming of the United Empire Loyalists first made after the *Canadien* and *Canadienne* had been here, and to have that duality recognized as a fundamental characteristic of Canadian history, with all of our concern about what it may mean in practice in Saskatchewan, in Quebec, if I may be allowed that type of shorthand at the moment, was appropriate. There are persons who are not of Anglo-Celtic or French origin in this country who feel that 35 per cent of the Canadian population are all too neglected in federal institutions time after time, as I can assert categorically as critic for multiculturalism in our caucus, who have some sense of jealousy here about that term being taken and to see the restriction of that term, because we have a refusal in Bill C-93, the multiculturalism Bill which will shortly come to the House at report stage, by the Government to have fundamental characteristics applied to another reality which is the ethnocultural diversity of this country. Perhaps I speak with a bit more feeling because of my intense involvement in these matters, but that is something that should be set right.

• (2130)

When we deal with Bill C-93, given that the Accord says "a fundamental characteristic" as regards duality, why can we not say "a fundamental characteristic of ethnocultural diversity"? It is singular and a recognition that there will be others. Let us define them. Those are the realities this Accord does not deal with. It is necessary to make progress, as the Leader of my Party has declared, for multiculturalism in Canada. There needs to be this recognition and we should have a meeting of First Ministers in order to achieve progress.

Then of course there are the other matters which have been addressed so very well by the Hon. Member for Yukon As well, my colleague, the Hon. Member for Windsor—Walkerville (Mr. McCurdy), in his much briefer comments, spoke very forcefully about the possibility of an override of all the assurances of equality for women and minorities. That is surely in its way a flaw in the 1982 agreement. We need to find a time when the First Ministers will agree to limit this that so we cannot ever face that sort of experience.

Those are my comments and I thank you very much for this opportunity to comment on the Accord.

The Acting Speaker (Mrs. Champagne): Questions or comments. Resuming debate.

[*Translation*]

Mr. Raymond Garneau (Laval-des-Rapides): Madam Speaker, I am proud to rise for a third time in this debate on the Constitutional Accord reached by Canada's First Ministers at Meech Lake and the Langevin Block, which today enables us to go through another stage in this country's constitutional process.

Madam Speaker, each participant in this debate tried to express his or her own vision of Canada, a more centralizing or a more decentralized vision of the country, and to me who live in a part of the country where my ancestors along with many others who settled in Quebec had to face major debates, those visions at times seem to be a somewhat irrealistic reflection of reality. But at any rate each one of us has his or her own vision of Canada. I respect each and everyone who does not share my views, just as I hope they will respect my own if they happen to be different from theirs.

Madam Speaker, to me Canada is both a union of citizens and a union of governments. Trying to view this nation simply as a union of citizens is wrong in my view, because this is negating the existence of shared powers between the two levels of government, the federal and the provincial levels.

So there is a union of citizens who, at various stages in this country's history, accepted to renew in a positive way their common will to live together as a nation.

To us in Quebec, this has led at various times in our history to major fights, but at no time did we experience this in a more specific manner than during the 1980 referendum that citizens will live within a country that is called Canada. That will was expressed in a fully democratic way after a debate that was stormy, that was difficult, and as indicated earlier today by my Leader the Right Hon. the Leader of the Opposition (Mr. Turner) when he rose in this debate, it was a referendum debate that divided many individual Quebecers, that divided families, that divided groups of friends.

So that union of citizens that is a component of this nation was strongly renewed by a majority of Quebecers and a majority of French-speaking ones during that referendum. That union of citizens is but one component of Canada as we

know it. The second component is the union of governments. That is why the Canadian Constitution provides for and specifies the distribution of powers between the federal and provincial governments and contains an amending formula which sets out a number of criteria. These criteria ensure that our Constitution cannot be amended by referendum, because it would mean that a linguistic majority could impose constitutional changes on a linguistic minority or that the majority in Central Canada could impose constitutional changes on other less populated regions of the country.

This union of citizens and this union of governments make up a Constitution which distributes powers between the federal and provincial levels of government and contains an amending formula which, although somewhat complicated, ensures what the leader of the Liberal Party of Canada referred to, this afternoon, as a "balanced" federalism, a balance between federal and provincial powers and outline the way to go about altering ever so slightly this balance.

Madam Speaker, the Meech Lake Accord did not come out of the blue. It happened after long and intensive discussions between men and women of this country. It is the final touch to a symphony, some have called it the unfinished symphony of 1981-82, when we patriated the Constitution and adopted a constitutional amendment without the concurrence of Quebec. And to do this, Madam Speaker, the government of the day went to the Supreme Court and got quite a complex judgment. It interpreted this judgment rather narrowly in order to bypass the tradition which held that, in this country, the law or rule of unanimity prevailed. Mind you, I am not a first rate legal mind, I could be wrong, but as I see it, the government tried to interpret the judgment as much as possible in its favour in a way which allowed it to patriate the Constitution without Quebec's concurrence. When I say "without Quebec's concurrence", I mean without the concurrence of the democratic institutions which the people of Quebec give themselves every four years, that is the National Assembly which produces a government.

It is not fair either to say that this Quebec Parliament only expressed the separatist view: a great many Members voted against this unilateral approach, including such men as Claude Ryan and several of his colleagues who were in the Opposition.

This way of doing things, therefore, placed the democratically elected Members of the Quebec National Assembly in quite a delicate position.

That is why I was saying a while ago that this country is not only a union of citizens or a union of Governments. As one of these Governments, the Quebec National Assembly had expressed its disagreement; through its Government, the Quebec people had said no to this unilateral patriation of the Constitution.

Like a great many other Quebecers, I asked myself with considerable pain the following question: Is this a legitimate step forward? Should we consider the 1982 event as a positive development improving the situation in Canada and moving in the right direction? For quite a long time, I was very concerned about this notion because a great many fellow Canadians living in Quebec were deeply humiliated by this approach which the Federal Government had adopted at the time and which the House had confirmed.

Personally, I had come to the conclusion that it was a step forward and that we had to continue working towards a better balance federalism within a better Canada.

• (2140)

It is in this context, Madam Speaker, that I finally accepted the invitation of the Leader of the Liberal Party to resign my position in the private sector and to come here and try to represent this spirit of positive federalism, all the while recognizing Quebec's rights within the Canadian Constitution. It is in this context that I agreed to come to serve on behalf of the Liberal Party of Canada in this Parliament.

Madam Speaker, some are blaming me—they did it again this afternoon—for a vision which they feel is much too province-oriented, when I state that I represent Quebec's interests in this Parliament.

Clearly, people may hold different views. Personally, I am not living in a dream world, Madam Speaker, and I do not think too many Hon. Members are. People who come to the House of Commons, have been elected by a specific group of people. They share the same roots in their way of life, in their culture and they come to identify with him. Madam Speaker, it is a fact that we do not hold a referendum each time we stand up to make a speech, but we feel that we are close to our voters, that we live in contact with ordinary people, that we have, as through osmosis, perceptions which make it possible for us to say that in some respect, we represent a democratic base, either an electoral riding, a metropolitan area or a province. We cannot live in a dream world and say that we represent the national interest. What is the national interest of Canada? How is it defined? Why should my Hon. friend from Saint-Henri—Westmount (Mr. Johnston) feel that his concept of national interest is better than mine simply because I represent Quebec's interests here.

And if the Canadian Parliament, if this country is not the juxtaposition of the aspirations, the feelings and the way each of the people we represent see things, just what is a nation then? What is a country? We have not been dropped here from the sky. We have been elected by ordinary people and we must represent them. I am proud to say so. Perhaps others will have diverging views. I trust they will respect mine, and as a representative of Quebec here in Ottawa I say that I am discharging my responsibilities as a citizen, that I seek to achieve what we call the national interest. As far as I am concerned the national interest cannot be served properly if in this country we call Canada, 26 per cent of the people are not included politically, as the Leader of the Liberal Party said earlier this afternoon, psychologically and emotionally part and parcel of this country called Canada.

If we do not have that feeling, how can we talk about national interest and Canadian unity? One of the major accomplishments of this accord is to make it possible for most Quebecers—if we rely on polls, but if I go by my own feeling, by my perceptions, by the findings of God knows how many trips throughout Quebec—to realize that to a considerable extent it represents the aspirations of a part of Canada which had been left behind in 1982.

Madam Speaker, this is why I should like to pay tribute to the Leader of the Liberal Party of Canada who, in this debate, may have had to fight much harder than any other political leader in this Parliament.

An Hon. Member: And how!

Mr. Garneau: In some respects it would have been a lot easier for him to give up or let others impose a different vision of this country. The political risks he took were enormous but he realized that Canada could not exist without Quebec being a part of it, not only in the legal sense, but also psychologically, emotionally and politically. Were Quebec not in fact an integral part of this country, Canada would not be what it is as a result of the Meech Lake Agreement, which is indeed the culmination of a very long process. Those who think that it came about overnight are mistaken. We are talking about a process which began . . .

I was listening earlier as an NDP colleague mentioned the Quebec Act and the 1791 Agreement. This was the first instance of a certain recognition being given to the notion of a distinct society in Quebec. But Lord it was a process which stretched out over years and years, and generations I would say. When I hear people telling me that to recognize Quebec as a distinct society in the Constitution is to sow the seeds of independence, I say to myself: Good God, in some respects I wonder if we are living in the same country, or even in the same city. I submit that to recognize the distinct nature of Quebec is simply to be realistic. Trying to pretend that reality does not exist is not constructive since reality has a way of bouncing back at every turn. I therefore believe that to recognize Quebec as a distinct society simply amounts to taking our society as it is.

And that is what Mr. Turner, the leader of the official Opposition, was saying this morning when he talked about the Civil Code and the language used in daily life and at work by the vast majority. I could talk about our institutions and about how our democratic process is evolving. And we could also mention the *Caisse de dépôt et de placement* and the opting out formula to which Parliament agreed, not only for Quebec but for other provinces as well. All this came about through a necessary political adjustment process. With regard to our political party, I am happy to see that the process undertaken by the Quebec wing of the Liberal Party following what is now practically a landmark interview granted to *Le Devoir* in May 1986 by the leader of the Liberal Party . . . We picked up that very promising ball on a fine pass by the leader of the Liberal Party and we met in a place you know quite well, Madam Speaker, the city of Saint-Hyacinthe. And it is in Saint-Hyacinthe that the General Council of the Canada-Quebec Liberal Party passed a resolution that was very controversial within our own ranks to recognize Quebec's distinct society. Our goal was to find a solution acceptable to Quebec and the rest of Canada in that Constitutional vacuum left in 1982. That resolution passed by the Canada-Quebec Liberal Party in Saint-Hyacinthe was in response to the democratic process undertaken in Quebec not only during the December 85 election but also in the Quebec Liberal Party's platform which led to its election on December 2, 1985. We wanted to give an answer, an opportunity which would be quite generous but realistic. A series of discussions within our own party eventually resulted in our passing a resolution in November 1986.

I think that procedure, which the Liberal Party Leader referred to this afternoon as depoliticizing the debate, allowed the New Democratic Party to adopt a resolution which showed a certain open-mindedness. It also allowed the provincial Premiers to sit at a table with the Prime Minister knowing that if they went in a direction which had already been discussed in Victoria and during the 1981-82 Constitutional process, they had the support of the leader and the majority of the Liberal Party of Canada as well as that of the other political party, and I think it is this depoliticizing which made Meech Lake possible. Of course, there are things I would like to change. I want to ask a question to those who object to the Accord on the basis of its shortcomings. It wasn't perfect in 1981-82, but a lot of people compromised and accepted that it was still possible to go forward in spite of the shortcomings. And why do they think now, when it is so crucial for Canadian unity, that we can only solve the Constitutional problem so important to the Quebec of today when everything is perfect? There will be other Constitutional discussions and other steps to go through in the coming months and years.

• (2150)

I share the hope that one day our Canadian Constitution will recognize aboriginal rights and the importance of multiculturalism, for example. But in trying to do everything right now, we may lose an incredible chance to make a positive step for Quebec, for Canadian unity, and it is because I have a national vision that I persue the national interest and ask to all Members of Parliament and to all Members of the New Brunswick Legislative Assembly and of the Manitoba Legislative Assembly to really think twice before preventing us from taking that step, a step which in my opinion is important for the unity of our country and which is in the best interest of Canada.

Mr. Kindy: Madam Speaker, I heard with much interest the speech made by the Hon. Member for Laval-des-Rapides (Mr. Garneau) and I should like to put to him some questions and ask him for example what he means by distinct society. Does the formula of the distinct society implies two nations? Could he explain if he interprets the distinct society as including two nations or does he merely mean that it is a culturally different

society? Also, I should like to know whether he thinks that native peoples are adequately protected under the Meech Lake Accord. A third question: we realize for example that the Northwest Territories and the Yukon are dissatisfied since, as a result of the formula, it will be extremely complicated for them to become a province. Does he find it fair for those peoples to be prevented from obtaining provincial status? Could he give a more specific definition of the distinct society? Is it, as I said, the concept of two nations as discussed during the sixties and was then rejected by most Canadians?

Mr. Garneau: Madam Speaker, in relation to the Northwest Territories, I think the 1982 constitutional agreement contributed as much to the difficulty as the Meech Lake Accord because it subjected the creation of a new province to the 50 per cent rule, that is, seven provinces representing at least 50 per cent of the population of Canada. With the Meech Lake Accord, it is the unanimity rule that applies, but the real difficulty, if any, was created in 1982. Personally I think that the matter can be corrected. We have an amendment that would bring us back to the 1982 rule of seven provinces and 50 per cent of the population. But even then the Northwest Territories and the Yukon will not get the same treatment as Saskatchewan and Alberta did when they became provinces. However I support the amendment that my leader referred to this afternoon which would reestablish the rule of seven provinces representing 50 per cent of the population of Canada. It would make it a bit less difficult.

I can very well understand the position of the provinces. Our Constitution gives specific powers and responsabilities in terms of constitutional amendments and the provinces want to know how many partners will be sitting around the table, as part of the Canadian family. So they too have a say in that regard. But our amendment, which may be discussed later, would reestablish in that regard the amending formula based on seven provinces representing at least 50 per cent of the population of Canada.

Madam Speaker, the aboriginal rights are also part of our approach. As we said before, they were part of our constitutional resolution adopted by the Liberal Party of Canada during its November 1986 convention. But there again, the provinces must give their consent. We cannot amend the Constitution without consent according to the prescribed rules in the Constitution and in the amendment formula. And you are aware, as well as I am of steps taken by the former government that resulted in a constitutional conference on aboriginal rights. Unfortunately, there was no agreement. Consequently, I do not know exactly when we will find this open-handedness throughout the country, not only inside the federal Government but in all the provinces as well, so as to reach that recognition which I support.

As far as the theory of the two nations is concerned, Madam Speaker, I do not feel like dealing in semantics. For my part, the distinct society concept describes Quebec as it is now, with a majority of French-speaking people, with a minority of English-speaking people and also some representatives from different cultural communities. I think that is an accurate description of Quebec and it is the one I find in the Meech Lake Accord. And if that reality cannot be recognized, I think that Canada is in much greater trouble than some people would like to think. When one does not accept reality, one is on the verge of making big mistakes.

Mr. Berger: Madam Speaker, I wish first of all tonight to congratulate the Hon. Member for Laval-des-Rapides (Mr. Garneau) after listening very carefully to his comments. I wish as well to address a few points he made during his speech.

He mentioned the idea of a referendum, rejecting it on the grounds that a majority would impress its will upon a minority. Such is the danger, as he described it, of calling for the opinion of the people in a union of governments and citizens.

It may be that my knowledge of the referendum concept suffers some want. But I still believe in the possibility that during a referendum process minorities might be protected in some way. For instance, a majority of votes could be the rule in each and every area throughout the country. The danger he mentioned might then be stunted. However, in order to settle a disagreement, he admits there still exists a possibility, in a union of governments, to finally let the people decide upon the issue.

Secondly, he talked about the unanimity clause as having been recognized by the Supreme Court. Madam Speaker, to my opinion which stands to be corrected, the Supreme Court found that there was no such unanimity clause. The Member went on to say that at the time, federal Government kept to a strict interpretation of the decision.

On the contrary, in 1981 the Canadian Government decided to meet again with the provinces because the Supreme Court had resolved that unanimity was unnecessary and that the Federal could go ahead with the support of only some of the provinces.

No one knew for sure the exact number of provinces required, and maybe the federal Government could have proceeded with only two of them, namely perhaps Ontario and New Brunswick. Nevertheless, the Canadian Government decided then to try again with all the provinces and see if unanimity or, at least, a large consensus could not be achieved.

Those are the two points I wanted to address by giving my own assessment of the facts.

• (2200)

The Acting Speaker (Mrs. Champagne): The Hon. Member for Laval-des-Rapides has one minute left.

Mr. Garneau: I do not want to enter into an argument. We can each have our own interpretation of the facts. The only thing I know is that the unanimity rule had existed ever since the Constitution Act of 1867, but that a major change had been made that went against tradition.

I said that, nevertheless, it could be considered a step forward, because of the importance of the Charter of rights. I believe, however, that we have to progress even further and it is for that reason that I support the Meech Lake Accord.

As to the other element, the referendum question, I think we will need many more conferences to define the kinds of referendums we might envisage, but in this case there was no need for such a procedure since there was unanimity of all First Ministers in attendance at Meech Lake and Langevin. With that kind of consensus and the sort of debate I am witnessing tonight, Madam Speaker... I participated in debates which dealt with historic crises, where the galleries were full and all Members in their seats. Why are we here, at 10 p.m. in front of empty galleries and lots of empty seats? The truth is, people have the feeling that the Meech Lake Accord has the blessing of a large majority of Canadians. That is the reason for the attendance we have tonight. We are not in a crisis situation. I note with some satisfaction that the Meech Lake Accord will take us an important step closer to Canadian unity.

The Acting Speaker (Mrs. Champagne): Questions and comments are now over. On debate. The Hon. Member for Saint-Denis (Mr. Prud'homme) has the floor.

Mr. Marcel Prud'homme (Saint-Denis): Madam Speaker, on October 22, 1987, in this House I had the opportunity to express my views on the subject before us tonight. Therefore I shall not repeat the same speech since it is in *Hansard* on pages 10 291 and 10 292, for those who might be interested.

So, this is the end of the debate, or almost; a few other Hon. Members will probably speak after me but as my colleague the Hon. Member for Laval-des-Rapides (Mr. Garneau) has said it is already 10 p.m. and you have been very patiently waiting for the end of the debate as well as a few colleagues I will not mention by name. As the Press Gallery is empty, it is less embarrassing to say that there are not too many of us here.

Some think that Canada is going through a terrible crisis although the debate ends very quietly tonight.

Sir Winston Churchill used to say this: "Why does the Mother of Parliaments, the British Parliament...

[*English*]

It may be very interesting to other people in Canada who speak English that I am talking in French about the Mother of Parliaments, the British parliamentary system and the British Parliament.

[*Translation*]

But as Sir Winston Churchill used to say... It is a fact that there are only about 300 seats or rather benches, in the British Parliament, to accomodate at least 550 Hon. Members. He used to say that when there was a crisis, you could tell because there was no room left. Paraphrasing him, I would say that there is really no crisis here tonight.

If there is no crisis, why all the fuss made by a small group of people who are very active, very sincere, I will admit, but who persist in seeing in the Meech Lake Accord things which are not part of it. They are wrong. I submit that you cannot build a country with weak hearts.

[*English*]

You build a country with daring people. I repeat, as I said in October and have said for the last 20 years, how daring the Right Hon. Lester B. Pearson was when he went to Winnipeg and spoke for the first time as a Prime Minister of his determination to give this country a Canadian flag. Did he do it in Québec? Did he do it in Montreal, Quebec City, Chicoutimi, or Alma where we are going to win on Monday? No, he chose Winnipeg on the occasion of the annual meeting of the Royal Canadian Legion, and he was booed. Mrs. Pearson, Mary Macdonald, secretary to Mr. Pearson, I, and perhaps 10 or 15 other people applauded and over 1,000 booed. Yet he said that this country needs a Canadian flag.

[*Translation*]

And that is how for the first time, in 1964, Mr. Pearson said: "In the evolution of this country, the time has come to give ourselves a Canadian flag".

Who, Madam Speaker, especially in the West where it encountered so much opposition, would dare today turn back the clock and say that this flag which is now recognized everywhere in the whole world, in the West as in Quebec as everywhere else as the symbol of what unites us, who could dare remove it and say that we should go back to what we had before?

Then Mr. Pearson was gone. He also asked us to give ourselves a Canadian national anthem, the *O Canada*. I was appointed by him to the Committee established in order that we try and finally come to an agreement to proclaim *O Canada* as the Canadian national anthem. And, Madam Speaker, while this debate took place in 1966-67, it was only on July 1, 1980, that Parliament proclaimed *O Canada* as our national anthem; yet we from Quebec...

[*English*]

We from Quebec have been singing *O Canada* since 1880.

[*Translation*]

Mr. Calixa Lavallée and Mr. Routhier wrote both the lyrics and the music, and we from Quebec were taking it for granted, but it was only in 1980, 100 years later, that *O Canada* was proclaimed our national anthem. So you can see that quiet and difficult evolution, but always towards the Canadianization of our institutions. Then came Mr. Trudeau. He felt abnormal that we had to go to the British Parliament to beg for amendments. Let us be frank. The British Parliament was anxious to get rid of that, but it was the Canadians that could not get on together to decide what to do. Well, Mr. Trudeau, in a spite of all the difficulties this represented at the time, succeeded in patriating the Constitution. And then he had an extraordinary dream that I was sharing and still share, to have a Charter of

Human Rights. He imposed it at the same time but it is not complete. The Prime Minister unwillingly had to accept the notwithstanding clause, but it was the price to pay to take another step forward towards the canadianization of our institutions.

I heard no one, Madam Speaker and my dear colleague from Laval-des-Rapides, launch great national campaigns since 1982 to ask that the clause which concerns a lot of people, myself as well as many Canadians and Quebecers, be removed from the Charter.

The notwithstanding clause was accepted by the parliamentarians in 1982 because they had no other choice. And today, we have the Meech Lake Accord. Madam Speaker, as I said, it is not the greatest achievement, it is still incomplete, but it is a step forward towards the complete Canadianization of our institutions. It is not perfect. I said in October 1987 as I have always said to my friend Max Gros-Louis, chief of the Hurons in Quebec City: Who am I and who are my French-speaking colleagues to deny our first citizens the right to be recognized in the Constitution? This will come. It is essential. All of us have to decide this evening that the next step should be aimed at our native peoples.

But I do not understand this vision which certain parliamentarians have, I was almost tempted to say, and I do not want to throw oil on the fire, but this obsession so aptly represented by the Hon. Member for Saint-Henri—Westmount (Mr. Johnston), he ought to remember that he also represents Saint-Henri—not only Westmount—which happens to be the major part of his riding, the obsession to believe that things can be right only in Ottawa, that nothing good can come out of the provinces, that Ottawa bureaucrats are tops, that their provincial counterparts are nothing more than lesser entities. I find that insulting. I find that offending because we live together by choice. Madam Speaker, I suggest that a good many parliamentarians would stand to learn a lot simply by walking around Parliament Hill. They might learn the rudiments of Canada's history.

After tonight's debate let us take a walk around Parliament Hill and let me ask my colleague from Saint-Henri—Westmount and others to tell me more about the statue of Baldwin-Lafontaine located behind the Senate. What does it represent? Why is it there? Just who is Balwin-Lafontaine? Why did someone see fit—as it was, of course—to select Parliament Hill as the site of a statue of Canada's first Prime Minister, Conservative Sir John A. Macdonald? But why did we decide at the same time to erect a statue of Cartier on Parliament Hill? He never was Prime Minister of Canada. It is because some people quite simply fail to appreciate that we once agreed to a partnership in this country and that when the partnership is healthy, when those who contributed to build up this country agree with one another the country fares well, but when we lose sight of the spirit which promted us to live together—for better or for worse, as the saying goes—then the country is torn by dissension.

My colleague is trying to get us all excited by referring to two nations. Well, the only response that comes to my mind is this: There must be something different in this country because next Friday, June 24, the House will not sit to mark St. John the Baptist Day. Parliament will not be sitting. A week later Parliament will not be sitting either to commemorate Canada Day. I do not know what to make of all this. I often put that question to former Canadian Prime Ministers when they made speeches on the occation of the national holiday—one should not say "national" because it may be dangerous—on the occasion of the patron holiday, but that expression is badly outdated.

But there must be something that makes us different in this country, and because of our differences, we need special clauses. Being different does not mean that we are not as good a Canadian man or woman as the others. It cannot be said that my colleagues here are less Canadian because they speak French. That is the special touch that makes us different as Canadians, and to those who claim that the distinct society clause is a colossal mistake, I say: Don't panic. This is only recognizing real facts. That is what my colleague of Laval-des-Rapides said earlier with great eloquence in a courageous speech. You know, my dear colleagues, that is the few of you that are still here, the difficulties the leader of the Liberal party of Canada has had to express the views he considers acceptable. He said: Obviously, it is not perfect, but we will have amendments.

To my colleagues who think we want to draw a red herring across the trail, I say: "No way". What are amendments anyway? A proposed society. Canadians and Quebecers do have the right to know what you would have done in their place. And what would be your proposed society if Canadians and Quebecers decided to trust you at the next election? We say we would try to convince the provinces to move towards Canadianization and a better understanding, that would be our plan. We think the Senate should work this way. We think that, yes, we should accept more provinces, but in this way. We think that the Supreme Court should be . . . That is how you make up a political agenda. That is how you make an action plan. But actually we do have a piece of legislation. We are asked: Do you accept it, yes or no? Well, even though I do not like legislation, in England . . .

• (2210)

[*English*]

Those in the British parliamentary system do not like constitutions very much. I have learned from the British parliamentary system that they do not see the need to write everything down.

However, it seems to be different in this country. Everyone wants everything written down about what is their right and what is not their right. Each premier took a step. I hear people talk about them being hidden in the night, sitting all night in a dark room to come up with the Meech Lake Accord. It was the

termination of a long process, as my colleague, the Member for Laval-des-Rapides (Mr. Garneau) said. It was discussed.

[*Translation*]

You must come up with something sooner or later. That's what they came up with. I'm telling you again it is not perfect and I think a lot of my colleagues share this opinion. In the past, I have voted for a lot of things which were not perfect. I remember voting in favor of flawed bills under the former Prime Minister of Canada. And, like they say:

[*English*]

You hold your nose and vote for the Bill because it is the best there is in the time available.

[*Translation*]

What I don't understand is the fact that people who call themselves Quebecers, who claim to understand us, are turning around and becoming very nervous when we talk about a "distinct society". After sitting for 25 years here in Parliament, I try to decipher the messages. I know that we, Quebecers, are loved by a lot of people but, as I said before, it is insulting . . . I am convinced many people would love us even more if we were on our knees. But I say no to that! We will be your equals!

I am looking at my colleague who is also my dear friend. He has his pride and so do I. That shared feeling, Madam Speaker, can make for a better Canada where all provinces will be equal.

[*English*]

I am not inferior to my good friend, Mr. Fennell. I am not his inferior, nor am I his superior. This is a federal House, but we are also attached to various parts of Canada.

• (2220)

We are building slowly, gradually, a new country and some people refuse to accept change. They are afraid of change. I am not. I claim that this country is still the best example we can offer to the rest of the world as a place where people very different can live together. I say to my good friend, the Hon. Member for Ontario (Mr. Fennell) that the Fennells and the Prud'hommes are going down in this country and being replaced more and more by new Canadians from all around the world.

It is our sacred duty—I say it in English and I will say it in French—to explain to these New Canadians what this country is all about, how this country came together, and why it is that French and English are the two official languages. It is not because they are the best languages in the world. Perhaps the Italian language is nicer than English. Perhaps the Spanish language is better than French. But the history of this country was developed in a way that English and French are the two official languages. Because we want to be different from the rest of the world, we believe that people who come here should be part of this country and should be respected and understood because they have a lot to offer in the process of building a new country with a new identity, a new civilization. So we say, yes, we will recognize multiculturalism.

But what does multiculturalism mean? We have to know exactly what it means. I see the Deputy Prime Minister here. His name is Mazankowski. It is not Prudowski. He is a very good Canadian of an origin other than French and English. He is no less Canadian because his name is Mazankowski, but he will accept with me that he is surely no better than me because his name is Mazankowski. So we are equal.

I will terminate this debate and thank you for your graciousness, Madam Speaker, in presiding over a very important debate. We will vote next week. I am not afraid, as some are, because there will always be, all across this land, young Canadians who are better than us. In my district we have new young Québecers who speak excellent French, who speak excellent English and because of the openness of the provincial Government in giving a lot of facilities, some speak excellent Armenian and some speak excellent Greek as well as excellent English and French. This is an enrichment. This is part of the process of building a new Canada and it is part of what we are trying to do tonight. I say to my colleagues, those who are still worried, especially my colleague, the Hon. Member for Saint-Henri—Westmount (Mr. Johnston), relax, there will always be Canadians who will stand up to defend this country if anybody tries to destroy it.

The Acting Speaker (Mrs. Champagne): Questions or comments? Debate?

[*Translation*]

The Acting Speaker (Mrs. Champagne): The debate being over, pursuant to the order called earlier today, all questions required to dispose of the main motion are deemed to have been put and the recorded vote is deferred to 3 p.m. on Wednesday June 22, 1988.

It being 10.25 p.m., this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 10.25 p.m.

HOUSE OF COMMONS

Wednesday, June 15, 1988

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S.O.21

[*Translation*]

ACCESS TO INFORMATION

REQUESTS CONCERNING FORMER AMBASSADOR LUCIEN BOUCHARD—DELAY IN RECEIVING ANSWERS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, since I was elected to Parliament in 1984, I have often had the occasion to use the Government's access to information services, and every time, or at least most of the time, I received piles of documents within the prescribed thirty-day period.

However, on May 12 this year, I asked the service for a breakdown of expenses incurred by the former Canadian Ambassador to France and candidate in the riding of Lac-Saint-Jean, Mr. Lucien Bouchard.

Yesterday, Mr. Speaker, to my great surprise I received a letter advising me it was impossible to provide this information within the prescribed period.

Mr. Speaker, I wonder whether it was just a coincidence that I was denied this information just before the by-election. I am sure that by next Tuesday, the information will be available.

* * *

• (1405)

[*English*]

PAROLE

PROPOSED CHANGES TO SYSTEM WELCOMED

Mr. Jim Jepson (London East): Mr. Speaker, as a member of the Standing Committee on Justice and Solicitor General, I have travelled across the country studying parole and sentencing. We have heard from a clear majority of Canadians of their concern about violent criminals not serving enough of their sentences.

I am encouraged by the proposals of the Solicitor General (Mr. Kelleher) that the time all federal inmates must serve before becoming eligible for parole will be increased and the system of earned remission, under which inmates can receive up to one-third of their sentences off for good behaviour, will be replaced.

The time is right, the Solicitor General says, for us to demonstrate our primary concern for public safety and our collective commitment to improving the system with that in mind. I commend the Solicitor General for this initiative. I hope we will see legislation brought forward in this House to ensure that public safety is first and foremost a consideration when looking at parole and sentencing.

* * *

HIGHWAYS

TRANS-CANADA HIGHWAY—UPGRADING REQUIRED IN NORTHERN ONTARIO

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, the federal Government appears to be considering more spending on highways. Under agreements with each of the Atlantic provinces and Quebec, Transport Canada spent as much as $80 million in 1985-86 to improve the Trans-Canada Highway in each of these provinces. In 1987-88 Transport Canada added agreements with the four western province and spent $75 million on the Trans-Canada and Yellowhead Highways in nine provinces. The National Capital Commission similarly spent $69 million in highway construction in the 1979-87 period, all of it under joint projects with the Province of Québec.

The federal Government is now apparently discussing twinning of the Trans-Canada Highway across Newfoundland, and the Prime Minister (Mr. Mulroney) has suggested federal assistance to complete the highway from Lac St. Jean to the James Bay power projects.

The people of Northern Ontario experience very little of southern Ontario's prosperity. They want the Trans-Canada Highway significantly upgraded through northern Ontario to encourage economic development in our region. The time has come for the federal Government to stop discriminating against northern Ontario in making agreements with the provinces to support highway improvement.

S. O. 21

NATIONAL PARKS

BANFF—CITIZENS' VOTE IN FAVOUR OF SELF GOVERNMENT

Mr. Gordon Taylor (Bow River): Mr. Speaker, Abraham Lincoln, in a speech in 1854 said: "No man is good enough to govern another man without that other's consent".

For 105 years, ever since Banff National Park was created, the people of Banff have been governed by a "Mayor" who lived in Ottawa 2,000 miles away. However, this week things have changed. The people of Banff voted for self-government and now the Mayor and Council of Banff will govern with the consent of the people and will be accountable to the people.

Self-government for Banff has been one of my objectives ever since I was a elected as their Member of Parliament. I want to thank our past "Mayor", the Minister of the Environment (Mr. McMillan), for his positive attitude and help, and a splendid school board, a visionary park warden and staff, the Chamber of Commerce, the Crag and Canyon, the Government of Alberta, and a host of Banff citizens for their tireless and relentless work which culminated in the favourable vote.

Ring out the old! Ring in the new!

* * *

MUNICIPAL AFFAIRS

CONSTRUCTION OF SEWERS—NEED FOR FEDERAL ASSISTANCE

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I rise again to speak on sewers and submarines. According to the Science Council of Canada, less than 60 per cent of Canadians are served by sewage treatment plants. In Quebec the number falls below 20 per cent, and in Newfoundland to 12.7 per cent.

Often untreated sewage is discharged into our rivers and lakes or pollutes ground water. Every summer, public beaches are closed. For example, in August, 1987, beaches in Toronto were posted as unfit for swimming because of the risk to health posed by polluted waters.

The Federation of Canadian Municipalities urges every year that the federal Government pay a share of the $15 billion needed to help municipalities build the necessary sewers. Ottawa refuses. This Government does not believe clean water and sewage treatment are national priorities. Instead, it prefers to build nuclear submarines. What a perverse set of priorities! By contrast, the Liberal Party is committed to pay the federal share in order to provide Canadians with clean drinking water.

• (1410)

[*Translation*]

OFFICIAL LANGUAGES

PROMOTION OF OFFICIAL LANGUAGES IN SASKATCHEWAN

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, one of the three subsidiary agreements on official languages the federal Government has just signed with Saskatchewan concerns education in French.

To ensure that Francophones in Saskatchewan will be able to administer their own schools, the federal Government will provide financing of up to $26 million over a period of ten years.

The same agreement provides that $10 million will be provided over the next five years for a series of measures aimed at developing French educational services and offering Francophones better access to education in French.

The agreement also provides $17 million over a period of five years for establishing a language training institute that will play a major role in promoting French as the other official language.

Mr. Speaker, the agreements that have now been signed are not a panacea, but we must admit this is a very encouraging start, since the agreements concern education, an area vital to the existence of a language community.

Mr. Speaker, this is one more example of how the Progressive Conservative Government honours its commitments to the language minorities of this country!

* * *

[*English*]

EXTERNAL AFFAIRS

NORTHERN IRELAND—POLICE USE OF PLASTIC BULLETS CONDEMNED

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, I recently met with Jim McCabe from Belfast whose innocent young wife was killed when struck by a plastic bullet fired by the police into a street crowd. These alleged non-lethal bullets used by the British Army and the Royal Ulster Constabulary have killed 16 and seriously injured 200 persons in troubled Northern Ireland.

Why has the British Government authorized the random use of these bullets against innocent persons? For those who think that these bullets are small, harmless projectiles, this is not the case. This is a plastic bullet which is fired by a high-powered shotgun, often at point-blank range.

Some Hon. Members: Order!

Mr. Allmand: It is a large lethal projectile. That is why the relatives of those killed and injured want them banned as a means of crowd control. They have no place in the police tactics of a democratic country.

I would ask Members in this House to approach the British Parliament to stop the use of these plastic bullets as a means of controlling crowds and demonstrations in Northern Ireland.

* * *

HUMAN RIGHTS

SEXUAL ORIENTATION—OPPOSITION TO BILL C-212

Mr. Bill Attewell (Don Valley East): Mr. Speaker, I was pleased to read that on Saturday, June 4, 1988, the delegates attending the Baptist Convention of Ontario and Quebec annual assembly voted overwhelmingly to oppose any plans by the federal Government to recognize sexual orientation in the Canadian Human Rights Act. The Social Concerns Committee presented a resolution to oppose plans by the federal Government to outlaw discrimination on the basis of sexual orientation. This resolution passed by a three to one margin.

A federal Private Member's Bill, C-212, which would amend the Canadian Human Rights Act to include sexual orientation as grounds for discrimination, was first read in the House on October 8, 1986. I serve on the Standing Committee of the House of Commons on Human Rights but I would oppose Bill C-212, or any government initiative, to change the Canadian Human Rights Act to recognize sexual orientation.

As Members of the House of Commons we have an awesome responsibility to ensure that we maintain a wholesome, family based society in this great country of ours.

* * *

CORPORATE AFFAIRS

MASSEY COMBINES—REMUNERATION OF VICTOR RICE

Mr. Derek Blackburn (Brant): Mr. Speaker, Members on all sides of this House know that I have been doing my best to get help for the men and women who used to work at Massey Combine Corporation. They lost their jobs, medical benefits, and some pension income when the company went into receivership in March.

There is one former Massey employee that I do not have to worry about. That is Victor Rice, the man who created Massey Combines. He is now the Chairman of Varity Corporation. While he says Varity does not have any obligation to help his old employees, Mr. Rice is paying himself over $1 million in salary, bonuses and benefits.

Do not think that Mr. Rice has not learned anything from the fate of his old employees. He has also negotiated a golden parachute to keep himself from ever losing his salary and benefits if something goes wrong at Varity. Mr. Rice can use this termination agreement to get four times his annual salary, plus a bonus.

Thank God I will never have to stand in this House and plead for help for Mr. Rice. I just wish he would give the same kind of deal to Massey's other 3,000 former employees.

* * *

OFFICIAL LANGUAGES

FEDERAL GOVERNMENT'S SIGNING OF AGREEMENTS WITH SASKATCHEWAN

Mr. John Gormley (The Battlefords—Meadow Lake): Mr. Speaker, I am pleased that the federal Government has signed four landmark language agreements with the Province of Saskatchewan. These 10-year agreements, totalling some $60 million, are a good example of the Government's commitment to work with the provinces in a productive, co-operative, and progressive way.

• (1415)

The agreements include a commitment to enhance our already well-received French immersion programs in Saskatchewan schools, an excellent opportunity for all young people of our province. The federal contribution will allow for the translation of Saskatchewan's statutes and regulations, and for wider use of French in the courts, as well as assisting implementation of the management of French schools by the fransaskois community.

These agreements allow all people of Saskatchewan access to the language of their choice. I commend the Secretary of State (Mr. Bouchard) for his hard work in securing these agreements, and I thank the province for its co-operation and assistance.

* * *

DISARMAMENT

GOVERNMENT URGED TO REJECT ACQUISITION OF NUCLEAR POWERED SUBMARINES

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, the Secretary of State for External Affairs (Mr. Clark) was at UNSSOD III on Monday and was at great pains to exhort other nations to sign the non-proliferation treaty, and to lecture other countries about the principles and practice of non-proliferation.

One of the concerns that we have on this side of the House is that the Government has eroded its credibility, and Canadian credibility in general, on this issue by proceeding with the decision to purchase nuclear powered submarines. This is a

violation of the spirit of the non-proliferation régime and a decision which has caused Canada's credibility to be eroded in this area.

I call on the Secretary of State for External Affairs and the Government to be consistent with their own rhetoric, to be consistent with Canadian policy in the past, and reject the proposal to buy nuclear powered submarines.

* * *

[*Translation*]

OFFICIAL LANGUAGES

PROMOTION OF OFFICIAL LANGUAGES IN SASKATCHEWAN

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, as you know, the Secretary of State, Lucien Bouchard, has just made public the details of an agreement reached between the Government of Canada and the Government of Saskatchewan on the promotion of official languages in this province. It is a master agreement that involves three subsidiary agreements dealing with the courts and the legislature, the promotion of French and education respectively.

Under the first agreement on the use of French in the courts and the legislature, the federal Government is committed to spending up to $3,250,000 over the next 10 years. The second agreement provides for the establishment of an Office of Francophone Affairs and Translation. The Government of Canada has undertaken to spend $300,000 annually over the next five years for this purpose. Finally, under the third agreement, which is meant to give francophones management and control of their schools, the Government plans to spend $26 million over a 10-year period.

Mr. Speaker, I think that with these agreements, Canada has taken another step forward on the road of promoting our linguistic duality, and thus Canadian identity, always in the spirit of national reconciliation that is so important for the unity of our beautiful country.

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—WATER RESOURCES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, it is very wrong for the Minister of International Trade to continue to mock those Canadians who are genuinely concerned about the inclusion of water in the Prime Minister's trade deal with the United States.

The Minister cannot continue to deny the existence of Article 2201 of the deal's Tariff Schedule which states: "Waters, including natural or artificial mineral waters . . . " It does not say only natural waters, or only artificial mineral waters, but all waters. The Minister has repeatedly given a wrong reading of that section to the House and to the country.

Can the Minister explain why he repeatedly gives a false explanation of that section to the country?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, can the Leader of the Opposition explain why he and members of his Party are continually giving a false representation of what the U.S.-Canada Free Trade Agreement has to say about water? In fact, he is in the league of McDonalds with the whoppers that he is producing in connection with these water provisions.

May I repeat that the U.S.-Canada Free Trade Agreement does not commit Canada, does not force Canada, does not compel Canada, and does not impel Canada in any way to permit the export of water as a natural resource to the United States of America, or to anyone else. That is the plain state of the facts in connection with the U.S.-Canada Free Trade Agreement.

• (1420)

The Hon. Leader of the Opposition has a contrary view. In his book of some years ago he says that in the future we might well proceed toward a negotiation using water as one of the positive advantages we have here in Canada. But there is nothing in the U.S.-Canada Free Trade Agreement that commits or compels Canada in any way to sell water in its natural state to the United States. We have adopted a policy that we will not do that and the date of it was November of 1987.

Why this continual effort by the members of the Liberal caucus and the *Toronto Star* to convince the public that somehow all Canadian water is going to go to the United States of America under this agreement? It's pitiful and it's wrong.

Mr. Turner (Vancouver Quadra): Mr. Speaker, the Minister has repeatedly and consciously misstated both my position on water and the Government's position in this trade deal on water.

Mr. Hnatyshyn: Remember the book.

Mr. Turner (Vancouver Quadra): I remember the book, and the Minister of Justice and the Deputy Prime Minister will recall when they recited words from my book printed in 1968. We laid that canard to rest before Your Honour about six months ago.

Mr. Hnatyshyn: Oh, no you didn't.

Mr. Turner (Vancouver Quadra): Oh, yes we did. I want to say to the Minister for International Trade that a lot of things

have happened in the last 20 years. My position against a continental water policy has never changed. In the same 20 years his political position has changed three times between the Liberal and Conservative Parties.

Some Hon. Members: Hear, hear!

CANADIAN POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, does the Minister deny that Canada wanted an exemption from water specifically spelled out in the deal with the United States but caved in at the last minute? Will the Minister explain why Canada failed to get that specific exemption?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, with reference to the position of the Leader of the Opposition on water, I quote from his document wherein he says:

> And if some day we can agree to the sharing of this continent's water by offering some of our water for export, we might want at that time to insist that if water is to be considered as a continental resource, markets should also be considered on the same basis. We might wish to export water not for money (as we sold power under the Columbia River Treaty), but in return for access to your markets.
>
> That, as I see it, must be our position.

Some Hon. Members: Oh, oh!

Some Hon. Members: Shame, shame!

Mr. Crosbie: Mr. Speaker, the Leader of the Opposition went on to say:

> Water will occupy the best minds of our two countries for the next generation.

It occupies the mind of the Leader of the Opposition which is now frozen.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): Mr. Speaker, that speech was made to the United States Chamber of Commerce in 1967.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): The Minister is being selective. I said quite categorically that the "suggestion that the waters of North America should be considered as a 'continental water supply'"—as the United States Chamber of Commerce was then suggesting—"is where we in Canada say: 'Hold on a minute!' We say there is Canadian water, and there is American water (and there is Mexican water), but we do not like the new vocabulary which calls our water 'continental water'".

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): As I said some time ago when the Deputy Prime Minister was quoting those same words, keep it up, we still have a few of those books to sell.

REQUEST FOR SPECIFIC REFERENCE IN WORDING OF AGREEMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a very simple proposition for the Minister. Since the Prime Minister's Chief of Staff, Mr. Burney, is apparently still in Washington and is now almost into the thousandth day of negotiations of this agreement with the United States, with the Government allowing us five days of debate after 1,000 days of negotiation, why does Mr. Burney not suggest adding two simple words to the deal: "excluding water"?

That will not make the deal acceptable over-all, but it will clarify that particular point. Why will the Minister not agree to a specific exclusion of water by adding two simple words: "excluding water"?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, first let me set the hon. gentleman's mind at rest. Mr. Derek Burney is upstairs in his office, doubtless watching the screen with one eye to see what kind of nonsense the Leader of the Opposition will come up with next.

To quote the Leader of the Opposition again, he said:

> We in Canada recognize that the United States is our closest neighbour, and we consider you to be a very good neighbour.

That is what he says when he is in the United States, Mr. Speaker. He continued:

> Our relations have always been friendly and we hope they will always remain so. We happen to share most of the North American continent—indeed we are co-tenants, as President Kennedy said to our Parliament in 1961 . . . We are both fortunate in our natural resources . . . There is no reason why we should not continue to make use of these resources to our mutual and individual advantage . . . I am sure that we will be able to resolve the future use of the water of this continent in a spirit of realistic friendship.

Mr. Speaker: Order.

Some Hon. Members: More, more!

* * *

• (1425)

NATIONAL DEFENCE

NUCLEAR POWERED SUBMARINES—SERVICING COSTS

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, my question is directed to the Associate Minister of National Defence. Mr. Lawrence Herman of SNA Canada Limited said that a fleet of 12 French nuclear submarines can be built for $7.5 billion. Mr. Jack Daniel of Vickers Shipbuilding Ltd. said that 10 *Trafalgar* class British submarines can be built for $8 billion in current dollars. We know this is just the

beginning of a major, long-term commitment of billions of dollars for special harbour facilities and maintenance costs, among others, for the lifetime of a nuclear submarine fleet. The costs could run upwards of $25 billion.

Instead of just talking about the cost of construction of the nuclear submarines, will the Minister tell us how much it would cost for the construction of harbour and onshore facilities alone to service the proposed nuclear submarine fleet? Let us get all the costs out on the table.

Hon. Paul Dick (Associate Minister of National Defence): Mr. Speaker, I would be glad to inform the Hon. Member once again that he should take a look at what the practice has been. When we bought CF-18s we did not include the cost of the fuel those planes were going to use. You buy a certain product at the price it is then.

The cost of the 10 or 12 nuclear submarines will be $5 billion. We also set out that the cost of infrastructure, training schools, docks, maintenance facilities, will be $3 billion. That totals $8 billion. We are very satisfied with those figures.

DEFENCE EXPENDITURES

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, unknown to the Hon. Minister, we had airports for the CF-18s before they were bought but we do not have onshore facilities for nuclear submarines.

The Minister always glosses over the fact that his Government has totally failed to keep its promises of financial support to his Department. That is a fact of life. The Government has not only failed to keep its financial promises to the Department, at the same time it is mortgaging the Department for years to come.

How can the Minister justify a committed, even if not admitted, long-term expenditure on a nuclear submarine fleet when the Government has already cut the third batch of six Canadian frigates, when the Prime Minister has not kept his promise to bring the Canadian Forces to 90,000 personnel within three years of his election, and when the reserve forces are being cut back on training time? By the year 2000, 12 1/2 per cent of Canadians will be senior citizens and more money will be needed for them, and more money will be needed for agri—

Some Hon. Members: Order!

Mr. Speaker: The Hon. Member will put his question, please.

Some Hon. Members: Oh, oh!

Mr. Hopkins: Why is the Government's nuclear submarine program more important than other areas of national defence, or the economy, or the quality of life for so many—

Some Hon. Members: Order!

Mr. Speaker: The Hon. Minister.

• (1430)

Hon. Paul Dick (Associate Minister of National Defence): Mr. Speaker, that was one of the finest and longest speeches I have ever heard in Question Period. I stopped counting at 12 questions.

If the Hon. Member would like to go out to Halifax to visit our forces out there, he will find that we do have some docks and some training facilities now. Just in case he is interested, we do have harbours. As a matter of fact, we have not built the submarines yet either, but we will have the facilities before that, just like we had airports before we had the CF-18.

* * *

BANKS AND BANKING

BANK OF NOVA SCOTIA—FORTY CENTS CHARGE FOR COIN CHANGE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Minister of State for Finance. The Minister has recently expressed some concern about bank service charges. Yesterday a small business man who should be close to the heart of the Minister, by the name of Rick Harman, who runs a Go-Go Pizza in Oshawa, received an interesting letter from the Bank of Nova Scotia. The Bank of Nova Scotia is Mr. Harman's next-door neighbour. They share the same building. Mr. Harman happens to have a $500 personal bank account with this branch.

Mr. Harman got a "To Whom It May Concern" letter that said that henceforth he will be charged 40 cents a roll for every bit of change he requests, so that if he wants 50 cents in pennies, he will have to pay 90 cents to get them. This has been applied to every bit of change that this man, who has a bank account with this bank, will acquire. Does the Minister think this is economic justice?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I thank the Hon. Member for bringing that example to mind. I would like to pursue it further on behalf of his constituent if he would like. I would also like to tell the Hon. Member that we are coming forward very soon with new legislation and regulations with regard to bank service charges, and I think he will be very pleased with them.

ROYAL BANK OF CANADA—VICE PRESIDENT'S LETTER TO PRIME MINISTER ON COMMITTEE PROPOSALS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Deputy Prime Minister. The Deputy Prime Minister will know that the House Finance Committee made recommendations supported by all Members of the House, Members on the government side as well as on this side, and these proposals have been incorporated in a Private Member's Bill standing in the name of the Hon. Member for York—

Scarborough. It certainly has the support of this side of the House.

We have learned that the Vice President of the Royal Bank of Canada has written directly to the Prime Minister, going over the head of the Minister of State for Finance, urging the Government to do nothing about this. Given that, will the Minister give assurances to the House that he will politely tell the Vice President of the Royal Bank to take a hike, and will he give assurances to the House that the proposals being recommended by this committee will get prompt action in the House of Commons?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I think the Hon. Leader of the New Democratic Party knows that reports that are presented to Parliament by Standing Committees are responded to in the normal fashion, and in this case I think there is a 150-day time frame. I am sure the Minister of Finance, as he has indicated on previous occasions, will be responding to it very, very quickly.

I want to congratulate the leadership of and the Members on this side of the House who participated in a such an impressive fashion on the committee, and particularly the Chairman who, I think, has shown good balance and common sense in his leadership in this regard.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: Mr. Speaker, with respect to the second part of the question, the Hon. Leader of the New Democratic Party is asking that this Private Member's Bill be given serious consideration. There is a parliamentary process that it goes through. I am sure he would not want us to interfere or intervene in any way, but to the extent that it can be brought forth for quick debate, I am sure all Members of the House would want to co-operate in that fashion.

Mr. Broadbent: Whenever a Conservative Member does something good, we are only too happy to praise that.

Some Hon. Members: Hear, hear!

REQUEST FOR EXPEDITIOUS PASSAGE OF PRIVATE MEMBER'S BILL

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I am asking for two assurances. One is that the Minister will reject the request made by the Vice President of the Royal Bank of Canada and say so publicly, and second, will the Minister respond to a proposal I am officially making on behalf of my Party to expedite this Private Member's Bill, to have it introduced quickly in the House of Commons, to have it passed after a couple of speakers from each side, and to ensure it becomes law quickly? Will the Minister give us that assurance?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, as I said, the Minister of Finance will respond in a proper fashion, as is required by the parliamentary rules. With regard to the suggestion by the Leader of the New Democratic Party that we should circumvent the rules, I find that rather strange coming from him. We have had his House Leader saying how wrong it is to circumvent the rules.

Mr. Broadbent: I'm not suggesting you circumvent the rules.

Mr. Mazankowski: The process is in place. We are asking for additional hours and perhaps sitting into July. With that kind of support and co-operation, I am sure we will be able to deal with this very expeditiously.

INTIMIDATION ALLEGED ON PART OF BANK

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is also directed to the Minister of State for Finance and is about the same issue. The gentleman in question of the Go-Go Pizza, Mr. Rick Harman, received a note that advised him in part that a recent review of business accounts indicates that his company deals with another bank.

Some Hon. Members: Oh, oh!

Mr. Boudria: We on this side of the House think that ordinary Canadians being intimidated by banks is an important issue, contrary to the heckling we hear across the way.

Mr. Speaker: The Hon. Member has the floor.

Mr. Boudria: Mr. Speaker, this is the second time in a week that we have heard of this kind of intimidation. Last week a Canadian citizen was charged $2 to change a $20-bill so she could do her laundry at a coin laundry. This time a businessman is being charged 40 cents for a 50-cent roll of coins. When will the Government put its foot down and put an end to this kind of intimidation of ordinary Canadians and small businesses by the chartered banks of Canada?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, as I have said to the Hon. Member for Oshawa, I would be very glad to help his constituent with regard to this matter. I should also remind the Hon. Member who just asked the question that the Bank Act will be changed with regard to these matters. The regulations will be changed, and that will be coming very, very soon.

REQUEST THAT GOVERNMENT ISSUE STATEMENT

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, the Canadian people want the Government to put its money where its mouth is. Canadians want to know when the Government will order the chartered banks to put an end to this kind of intimidation. There are several other examples of it and all Members of Parliament are being made aware of them.

Again, I ask the Minister if he will immediately state publicly that the Government will not tolerate this kind of

intimidation, with the chartered banks trying to punish Canadians and gouge Canadian consumers.

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, there have been many letters to the Minister of State for Finance, the Minister of Finance, and the Minister of Consumer and Corporate Affairs, and on each case we mediate on behalf of the constituent. We want to go further than that. We want to formalize the process and make it stronger, and that we are going to do.

* * *

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—WATER RESOURCES

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I would like to raise a question with the Minister for International Trade who continues to insist that water is a subject for "Laugh-In North" rather than a serious concern of Canadians. Michael Harrt of the Trade Negotiators' Office has said:

—a good legal argument could be made that water would be considered a 'good' under Article 409 of the Free Trade Agreement—

In view of that comment, and in view of the comments of David Rockefeller this morning on *Canada AM* who said that, under the Trade Accord, Canada could conceivably be forced to export water to the United States—

Mr. McDermid: No, he did not say that. Tell the truth, he did not say that!

Mr. Langdon: —will the Minister stand up and admit that water was part of the negotiating process and that it was given up in the final set of negotiations?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, it is interesting to see the NDP becoming disciples of David Rockefeller and believing implicitly in anything that David Rockefeller is supposed to have said. What a travesty, Mr. Speaker.

• (1440)

Mr. Broadbent: Are you calling him a liar?

Mr. Crosbie: Might I quote Ambassador Tom Niles who said—

Mr. Broadbent: Your friend.

Mr. Crosbie: The American Ambassador.

An Hon. Member: Quoting the boss again.

Mr. Crosbie: If the NDP can quote Americans, I can bloody well quote Americans.

Some Hon. Members: Hear, hear!

Mr. Crosbie: I quote Ambassador Tom Niles who said: "Water was never, never raised at any point during the negotiations. It is not an appropriate subject". Then I quote Clayton Yeutter, the United States Trade Representative, who was interviewed on CTV *Question Period*, who said: "It would have to be negotiated between the two countries, so I don't think anybody in Canada should be concerned that our water supplies are now going to be committed to the Americans. Obviously that will not happen except by deliberate decision of the Government of Canada". That is quite accurate. It does not happen under the Canada-U.S. trade agreement, because nothing in the agreement obligates Canada to sell water to the United States. Nothing in the agreement obligates Canada to approve projects for diversion of Canadian waters for export.

Furthermore, on November 5, 1987, the Minister of the Environment—the first real one we have had this century—said that the federal policy prohibits large scale interbasin export of water, but not smaller scale exports—

Some Hon. Members: Oh, oh!

Mr. Turner (Ottawa—Carleton): What about him?

Mr. Axworthy: Who was the Minister in 1979?

Mr. Crosbie: With the exception of my desk mate, Mr. Speaker.

Some Hon. Members: Oh, oh!

An Hon. Member: That is one.

Mr. Turner (Ottawa—Carleton): And Mr. Speaker.

Mr. Crosbie: And the Speaker, Mr. Speaker.

Mr. Speaker: Never did a Minister deserve more to be cut off. The Hon. Member for Essex—Windsor.

Some Hon. Members: Hear, hear!

Mr. Langdon: We will definitely drink to that, Mr. Speaker.

MINISTER'S POSITION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, this is a serious subject which I think the Minister must take much more seriously than he is. Given the statement by a Canadian official, Michael Harrt of the Trade Negotiator's Office, that a good legal argument could be made that water is a good and therefore subject to the trade agreement, why is the Minister continuing to insist that water is somehow automatically ruled out by this agreement when every point in evidence suggests that it is part of what could be part of the agreement itself?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, surely the question is whether there is anything in the free trade agreement that obligates Canada to sell water to the United States of America. The answer is no, there is not.

With respect to bottled water, some kind of water that goes in a bottle like Perrier water, or bubbly water, or something like that, according to GATT bottled water is a product. We could sell bottled water to the United States if we wished. We could sell thousands of bottles of water if we wanted to sell bottled water to the United States, but there is nothing in the agreement that obligates Canada to divert our natural resource, to do anything with water that we do not want to do.

I know that we could not trust a future Government on the other side, but we have our environmental policy which states that we will not divert water as a natural resource to the United States or anyone else. What could be plainer than that?

* * *

FUR TRAPPING INDUSTRY

PROPOSED BRITISH LABELLING CAMPAIGN

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, my question is directed to the Deputy Prime Minister. Knowing that the Prime Minister, the Right Hon. Secretary of State for External Affairs, and the Minister of Indian Affairs and Northern Development have made representations to the British Government with regard to the current legislation being considered that would have a tremendous negative impact on our Canadian fur industry, will the Deputy Prime Minister inform the House and thousands of anxious Canadians involved in the trapping and trading of furs whether he intends to raise the concerns of the fur industry not only with Prime Minister Thatcher but with all the leaders at the Economic Summit next week?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, first may I compliment the Hon. Member for the manner in which he has pursued this very important issue. I can advise him that the Government of Canada has repeatedly and very forcefully expressed its serious reservations and concerns over the negative impact that the initiative of the British Government would have with respect to the labelling regulation respecting furs.

As he has indicated, several representations have indeed taken place. The Prime Minister raised this issue with Prime Minister Thatcher last month. It has been followed up by a letter as a result of the emergency debate that was held here in the House. It will again be raised when Mrs. Thatcher comes to Canada next week. Hopefully she will react positively because she has undertaken to register those concerns with the appropriate authorities. I am hopeful that a satisfactory solution might be reached.

[*Translation*]

REGIONAL INDUSTRIAL EXPANSION

ALLEGED IRREGULARITY CONCERNING ANNOUNCEMENT OF GRANT—MINISTER'S POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. Yesterday, because they were running scared in Lac-Saint-Jean, the Tories took patronage and abuse of public funds to new heights, when the Secretary of State, Mr. Lucien Bouchard, announced a grant of $1.4 million for a job creation centre that had yet to make a formal application to the Minister for a grant. I wish the Minister of Regional Industrial Expansion would explain how a grant can be announced when the application hasn't even reached his Department, much less been analysed. This sounds like Quebec under Duplessis when they were ready to dig a river bed so they could promise to build a bridge. What is the Minister trying to do? Isn't he sick and tired of having Lucien Bouchard make ridiculous promises about the space agency and now about the grants his Department will give?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State Science and Technology): Mr. Speaker, Mr. Bouchard is running for election. Mr. Bouchard identified a project that he felt was a very valid one and that would create jobs in his riding. Mr. Bouchard indicated his support, and I would like to point out that he did say he was giving his support in principle for a major grant that would help this new projet to create jobs in one of the regions the Opposition Party had neglected for years, thus leading to extremely high unemployment rates. I think he is to be commended.

VERACITY OF CANDIDATE LUCIEN BOUCHARD'S STATEMENT

Hon. Jean Lapierre (Shefford): The Minister confirms that no application was sent to his Department and that Lucien Bouchard announced a grant without the Department's authorization. In fact, it is clear this announcement was a pure falsehood. I want to ask the Minister whether the job creation centre in Alma has had an offer of $1.4 million. Yes or no? Did Lucien Bouchard tell the truth or was he just making promises?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, we can already say that this non-profit enterprise, and I think it is important to mention this, has been very successful in creating jobs in the region and that with the future help of the Government, it will be able to create even more jobs. It was said from the very outset that the purpose was to create jobs, more and more jobs, and especially in Quebec's disadvantaged regions.

[*English*]

SUPPLY AND SERVICES

GOVERNMENT PROCUREMENT POLICY—SASKATCHEWAN AND MANITOBA SHARE OF CONTRACTS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is directed to the Minister of Supply and Services. During the years of Liberal Governments, Conservative Members of Parliament particularly from western Canada protested vigorously and quite properly that the procurement policy of the then Government favoured Ontario and Quebec and discriminated against western Canada. Will the Minister explain why, in the last few years for which we have figures from the Government, Saskatchewan with 4 per cent of the population got only one per cent of government procurement, and Manitoba with 4 per cent of the population only got 2.7 per cent of all procurement spending?

Hon. Otto Jelinek (Minister of Supply and Services): Mr. Speaker, I answered precisely the same question in the House just last week. At that time I pointed out that because the West had indeed been ignored for some 20 years by the previous administration there was a lot of catching up to do.

• (1450)

We are very proud of our achievements in the West. We have doubled in the last couple of years the number of contracts that have gone to the West. We have still not gone far enough, and both in consultation with the Minister for Western Diversification and other cabinet colleagues, we are now in a position to be on the verge of making some very important announcements which in fact are going to bring fairness to the West, as is the policy of this Government, to bring equality of opportunity to all regions of Canada.

Mr. Orlikow: Mr. Speaker, we are in the fourth year, the last year this Government is going to be in office.

GOVERNMENT POSITION

Mr. David Orlikow (Winnipeg North): I point out to the Minister that it is not just Manitoba and Saskatchewan I am concerned about. British Columbia, with 14 per cent of the population, received just 4.1 per cent of the contracts. Alberta, with 9.6 per cent of the population, only received 3.7 per cent of the contracts. Western Canada has developed a very diversified economy. When is the Government going to live up to the promises it made when it was in the Opposition?

Mr. Mazankowski: Why did you vote against Western Diversification?

Hon. Otto Jelinek (Minister of Supply and Services): Mr. Speaker, first, by the comments the Hon. Member is making, it appears to me he is not supporting the initiatives this Government is making in the West—

Mr. Broadbent: Where are they?

Mr. Jelinek: —when he is saying we are not moving in the right direction.

Mr. Broadbent: No, you sure aren't with those results.

Mr. Jelinek: The Leader of the New Democratic Party, of course, only thinks of Oshawa instead of the West and that is why he is saying—

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Speaker: Perhaps the Hon. Minister could complete his reply.

Mr. Jelinek: Mr. Speaker, because the Hon. Member in fact repeated his question, I will repeat my answer, and that is that great strides have already been made by this Government in respect to procurement in the West. We have doubled procurement contracts in the West in the last couple of years.

I repeat again that in the very near future the Minister for Western Diversification, other Cabinet Ministers, and myself will be making some very positive announcements that will bring equality of opportunity to the West and to the rest of the Canadian regions.

* * *

ATLANTIC CANADA OPPORTUNITIES AGENCY

SENATE TREATMENT OF BILL C-103

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, my question is directed to the Minister responsible for the Atlantic Canada Opportunities Agency. Can the Minister confirm that some Atlantic Canadian business people are being denied assistance under ACOA because the Atlantic Canada Opportunities Agency lacks the authority to provide help pending passage of Bill C-103 by the Senate?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I can certainly confirm that this is an impediment to the operations of the Atlantic Canada Opportunities Agency. The Liberal Opposition in this House voted against the Bill and that now has been followed up by obstruction in the Senate.

Some Hon. Members: Shame!

Mr. Crosbie: The Speaker ruled that the Bill could not be split, that this would create two new Bills which would be viewed as originating in the Senate. The Liberal Senators voted to overturn the Speaker's ruling and have done just that. The result is that the spending of an additional $1 billion in Atlantic Canada in the next five years has been hampered, and that the flexibility the agency should have has been reduced—

Some Hon. Members: Speech!

An Hon. Member: Let him finish.

Mr. Speaker: The Hon. Member for Saint-Leonard—Anjou.

* * *

[*Translation*]

CANADA POST CORPORATION

SUPERMAILBOXES—COST OF HOME MAIL DELIVERY—MINISTER'S POSITION

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, my question is for the Minister responsible for Canada Post Corporation. According to the study of the costs of home mail delivery by Canada Post, the increase in total cost for all pickup and delivery services is $1.3 billion and the increase in cost for superbox delivery is only one fifth of that amount. My question is: Why did the Minister mislead the House and Canadians by increasing the cost of superbox mail delivery, which Canadians find unacceptable?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am not sure what the Hon. Member is referring to.

Mr. Nunziata: Wake up, Harvie!

Mr. Andre: The committee to which the Hon. Member, I believe, belongs, made a recommendation with respect to the cost effectiveness of door-to—door delivery and Canada Post provided a study to the committee that lays out in detail the cost of door-to-door delivery and the cost of extending that service to every door that does not now receive mail in that fashion. The figures are there. I am not sure what else the Hon. Member is referring to.

CORPORATION'S STUDY OF COSTS

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, I suggest that the Minister be briefed by Canada Post because those figures released yesterday to the committee do not indicate supermailboxes but all the increases in all the costs of delivery and pick-up service. I want to know from the Minister if the cost of installing and buying supermailboxes is included in the study, because in the corporate plan the cost for the next three years that Canada Post will incur in buying and installing supermailboxes is $145 million. Is the $145 million included in the $1.3 billion?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, there are capital costs involved in proceeding to make the changes to which the Hon. Member is referring. They are all there in detail in the study. If the Hon. Member wants to re-examine that study, read it over, and then if he has some questions about the specific details, he need only approach me and I would be willing to discuss them with him.

* * *

CORPORATE AFFAIRS

ALLEGED PRICE FIXING BY SASKATCHEWAN GAS RETAIL COMPANIES

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is directed to the same Minister. I am sure the Minister is now aware that his officials are conducting a investigation into allegations of price fixing by gas retail companies in Saskatchewan. These allegations were made by the former marketing manager of Turbo Industries in that province. I wonder if the Minister at this time could confirm publicly that such an investigation is now under way. Can he bring us up to date on the status of that investigation? And can he tell the House whether or not he is satisfied that his investigators are having complete access to the documentation they need from the oil industry?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I can certainly satisfy the Hon. Member. I have complete confidence in the Competition Bureau and its qualifications, capabilities, and the fact that it will examine the situation and ascertain the true facts. Beyond that I will have to get back to the Hon. Member with the details of the questions he asks.

Mr. Blackburn (Brant): Ask him about Trailmobile.

Mr. Nystrom: It is surprising the Minister does not know the details of an investigation that is indeed going on into allegations of price fixing by gas retailers in the province.

PROGRESS OF INVESTIGATION

Mr. Lorne Nystrom (Yorkton—Melville): I want to know, and I suppose the Minister does not know, if this investigation is confined only to the Province of Saskatchewan. Or is this investigation going on elsewhere in this country? And can the Minister tell us at this time when the investigation is to be completed and assure the House that, once that happens, the results of the investigation will be made public so that all Canadians know what is going on?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, in fact there is within the Competition Bureau a special group or team that examines petroleum pricing because accusations of price fixing and so on come up from time to time, not just in Saskatchewan but throughout the country. Because of that, and because of the concern of consumers and the nature of the business, there is almost an ongoing kind of watchdog operation. In terms of the specific details of where they are in this investigation, as I told the Hon. Member in answer to his first question, I will get back to him.

[*Translation*]

UNEMPLOYMENT INSURANCE

REQUEST THAT REGIONS BE DIVIDED INTO URBAN AND RURAL AREAS

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, my question is for the Minister of Employment and Immigration.

The Minister knows that the qualifying period for unemployment insurance in southeastern New Brunswick has been increased from 10 to 16 weeks, although the unemployment rate in the rural part of this region was 26 per cent in February, March and April. The problem for the rural areas is that the unemployment rate in urban areas is 9.4 per cent.

Would the Minister be prepared to take steps to separate the urban and rural areas for the purposes of unemployment insurance? Would she be prepared to make changes to accommodate the people of the rural region?

[*English*]

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, there is always the possibility that one can divide areas up smaller and smaller in a way to meet a particular objective to qualify for a particular program. I think the important thing to note about this region of New Brunswick is that unemployment over all has gone down quite considerably. That is why the region does not qualify.

I recognize within that there are differences, but the distances are not large and we cannot just divide up regions block by block and house by house to meet the Hon. Member's objectives.

• (1500)

[*Translation*]

ALLOCATION OF FUNDS FOR JOB CREATION—MINISTER'S POSITION

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, I remind the Minister again that the unemployment rate in the rural region is 26 per cent and that it is very difficult to find work for more than 10 weeks.

So, given that the rural unemployment rate is three times as high as the urban rate, is the Minister prepared to share the money from the employment development program in the same proportions? Would it not be fairer to share the job creation funds in this way, i.e. by giving three times as much to the rural regions where the unemployment rate is three times as high?

[*English*]

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I recognize the difficulty that there is in some of our high unemployment regions. I recognize the unevenness of the difficulty throughout some regions. At this stage I am not considering any changes to the system. I think it has been working well. Even where unemployment is high we have seen it come down quite considerably.

I would be very happy to look into the specifics of the Hon. Member's problem. However, I am not in a position to adjust the program.

Mr. Speaker: The Hon. Member for Hamilton Mountain, a single question, please.

* * *

EMPLOYMENT

ALLOCATION OF FUNDS FOR JOB CREATION IN LAC-SAINT-JEAN AREA

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, my question is for the Minister of Employment and Immigration. The Hamilton Help Centre in my riding cannot get funding for older workers. Nor can the West Kootenay Women's Association which has a program for severely employment disadvantaged women.

How is it that the Minister could miraculously find $1.4 million for the Lac-Saint-Jean area for job creation? Or is this just another way of buying votes for the candidate there?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, as the Hon. Member knows, there are programs available from which all Hon. Members can benefit. All of them can apply for various kinds of grants and various kinds of projects. I think it is a worthy candidate who goes out and says that he is going to fight hard for his region to get one of those projects.

* * *

ADMINISTRATION OF JUSTICE

CRIMINAL SENTENCING PROCEDURES

Mr. Alan Redway (York East): Mr. Speaker, my question is for the Minister of Justice. Earlier today the Solicitor General for Canada announced his intention to tighten up the parole system of Canada. Bearing in mind the fact that the Minister of Justice has now had the Archambault sentencing commission report in his hands for over a year, when does the Minister intend to follow the courageous lead of his colleague, the Solicitor General, and introduce changes in criminal sentencing procedures? Soon will not be soon enough.

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I join with the Hon. Member in saluting my colleague who is bringing forward a draft Bill for discussion purposes in an area of exclusive federal jurisdiction.

The hon. gentleman will know, because I consult with him very often with respect to justice matters, and take his advice very often, that the matter of sentencing is a joint federal-provincial responsibility. The administration of justice is very much involved in this. As a result the Hon. Member will know and applaud the fact that I am taking leadership in arranging full and close discussion with the provinces on this sentencing initiative. I look forward to any suggestions that the Hon. Member may have in this process. They will be listened to.

ROUTINE PROCEEDINGS

[*English*]

INTERPARLIAMENTARY DELEGATIONS

PRESENTATION OF REPORT OF CANADIAN NATO PARLIAMENTARY ASSOCIATION

Mr. Bob Hicks (Scarborough East): Mr. Speaker, pursuant to Standing Order 101 I have the honour to present to the House, in both official languages, the thirty-third report of the Canadian NATO Parliamentary Association.

[*Editor's Note: See today's Votes and Proceedings.*]

* * *

ARCTIC WATERS POLLUTION PREVENTION ACT

MEASURE TO AMEND

Mr. Nelson A. Riis (Kamloops—Shuswap) moved for leave to introduce Bill C-299, an Act to amend the Arctic Waters Pollution Prevention Act.

Mr. Speaker: Shall the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Speaker: Call in the Members.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 384*)

YEAS

Members

Allmand	Guilbault (Saint-Jacques)	McDonald (Broadview—Greenwood)
Althouse	Heap	McLaughlin
Benjamin	Henderson	Mitchell
Blaikie	Hopkins	Nunziata
Dingwall	Hovdebo	Nystrom
Epp (Thunder Bay—Nipigon)	Isabelle	Penner
Foster	Jewett	Riis
Garneau	Keeper	Robichaud
Gauthier	Lapierre	Rossi
Gray (Windsor West)	Manly	Tobin—33
Grondin	Marchi	
	McCurdy	

NAYS

Members

nil/none

• (1540)

The Acting Speaker (Mrs. Champagne): I declare the motion carried.

Mr. Riis: Madam Speaker, I rise on a point of order. Now that the motion has been passed, is this not the time when I have an opportunity to explain what the nature of the Bill is?

Some Hon. Members: Explain.

The Acting Speaker (Mrs. Champagne): The Hon. Member is quite right.

Mr. Riis: Madam Speaker, the purpose of this Bill that is about to be introduced is to transfer to the Minister of the Environment (Mr. McMillan) the responsibility for the operation of the Arctic Waters Pollution Prevention Act. By Order in Council dated May 14, 1971, pursuant to Section 26 of the Act, the Governor in Council delegated certain of its powers under this Act to the Minister of Indian Affairs and Northern Development, the Minister of Energy, Mines and Resources and the Minister of Transport. This Bill would transfer all of those powers to the Minister of the Environment, a much more appropriate focus for northern environmental protection.

Mr. Riis moved that the Bill be read the first time and printed.

The Acting Speaker (Mrs. Champagne): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mrs. Champagne): May I dispense with the ringing of the bells?

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): Call in the Members.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 385*)

YEAS

Members

Althouse	Henderson	Nystrom
Benjamin	Hopkins	Orlikow
Berger	Hovdebo	Riis
Boudria	Jewett	Robichaud
Dingwall	Keeper	Rossi
Epp	Manly	Tobin
(Thunder Bay—Nipigon)	Marchi	Waddell—27
Foster	McDonald (Broadview—Greenwood)	
Gauthier	McLaughlin	
Grondin	Mitchell	
Heap		

NAYS

Members

nil/none

● (1620)

The Acting Speaker (Mrs. Champagne): I declare the motion carried.

Bill read the first time and ordered to be printed.

* * *

EXCISE ACT

MEASURE TO AMEND

Mr. Nelson A. Riis (Kamloops—Shuswap) moved for leave to introduce Bill C-300, an Act to amend the Excise Act (exemption of home brewed beer).

The Acting Speaker (Mrs. Champagne): Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mrs. Champagne): Shall I dispense with the ringing of the bells?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): Call in the Members.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 386*)

YEAS

Members

Althouse	Grondin	Nystrom
Benjamin	Heap	Orlikow
Berger	Hopkins	Parry
Blaikie	Jewett	Riis
Dingwall	Keeper	Rossi—19
Epp	Killens	
(Thunder Bay—Nipigon)	McDonald (Broadview—Greenwood)	
Gauthier		

NAYS

Members

nil/none

● (1650)

The Acting Speaker (Mrs. Champagne): I declare the motion carried.

Mr. Lewis: Madam Speaker, I rise on a point of order. The New Democratic Party has now forced a vote on three procedural matters which usually go on consent. These tactics

have completely wasted the time of the House. We had intended to call the motion to extend the sitting this afternoon, but unfortunately we have been unable to have any debate on that motion.

I would suggest that the wasting of the time of the House is not something in which the Liberal Party is joining. Therefore, I give notice that at the next sitting of the House, immediately before the order of the day is called for resuming debate on the motion that is Government Business No. 26 on the Order Paper, and on any amendments proposed thereto, I will move that the debate shall not be further adjourned.

Mr. Riis: Madam Speaker, perhaps I could seek clarification on the point of order of the Deputy House Leader. Did the Deputy House Leader announce that the Government plans to enforce a closure motion, that it will no longer allow debate on the motion to extend the hours? Once again, are we seeing closure being used by the Government? I am simply seeking clarification to make sure that it is closure we are seeing as opposed to time allocation.

Mr. Lewis: Madam Speaker, I am pleased to clarify this for my hon. friend. My hon. friend and his Party, the New Democratic Party, have now moved three deleterious motions and votes which have completely wasted the time of the House. Had we not had these votes, we would be debating the very motion that my friend suggests we are eliminating debate on. If my friend wants to cease and desist on the delaying tactics, we would be glad to debate the motion right now.

• (1700)

Mr. Riis: Madam Speaker, perhaps I could seek some clarification. The Deputy Government House Leader mystifies me. Was it not his Party that shut Parliament down for 16 days?

Mr. Gustafson: We had a good reason.

Mr. Riis: Was it not his Party that did that?

The Acting Speaker (Mrs. Champagne): I do not believe that last intervention is really a point of order. I think the Hon. Member will want to explain his Bill which he has sought leave to introduce.

Mr. Riis: Madam Speaker, the purpose of this Private Members' Bill entitled "An Act to amend the Excise Act (exemption on home-brewed beer)", is to remove antiquated requirements that are now imposed on home brewing of beer under the Excise Act.

The Act now requires that before beginning to brew beer for one's personal use, a person must give notice in writing to a collector of his intention to brew and to provide the collector with a list of equipment to be used.

Current legislation also restricts use of home brewed beer without a licence to a person or his family. Such requirements do not exist for home wine-making. The law does not restrict a person making his own wine from offering it to his guests inside or outside his home.

This Bill would amend the present legislation to bring home brewing of beer into line with the treatment of home wine-making. It is an effort to bring equity to those who make their own wine or make their own beer for their own consumption.

Mr. Riis moved that the Bill be read the first time and printed.

The Acting Speaker (Mrs. Champagne): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the motion please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the nays have it.

And more than five Members having risen:

The House divided on the motion, which was agreed to on the following division:

• (1710)

(*Division No. 387*)

YEAS

Members

Althouse	Gray (Windsor West)	McDonald (Broadview—Greenwood)
Benjamin	Grondin	Orlikow
Berger	Guilbault (Saint-Jacques)	Riis—16
Dingwall	Heap	
Epp (Thunder Bay—Nipigon)	Jewett	
Gauthier	Keeper	
	McCurdy	

NAYS

Members

nil/none

• (1730)

The Acting Speaker (Mrs. Champagne): I declare the motion carried.

Bill read the first time and ordered to be printed.

Motions

HOUSE OF COMMONS

MOTION TO EXTEND HOURS OF SITTING

Mr. Nelson A. Riis (Kamloops—Shuswap): Madam Speaker, pursuant to Standing Order 10, I move:

> That, commencing Thursday, June 16, until Thursday, June 30, the House continue to sit beyond the ordinary hour of daily adjournment and adjourn at 8 p.m. on Mondays, Tuesdays, Wednesdays, and Thursdays, and at 3.30 p.m. on Fridays.

[*Translation*]

Mr. Guilbault (Saint-Jacques): Madam Speaker, on a point of order.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Saint-Jacques (Mr. Guilbault), on a point of order.

Mr. Guilbault (Saint-Jacques): I would like to ask the Chair to consider the effect the motion before us might have on another motion that is already before the House. The Government moved its disgraceful motion to have the House sit all summer long. I subsequently moved an amendment whose purpose was quite similar to what was proposed by the Hon. Member for Kamloops—Shuswap (Mr. Riis). I wonder whether the Hon. Member's motion is in order, since its purpose is quite similar to the motion that was already before the House, in the form of an amendment to the Government's motion.

Perhaps the Chair could take the matter raised by the Hon. Member from Kamloops—Shuswap under advisement and consider whether his motion is compatible with the amendment I myself moved, seconded by the Hon. Member for Ottawa—Vanier (Mr. Gauthier).

• (1740)

[*English*]

Mr. Lewis: Madam Speaker, I rise on the same point of order. I would like to join with my hon. colleague and suggest that the motion is out of order since there is presently before the House, and in fact debate has commenced on, a motion which encompasses what my hon. friend is trying to do. I submit that if he wished to make any changes in the times when the House would sit between the passing of the motion and June 30, the proper route would have been an amendment to the motion which was debated earlier this week.

I also want to point out that we have had an afternoon of delay which serves no purpose to either Party or country. I suggest that we get on with the business of the House and proceed to Orders of the Day where we can debate the motion upon which we commenced debate this week. I do not think we serve any purpose by delaying action any longer. We have a busy schedule ahead of us. We are toward the end of the calendar year and we want to complete the business on the Order Paper. We want to debate the abortion motion, we want to debate the free trade Bill. We are prepared to work. We are not prepared to sit much longer and watch the delaying tactics of the New Democratic Party.

Mr. Riis: Madam Speaker, I know it is quite unique for the Government Deputy House Leader to follow the Standing Orders, which is all I am trying to do. Standing Order 10 reads:

> On the tenth sitting day preceding June 30 a motion to extend the hours of sitting to a specific hour during the last ten sitting days may be proposed, without notice, by any Member during routing proceedings.

It goes on to provide for two hours of debate and so on. I am simply suggesting that we follow this Standing Order. I know this is at significant variance to the usual approach which the Deputy House Leader takes toward Standing Orders. He continuously wants to either suspend them, set them aside, or ignore them.

[*Translation*]

The Acting Speaker (Mrs. Champagne): The motion moved by the Hon. Member is indeed similar to other motions that were brought before the House. However, the motion is more restrictive than the Government's motion, on which a decision has yet to be made. Although the motion moved by the Government proposes to suspend Standing Order 10, the House has yet to decide on this matter. As far as the Chair is concerned, the motion is in order, we can proceed and the House will decide.

Resuming debate. The Hon. Member for Kamloops—Shuswap (Mr. Riis).

[*English*]

Mr. Nelson A. Riis (Kamloops—Shuswap): Madam Speaker, I am pleased to have an opportunity to rise to debate the motion which you have now ruled on to indicate the intention of the New Democratic Party to debate a variety of pieces of legislation which would come before the House of Commons.

Perhaps this would be a useful time to indicate that on many occasions I have made the point that we in the New Democratic Party are quite prepared to debate expeditiously appropriate issues as they come before the House and to pass them expeditiously, to move in a most co-operative way.

I will use as examples two items. Yesterday discussions occurred between the House Leaders of the Government, the Official Opposition, and the New Democratic Party as to whether or not it would be appropriate for us to extend the sittings of the House last night to allow all of those Members who wanted to participate in the Meech Lake Accord debate an opportunity to do so. That required a departure from the usual sitting hours. It required co-operation between the Government, the Liberals, and the New Democratic Party.

I felt that that was an appropriate initiative, that it was an important issue to deal with. There were Members from all Parties available to speak. That willingness resulted in a co-

operative decision between the three House Leaders representing the three political Parties to extend the debate into the evening and that was done.

A few days earlier willingness to co-operate was demonstrated when the Government House Leader inquired whether the opposition Parties would be prepared to consider as a package on the same day three different pieces of legislation dealing with native people in order to facilitate the passage of that legislation. As a matter of fact, I believe that one of the Bills was initiated by Chief Jules of the Kamloops Indian Band and was with regard to taxation on Indian lands.

That Bill moved through second reading, report stage, third reading, and Committee of the Whole all in one session. In addition, a number of other Bills were moved through various stages. That again demonstrated the willingness to co-operate on legislation which is obviously in the best interests of the country.

I could go on with a whole set of examples. As a matter of fact, I think the Government House Leader himself was indicating with some pride that in this session of Parliament we have passed more legislation than any session of Parliament in recent history. At the same time government Members say that the Opposition is holding up legislation. You cannot have it both ways, you cannot be passing extraordinary numbers of Bills and at the same time make a case that the Opposition is being obstructive. I want to make it clear that that is not the case.

There are Bills on the Order Paper which the Government has indicated interest in bringing forward and which we believe ought to have some debate and study in committee. They are Bills which we do not necessarily oppose in principle but would like to have improved. For that reason we are anxious to get on with it. However, the Government never brings them forward.

I use as an example the concerns of the disabled with regard to the National Transportation Act. We have been hearing for weeks that the disabled communities of the country want these changes to the National Transportation Act in order to facilitate movement of disabled people. We want to pass this legislation expeditiously and do what we can to co-operate. However, the Government never brings it forward and we cannot, therefore, co-operate. If the Government brought that legislation forward today, I can guarantee that we would pass it in 15 minutes. However, the Government does not bring it forward. It is fixated on the trade deal at the expense of all other legislation.

Today my Leader, the Hon. Member for Oshawa (Mr. Broadbent), said that if the Government brings forward a Bill such as the Private Member's Bill of the Member for York-Scarborough (Mr. McCrossan) to restrict the banks' ability to introduce service charges in the willy-nilly, comprehensive way in which they are, we will pass it in one hour. That is the kind of co-operation we are prepared to provide on this critical matter.

Let us go through the list. If the Government brings forward a Bill on bank charges tomorrow, it will be passed through all stages by the end of the day. If it brings forward a Bill on the disabled, it will be passed in an hour. We have not seen the legislation on child care so I really cannot indicate to what extent we are prepared to co-operate on that. We have been talking about proposed legislation for nearly four years. When we see the legislation we will certainly be willing to co-operate and move on it.

There is as well the trade Bill, Bill C-130. We as New Democrats feel that that Bill is a sell-out of Canada to the U.S.

• (1750)

I think it was on January 2 when I indicated we were not prepared to co-operate in that sell-out. We were not prepared to co-operate on a Bill that does away with everything we fought for over generations. This is one major piece of legislation we are not going to co-operate on.

I do not know what people are surprised at. We are trying to stall the legislation so the Government will call an election and give the people of Canada an opportunity to indicate how they feel about it. The Government lacks a mandate to proceed with Bill C-130.

Mr. Siddon: We have a mandate to do what we like.

Mr. Riis: Oh, now we hear it. The Minister says they have a mandate to do whatever they like. That is called a dictatorship. It is called a tyranny. It is called totalitarian Government. We will do whatever we want. Forget about Parliament. Forget about the responsibilities and obligations you have to all Members. The Government knows what is right and as the Minister says, it has the right to do whatever it wants.

Mr. Siddon: With a vote of the House.

Mr. Riis: If Members opposite do not like the Standing Orders, what do they do? Tear the pages out and throw them away. Ignore them. Suspend them.

Mr. Fennell: Live up to them and debate the motion.

Mr. Riis: They would rather tear them up than follow them. It is very clear that we are against that initiative, but to prove the point I put forward this motion. We are prepared to start tomorrow.

Mr. Fennell: You're acting like a child.

Mr. Riis: If the Government wants to sit late, that is what we will do. Let us recognize what is taking place. We are saying we are prepared to sit into the evenings to discuss and facilitate passage of legislation dealing with restricting the ability of the banks to impose service charges. If the Government wants to introduce legislation on flow-through shares, we are prepared to co-operate to facilitate its passage.

Mr. Fennell: You are not the Government, stupid.

Mr. Riis: Then there is the matter of *pari mutuel* betting. There is a whole list of legislation but the Government refuses to bring forward that on which we say we will co-operate. We will pass it in one hour, two hours or half a day. Yet every day the Government says it wants to bring in the trade legislation and jam it through the House. We refuse to do that. We are not interested in supporting the Government's initiative on the trade deal with the U.S. for a whole set of reasons.

Ms. McDonald: Explain the reasons.

Mr. Riis: Perhaps I will explain two or three just so it is clear to Hon. Members. Bill C-130 provides for the diverting of Canadian rivers to the U.S. That is the selling off of Canada's waterways.

Mr. Taylor: All you are doing is wasting time. Keep on going.

Mr. Riis: The Hon. Member is puzzled that I am wasting time. I told the Government House Leader we will not co-operate on the trade deal. Bring in good legislation and we will co-operate like you have never seen before.

Let me go on about what I think seems to have touched a nerve across the way. I do not understand it. We are saying extend the hours for debate.

Mr. Fennell: That is what we are saying.

Mr. Lewis: We will do it our way.

Mr. Riis: Extend the hours to six o'clock, seven o'clock or eight o'clock, Monday nights, Tuesday nights, Wednesday nights, Thursday nights. I do not understand why people are yelling at me. We are trying to do what the Government has suggested it wishes to do. We are trying to facilitate the process.

Mr. Taylor: You are trying to hold everything up.

Mr. Riis: I have to take exception to that. If the Government brings in legislation for the disabled, we will pass it in one day. If it brings in legislation to restrict the banks in imposing service charges, we will pass it in one day.

Mr. Fennell: You do not run the show.

Mr. Riis: I could go on and identify all the Bills presently on the Order Paper that we are prepared to move on quickly and co-operatively. There are other Bills like the refugee Bill or the immigration Bill, I suppose, that we were called back last August to deal with. That was the emergency last August. It is now almost a year later and we still have not passed it. It is still being debated in the House. I have yet to hear a single expert who understands the issue and who supports the Bill. Not a single witness. Yet the Government wants to jam it through Parliament.

In spite of what the Minister said, the Government cannot do whatever it wants to. We have a Parliament. The rights and obligations and responsibilities of the Opposition are clearly laid out, but unfortunately they are laid out in the Standing Orders. The Government has indicated its interest in throwing out the Standing Orders or suspending them if it deems that to be in the Government's best interests. We reject that. We have developed the Standing Orders over decades through unanimous consent. Liberals, Conservatives, New Democrats and other political Parties as well as independents have co-operatively and unanimously agreed on the Standing Orders. We feel Canadians want that kind of tradition and they do not want a Government which throws it out.

I remember when the Hon. Member for Bow River (Mr. Taylor), who is speaking over there, stormed the Chair. He was part of the group in 1982 who stormed the Speaker's chair and disrupted the House of Commons of Canada for 16 days.

Mr. Taylor: Who did?

Mr. Riis: Muzzled it. You did.

Mr. Taylor: I did not. That is a lie.

Mr. Riis: All right, Madam Speaker, I will take it back. Perhaps he was absent, but the rest of his colleagues were there that day.

Mr. Taylor: You can sit down now, you have wasted the time. Shirley Carr will love you.

Mr. Lewis: Point of order, Madam Speaker. It is now six o'clock. I note the motion made by my hon. friend under Standing Order 10(1) does not provide for debate to be extended beyond six o'clock. I would suggest that if the Standing Order had meant that, it would be stated in the Standing Order. Therefore, I would submit that the House should be adjourned at this time and that the motion should then take its normal course on the government Order Paper.

• (1800)

Mr. Riis: Madam Speaker, I appreciate my hon. friend's interest in this debate. I would remind the Hon. Member that Standing Order 10(2) reads:

> Not more than two hours after the commencement of proceedings thereon, the Speaker shall put every question necessary to dispose of the said motion.

The word used is "shall", not "if", not "maybe". It seems to me that the Standing Order once again is perfectly clear. We could have a two hour debate if that were to be of interest, but at the end of whatever debate takes place, the Speaker shall put every question necessary to dispose of the motion that has been put forward.

Mr. Gauthier: Madam Speaker, I would like to offer my contribution, very humbly, to this debate in the spirit of wanting to follow the rules of the House. I would read to the House the Standing Order we use every day for the daily

adjournment, and that is Standing Order No. 9(1) which reads:

> At 6.00 o'clock p.m. on Mondays, Tuesdays, Wednesdays and Thursdays, and at 3.00 o'clock p.m. on Fridays, the Speaker shall adjourn the House until the next sitting day.

We are presently in Routine Proceedings, debating a motion under Standing Order 10(1) for the extension of sitting hours on the tenth sitting day preceding June 30. I submit that nothing in Standing Order 10(1) says anything about notwithstanding Standing Order 9(1). Therefore, Standing Order 9(1) supersedes, in my view, any other Standing Order unless explicitly stated. I would like to have the co-operation of the House in working within those rules. I agree with the member of the NDP who says we should be working within the rules, and I submit that you have no alternative, Madam Speaker, but to adjourn the House at this time.

Mr. Althouse: Madam Speaker, on the same point of order, before you make your ruling and as a result of the intervention of my friend from Ottawa—Vanier, I would draw your attention to Standing Order 9(3) which reads:

> When it is provided in any Standing or Special Order of this House that any business specified by such Order shall be continued, forthwith disposed of, or concluded in any sitting, the House shall not be adjourned before such proceedings have been completed except pursuant to a motion to adjourn proposed by a Minister of the Crown.

I submit that this particular motion should be disposed of before the House adjourns.

[*Translation*]

Mr. Guilbault (Saint-Jacques): Madam Speaker, I wish to draw your attention to a specific Standing Order, 10(2), because that is really the one that has to be interpreted. It reads:

> (2) Not more than two hours after the commencement of proceedings thereon, the Speaker shall put every question necessary to dispose of the said motion.

I think that we should take "after the commencement of proceedings" to mean two hours of actual debate. That is what it means. It means that the debate cannot take more than two hours. It does not mean that the debate cannot be interrupted by a lunch break or the normal adjournment of the House, like this evening, and be continued the next morning. What it means is that when Members have debated this question for a period of not more than two hours, the Chair has no choice.

The Speaker who is in the Chair must then rise, interrupt the proceedings and put every question necessary to dispose of the motion. I therefore maintain that since it is now after six o'clock—to continue along the same lines as my colleague from Ottawa—Vanier—the normal time for adjournment, the Chair should adjourn the House and continue tomorrow, in the first hour of the sitting, the debate on the motion very properly moved by the Hon. Member for Kamloops—Shuswap. In this way, Members will have their right to debate the motion for a full two hours, the Chair will comply with the Standing Order by putting every question necessary to dispose of the motion before the House and the Chair will also comply with another Standing Order, namely that at six o'clock on a day like today, we call it quits.

[*English*]

The Acting Speaker (Mrs. Champagne): I want to thank all Hon. Members. Their comments have been quite helpful. While listening to Hon. Members, I was also re-reading Standing Order 117. It seems to me that all other motions moved under Routine Proceedings including one under Standing Order 117 relating to time allocation are subject to the interruption of the hour of adjournment. The Standing Order reads in part:

> Not more than two hours after the commencement of proceedings thereon, the Speaker shall put every question necessary to dispose of the said motion. Any proceedings interrupted pursuant to this Standing Order shall be deemed adjourned.

Considering this, I do not feel that the motion would overrule the normal Standing Order for the time of adjournment. Hence, I know it will be my duty to adjourn the House.

PRIVATE MEMBERS' BUSINESS

The Acting Speaker (Mrs. Champagne): I have a statement which I think should be read to the House. I have received written notice from the Hon. Member for Fundy—Royal (Mr. Corbett) that he is unable to move his motion during the hour for Private Members' Business on Thursday, June 16, 1988. It has not been possible to arrange an exchange of positions in the order of precedence pursuant to Standing Order 39. Accordingly, I am directing the Table Officers to drop that item of business to the bottom of the order of precedence.

Since notice will be removed, the hour for Private Members' Business will be cancelled and, pursuant to Standing Order 39, the House will continue with the business before it prior to that hour until the ordinary hour of daily adjournment.

It being after six o'clock p.m., the House stands adjourned—

Mr. Lewis: Madam Speaker, I rise on a point of order. It may very well be that the Hon. Member cannot be here Thursday, but it seems to me that we passed a House order, in view of the visit of the Chancellor of West Germany, that the business of Thursday would be treated the same as the business of Wednesday. Therefore, there would be no Private Members' hour tomorrow. I think it should be communicated to the Hon. Member that if he wants to be here Friday, he would still be in order and could take his normal position of precedence. I do not want the private Member to lose his right to move his Bill simply because he did not realize that we had made that change in Thursday's business.

The Acting Speaker (Mrs. Champagne): Returning to *Votes and Proceedings*, the special order provided for Private Members' Business to be taken up between five o'clock and six o'clock, which is why we had to make that announcement and make the proper arrangements.

It being after six o'clock p.m., this House stands adjourned until tomorrow at two o'clock, pursuant to Order made Thursday, June 2, 1988.

The House adjourned at 6.10 p.m.

HOUSE OF COMMONS

Thursday, June 16, 1988

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 21

[*English*]

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—WATER RESOURCES

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the Government has exempted lumber, unprocessed fish, and beer from the trade deal with the United States, but not water. Despite claims to the contrary by the Minister for International Trade (Mr. Crosbie), it is obvious that the trade deal does not explicitly prohibit the sale of water to the United States. Therefore, we do not know what the future might hold with respect to water diversions and export.

By not exempting water from the trade deal, the Government has left the door open for the United States to seek Canadian water in decades to come. If the Government will not amend the proposed legislation so as to exclude water from the trade deal, the consequences could be enormous.

The Government should include water in the proposed trade legislation so that Canadian water stays in Canada for present and future generations of Canadians

* * *

[*Translation*]

BUSINESS OF THE HOUSE

THE OPPOSITION

Mr. Gabriel Fontaine (Lévis): Over the past few days, Mr. Speaker, the business of the House has been perturbed by the Liberal-socialist tandem of the Hon. Member for Windsor West (Mr. Gray) and the Hon. Member for Kamloops—Shuswap (Mr. Riis).

Futile and costly war of words and procedural wrangles! The Opposition has both the duty and the right to oppose the principle of our policies.

Why not debate basic issues? We would welcome that with professionalism. We are open to any legitimate representation concerning any issue on the Order Paper of the House, including the matter of free trade, among others.

I thank *The Gazette*'s columnist William Johnson for his June 15, 1988 article from which I drew inspiration for my statement.

* * *

YOUTH

"THEY HAVE REACHED THE SUMMIT" COMPETITION—SCARCITY OF FEMALE WINNERS DEPLORED

Ms. Marion Dewar (Hamilton Mountain): Earlier this week, Mr. Speaker, the Minister of State for Youth announced the winners of the "They have reached the Summit" competition. Fifteen out of 1,000 young Canadian men and women were chosen to attend the Economic Summit in Toronto this weekend.

This kind of competition seems to offer a unique opportunity to young Canadians. However the distressing fact is that only three of the fifteen winners are women. Whenever this Government has an opportunity to offer young people a challenging experience it continues to perpetuate a sexist system which invariably bars women from institutions where political and economic decisions are made. It is very discouraging to find out that even today young Canadian women have no guarantee they will have equal representation and participation in our country's major events.

I want to extend my congratulations to the competition winners, particularly to the three young women. The name of the competition—"They have reached the Summit"—was quite appropriate, even though so few women did reach the top.

S. O. 21

• (1405)

[*English*]

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

BELL CANADA EXTENDED AREA SERVICE—DELAY IN ANNOUNCING DECISION

Mr. Bill Attewell (Don Valley East): Mr. Speaker, I was disappointed to learn that the CRTC has once again delayed the announcement of its decision concerning extended area service of Bell Canada.

The residents of the northern part of the new riding of Markham with telephone exchanges 727 and 841 are only able to make local calls to Oak Ridges, Aurora, and Newmarket, whereas many calls must be made regularly to the greater Metro area. Residents such as Roy Graham have been fighting to get this changed.

I now live in the Gormley area. We have an 841 exchange. I can tell you, Mr. Speaker, it is inconvenient and costly for residents to make calls to the greater Metro area. Almost all the calls are to the south, not to the west and north. This patchwork quilt of rates is particularly costly to small businesses with clients across the York region.

I would urge the CRTC to examine its criteria in order to apply the extended area service to our community and to many others across the province.

* * *

ATLANTIC CANADA OPPORTUNITIES AGENCY

POSITION OF LIBERAL PARTY

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, I rise to protest the decision of the Liberal Party to frustrate the operations of the Atlantic Canada Opportunities Agency. The result of this decision is that projects that might be eligible for assistance cannot be funded. This in turn means lost opportunities for Atlantic Canadians, lost jobs, and lost investment.

Atlantic Canadians support the Atlantic Canada Opportunities Agency. They know it is a big improvement over the past Liberal strategies of economic development.

It is time for Liberal Members to stand up for the interests of Atlantic Canadians. To date, their performance has been shameful.

[*Translation*]

BY-ELECTIONS

LAC-SAINT-JEAN CONSTITUENCY

Hon. Jean Lapierre (Shefford): Mr. Speaker, I take the opportunity to report on the situation in Lac-Saint-Jean.

As you know, the Prime Minister appointed Lucien Bouchard thinking that he could walk on the waters of Lake Saint-Jean. But we have seen, over the past few weeks, that he is having trouble keeping his head above water. He now finds himself in such a bind that he can only rely on support from outside the riding. The fact is that he has little support inside the riding, which explains the obvious contradictions on the part of the government, the panic that has overtaken its ranks. Conservative members know that the government will never be able to invest as much in their own ridings.

The Hon. Member from Chambly, for example, knows that he will not get millions of dollars to buy votes, like Lucien Bouchard in Lac-Saint-Jean. Even the Minister of Regional Economic Expansion had to be bulldozed into agreeing to some grants where there was no program.

Mr. Speaker, I think this is an abuse of public funds. Never has so much money been spent in an effort to buy votes. But the government can be assured of one thing: the people of Lac-Saint-Jean will not be fooled by Conservative promises. And the sad thing is that we now see that Lucien Bouchard has obviously been to the same school as the Prime Minister because he tends to forget the truth.

* * *

• (1410)

[*English*]

PROVINCIAL AFFAIRS

ONTARIO MINISTER'S COMMENTS IN REPLYING TO QUESTION ON RAPE

Mr. Alan Redway (York East): Mr. Speaker, yesterday in the Ontario Legislature when asked about a report on rape the Ontario Minister responsible for women's issues responded by saying that the Blue Jays were leading the Cleveland Indians 9 to 1. Liberal Members applauded.

Then when a Progressive Conservative Member of the Legislature said that he was shocked to hear the ball score when the question dealt with rape, the Minister put him down by saying he didn't know what the Member had against baseball.

If that exchange had occurred in this House, one can imagine the reaction of the Hon. Member for Hamilton East (Ms. Copps), and rightly so.

HEALTH

LEVEL OF LEAD IN GASOLINE—QUICKER REDUCTION SOUGHT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, yesterday a group called the Canadian Coalition for Lead-Free Gasoline presented a brief to the federal Minister of Health and Welfare (Mr. Epp) and the federal Minister of the Environment (Mr. McMillan).

In the brief the Coalition outlined the dangers, especially to young children, of lead poisoning. The Coalition presented evidence that even very small levels of lead in the bloodstream can hurt children, and have terrible effects such as low birth weight and hearing loss. Fifty-two per cent of children aged six and under have an unacceptably high level of lead in their blood. That is half a million Canadian children.

To combat this problem, the Coalition has asked the Government to reduce the level of lead in gasoline sooner than the Government's plan to reduce levels in 1992. Why should the Conservative Government drag its feet when the health of Canadian children is at stake?

The Minister of the Environment expressed a concern for the industries, saying that the Government would have to ask the industries if they could meet this target for reducing lead at an earlier date.

It is time this Conservative Government got the lead out, and told the industries to do the same.

* * *

WESTERN DIVERSIFICATION FUND

ASSISTANCE FOR SMALL AND MEDIUM SIZED BUSINESSES

Mr. Don Ravis (Saskatoon East): Mr. Speaker, as of June 3, the Western Diversification Office had provided funds for 382 projects across western Canada. These announcements have amounted to $305 million being injected into western Canada. It is important to realize that the vast majority of the projects funded are for small and medium-sized companies. These are the companies which create most of the jobs and are the driving force in diversifying the prairie economy. These companies have the entrepreneurs who bring new ideas and skills to both rural and urban areas.

An example of the impact that ingenuity and government support is having can be found in Saskatoon East. A Saskatoon engineer's unique mining conveyor system will become a reality with the help of western diversification funds. As a result of this co-operation up to 1,000 new jobs could be created in businesses over the next three to four years. This is an example of how individuals can build innovative and highly competitive industries while providing growth and development in Saskatchewan.

S. O. 21

The western diversification initiative is beginning to enhance the development of a broadly based western economy. It is promising a brighter future for the west.

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[*Translation*]

ECONOMIC COUNCIL OF CANADA

RELOCATION FROM VANIER TO OTTAWA

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, the Government of Canada and the Prime Minister (Mr. Mulroney) went along with the suggestion of the Economic Council of Canada to move from downtown Vanier to downtown Ottawa. Big business, Mr. Speaker! It will cost one million dollars to move the offices of the Economic Council for purely egocentric and snobbish reasons. This move is totally unjustified. Today, we have at our disposal the telephone, facsimile and messengers, so, if they only wanted to be closer to Members of Parliament and senators, Mrs. Maxwell and her staff should come here on the Hill to meet us from time to time. May be then, we could know them better. And what do they have against Vanier, Mr. Speaker? Nothing!

* * *

[*English*]

VETERANS AFFAIRS

VETERANS INDEPENDENCE PROGRAM—ANNOUNCEMENT OF ADDITIONAL FUNDING

Mrs. Mary Collins (Capilano): Mr. Speaker, we are indeed fortunate in this country in having an outstanding Minister of Veterans Affairs (Mr. Hees). His understanding and compassion for this country's veterans, and his persuasive abilities with his cabinet colleagues, have resulted in unprecedented new initiatives to recognize and assist those men and women who have served Canada so well.

For example, at the Dominion Convention of the Royal Canadian Legion this week, the Minister announced that an additional $200 million has been approved by the Government in order that those veterans who served at least one year during wartime in Canada will be eligible for the Veterans Independence Program.

This will more than double the number of veterans who will be potentially eligible for the Veterans Independence Program which ensures that veterans receive assistance to help them remain independent in their own homes. He also announced that the Government has agreed to provide more chronic care facilities in order that, when needed by veterans, the beds will be available.

It is these efforts by this Government which are ensuring that our veterans face their future with dignity and security.

* * *

• (1415)

PROVINCIAL AFFAIRS

ONTARIO MINISTER'S COMMENTS IN REPLYING TO QUESTION ON RAPE

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, I rise to condemn the disgraceful and utterly reprehensible comments made by Ontario's Minister responsible for women's issues in the provincial Legislature yesterday.

In response to a question by an opposition Member concerning rape, the Minister had this to say: "I thought I might take the opportunity to advise my colleagues in the House that, as we debate these matters, at Exhibition Stadium the Blue Jays are trouncing the Cleveland Indians nine to one, and Stieb is pitching a one-hitter".

It is reported that Liberal Members of the Legislature applauded.

The Minister's levity betrays a profound and distressing insensitivity to the issue of rape. Each year thousands of Canadian women are the victims of sexual assault, a violent crime that should not and must not be trivialized.

Mr. Sorbara, Minister responsible for women's issues in the Ontario Government, owes the women of Canada an apology, and I call on the Premier of Ontario and the Liberal Party of Canada publicly to disavow this Minister's comments and attitude.

* * *

HUMAN RIGHTS

RUMANIA—TREATMENT OF HUNGARIAN MINORITY

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, the Hungarian minority in Rumania is faced with an ever increasing level of discriminatory policies aimed at forced assimilation. Over two million Hungarians in this region have been subject to deprivation of their language, culture, religion, and historical traditions.

They have been subjected to compulsory resettlement, and recent reports indicated that entire Hungarian villages in Rumania are being demolished. The Ceausescu regime has found in the Hungarian minority a scapegoat for Rumania's disastrous socio-economic conditions.

The racist policies of the Ceausescu regime toward the Hungarian minority in Rumania are outrageous.

I call upon the Secretary of State for External Affairs (Mr. Clark) and the Government of Canada to issue the strongest possible protest to Rumanian authorities, and to use every means at their disposal to press for the establishment of fundamental human rights for Hungarians in Rumania.

* * *

INDUSTRY

LOSS OF JOBS OF MASSEY WORKERS IN BRANTFORD

Ms. Sheila Copps (Hamilton East): Mr. Speaker, instead of trying to buy his way into a by-election which he will never be able to save, I wish the Prime Minister (Mr. Mulroney) would start concentrating on some of the problems across the country.

I refer to a question raised yesterday in a telex that was sent to the Right Hon. Prime Minister with respect to the loss of hundreds of jobs of Massey workers in Brantford. There is an opportunity with an immediate meeting between the Prime Minister, Peat Marwick, the provincial Government as well as union workers, to try to save the bid of the Park Corporation. If that does not happen, we will see in Brantford what we saw in Hamilton. The picking apart of a company piece by piece that we saw at Firestone is on the verge of happening in Brantford.

There is a Minister and Government who are too busy—

[*Translation*]

. . . too busy squabbling in Lac-Saint-Jean to do something for all the workers.

[*English*]

I call upon the Prime Minister (Mr. Mulroney) to respond today with an immediate meeting to try to resolve this problem and to save hundreds of jobs of the Massey workers in Brantford.

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—ROLE OF CANADIAN TRADE COMMISSIONERS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is directed to the Minister for International Trade. I have a copy of a memo from the Department of External Affairs outlining the Government's massive propaganda sale of the Canada-U.S. trade deal.

The Prime Minister has stated, as has the Minister, that this trade deal will be part of the next election. We also know that

the legislation has not passed Parliament and that there is a very divisive debate across the country.

Yet the memo clearly outlines that not only will the Government be spending millions of dollars, it will now be requiring public servants, including all the trade commissioners presently in the United States, to be flown to Canada at taxpayers' expense to team up with Conservative Members of Parliament to attend meetings across the country to sell the trade deal as part of that election platform.

How can the Minister possibly justify not only the outrageous waste of taxpayers' money but an attempt to force public servants to appear for blatant election political purposes? Does he not clearly consider this to be a destruction of the independence of the Canadian Public Service?

• (1420)

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, apparently the Hon. Member has never heard of the fact that Canada has an export promotion program and we have been spending tens and tens and tens of millions of dollars in Canada for many years now to promote our exports. Since just about 80 per cent of our exports go to the United States of America, much of that money is spent on promoting exports to the United States of America, which is what we are doing in our campaign which will start next week with a series of 17 seminars across Canada. We will invite Canadian businessmen to them and the theme of these seminars is how they can increase their exports to take advantage of the opportunities of the free trade agreement.

Is there any point in negotiating a free trade agreement which starts next January 1 unless we encourage Canadian businesses, large and small, to take advantage of it, to see where the opportunities are and to follow up on them? We have had studies done now of 30 industrial sectors in which Canadians can increase exports to the United States, and we are spending the money on that purpose. It has nothing to do with the promotion of the free trade agreement, but it does show how valuable the free trade agreement is to Canada and Canadians.

Mr. Axworthy: Mr. Speaker, I would just remind the Minister that the trade deal is by no means a *fait accompli*. It has not been passed by Parliament yet, and he better not count his chickens until they hatch.

WARNING ISSUED TO PUBLIC SERVANT

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I want to raise a question about the contrast. Three weeks ago, a public servant who works for Customs and Excise, Mr. Mike Clough, was give a written warning from the Government that he would face disciplinary action if he attended a meeting to debate the trade issue in opposition to the Canada-U.S. trade deal. He is still under investigation and hearing on disciplinary action dealing with that trade proposal.

How can the Government on the one hand justify gagging certain public servants who oppose this agreement while on the other hand it forces other public servants to go in attendance with Conservative Members of Parliament to sell the deal? Why the double standard? Why are public servants only given the right to speak on this crucial issue when they support the Government's message?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, we have trade promotion experts in the Government of Canada and we have trade commissioners stationed in the United States to help Canada's businessmen increase their sales to the United States. That is their job. When we ask them to come to explain to Canadian businessmen how their opportunities will be improved under a free trade agreement, that is a proper and legitimate expenditure of the Government of Canada and a proper and legitimate request to make of them. That is their job and they do it well.

I might point out as well that 43 per cent of all Liberals, by the way, believe that Canada and Canadians will be better off under the free trade agreement.

Ms. Copps: Call an election, issue the writ.

Mr. Crosbie: Thirty-six per cent of all supporters of the NDP believe the same thing. This agreement has tremendous support in all Parties in Canada, apart from the scattered few who are trying to obstruct the House of Commons in an undemocratic and dictatorial fashion.

Some Hon. Members: Hear, hear!

Mr. Axworthy: Mr. Speaker, in order to avoid the Minister having another cardiac arrest, as he just had, perhaps I would suggest that if he really wants to test that proposition he should call an election. We will see where the public opinion lies.

Some Hon. Members: Hear, hear!

Mr. Axworthy: That is the real public opinion poll.

AWARD OF GOVERNMENT CONTRACTS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, in this memo it says the Government has given contracts to five firms, untendered, unbidden, uncompetitive contracts, all of which companies have made major contributions to the Conservative Party or have very clear connections to the Conservative Party by way of appointments.

Considering that the $10 million the Minister is spending seems not only an attempt to dupe the Canadian people as to what a bad deal this really is, but is also being designed to provide major assistance to friends of the Conservative Party, how does the Minister justify using taxpayers' money simply to support his friends and prepare himself for the next election campaign?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, call an election? I would be only too pleased to call an election, but I am not in a position to do so. I am not the Prime Minister. He has not delegated to me that authority or I would have an election that would make your ears spin, I will tell you that.

Some Hon. Members: Hear, hear!

• (1425)

Mr. Crosbie: Mr. Speaker, this effort to advise Canadians as to how they can best take advantage of the free trade agreement starts in Saskatoon on June 21 then in Vancouver on the 22, Edmonton on the 23, Winnipeg on the 24, London-St. Catharines on the 27, Montreal, Toronto and eastern Sherbrooke on the 28, Toronto and western Québec on the 29, Kitchener and Chicoutimi on the 30th, Charlottetown on July 1, Halifax on July 5, St. John's on July 6, and Saint John, July 7. Members opposite are invited to come to those meetings.

Mr. Speaker: The Hon. Member for Shefford.

Mr. Crosbie: Thanks for the chance to advertise.

Ms. Copps: Stay out of Hamilton, John.

Mr. Crosbie: The only thing wrong with Hamilton is there are too many Copps.

* * *

[*Translation*]

REGIONAL INDUSTRIAL EXPANSION

APPROVAL OF GRANT TO ALMA INDUSTRIAL INCUBATION CENTRE—GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, in the absence of the Minister of Regional Industrial Expansion, my question is for his sidekick. Yesterday in this Chamber, the Minister of Regional Industrial Expansion told us that the grant of $1.4 million to the Industrial Incubation Centre in Alma was promised only by the Secretary of State. After leaving his seat, the Minister of Regional Industrial Expansion was bulldozed into changing his mind and said on his way out that he had just approved a $1.4 million grant to the Industrial Incubation Centre in Alma. Mr. Speaker, I would like to know under what program the Minister of Regional Industrial Expansion approved a $1.4 million grant to the Industrial Incubation Centre in Alma.

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)): What I would like to know, Mr. Speaker, is why the Liberal Party is against an incubation centre in Alma. Since 1984, Mr. Speaker, some 18 000 new jobs have been created in the Saguenay—Lac-Saint-Jean region, in contrast to the 17,000 jobs lost when Gimaïel represented that riding. The residents of that region have asked the Department of Regional Industrial Expansion for financial aid, for a development tool and, under vote 10 "Departmental Contributions", the Minister had full authority to grant to the Business Creation Centre in Alma the amount he mentioned.

CHOICE OF CITY OF ALMA FOR INCUBATION CENTRE—GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, the Minister should know that no program exists and that even the official responsible for this area in his Department, Lise Moras, in Montreal, said, "We will have to set up one to keep the Minister's promise."

Some Hon. Members: That's right!

Mr. Lapierre: This is what I want to know: How come they could give Alma an immediate answer, whereas the Grand'Mère incubation centre has been waiting two years for a reply and other incubation centres have applied to DRIE. They have been refused until there is a national policy on this. Can the Minister explain to me why all the incubation centres in Canada have been refused, except Alma? Does he think this is proper administration of public funds or is it not just blatant patronage?

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, when I see a Liberal get indignant about patronage—we have no lessons to learn from the Liberal Party, none at all! Mr. Speaker, when he says that there is no other incubation project in the country, the Hon. Member is misinformed. Let him do his homework, because there are some in other parts of the country.

As for the other question, why Alma? It is quite simple! The Minister was presented with a project. We are the Government that supports small business. We have created jobs throughout the country, and the Alma project was brought to the Minister's attention. He decided to approve it and he had full authority to do so. The Hon. Member probably does not remember, because he was not in Cabinet long enough, but there is a mechanism within the Department for the Minister to make such a decision, which is what he did. If you are against it, too bad for you!

* * *

[*English*]

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—WATER RESOURCES

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is directed to the Minister for International Trade.

Some Hon. Members: Leader.

Mr. Nystrom: I am sure you noticed that during the last few weeks both the Minister and his pet poodle, the Parliamentary Secretary, have been saying in this House that water was not part of the negotiation of the free trade agreement.

Mr. Masse: We want the Leader.

• (1430)

Mr. Nystrom: Mr. Speaker, I am sure that you have noticed that both the Parliamentary Secretary and the Minister have said that a water exemption was not part of the negotiations of the trade deal. The Minister is now, of course, trying to pretend that water is not part of this agreement.

I want to know whether the Minister will finally admit it in the House. Will he finally be open, honest, candid, and frank with the people of Canada and tell us that Canadian officials agreed to give up the water exemption in the free trade deal in order to get an agreement at the eleventh hour? Will he admit that in the House today?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, certainly persistence is a virtue of the hon. gentlemen opposite. It does not matter how many times you explain, how many times you tell them, they still ask the same old question.

Water was never discussed at the bargaining table in connection with the U.S.-Canada Free Trade Agreement.

Ms. Copps: That's false.

Mr. Crosbie: There is nothing in the U.S.-Canada Free Trade Agreement that forces Canada to sell water to anyone or to sell anything to anyone.

I can quote again the two personages whom I quoted yesterday. Ambassador Niles for the United States said: "Water was never, never raised at any point during the negotiations. It is not an appropriate subject". The U.S. Trade Representative, Clayton Yeutter, interviewed on our own Canadian TV program, *Question Period*, said: "—I don't think anybody in Canada should be concerned that our water supplies are now going to be committed to the Americans. Obviously that will not happen except by deliberate decision of the Government of Canada".

That is the position. It wasn't discussed and the agreement does not affect it. You can harp on water all you like, but that is the position. Water was not a subject of negotiation at the U.S.-Canada free trade discussions. I ask the hon. gentleman who is acting for Shirley Carr to bring that message back to her.

STATEMENT ATTRIBUTED TO CANADIAN OFFICIAL

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, if water was never discussed I want the Minister to explain why Mr. Frank Quinn, a senior federal government official on water, told the Associated Press recently that Canada wanted water exempted from the trade deal but abandoned the demand in final compromises with United States negotiators. He said: "In the eleventh hour, we didn't get all the changes we wanted".

Can he explain this statement from a senior Canadian water official, and also a statement of a former official of the former Minister who said recently: "I am surprised that the water exemption is not there".

Some Hon. Members: Name him.

Mr. Nystrom: Can the Minister get up in the House today and admit that Derek Burney or other senior officials of the Canadian Government agreed to allow the water exemption to be dropped at the eleventh hour to save the Prime Minister's political neck? Is that not the case?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, it is easy to see that the Leader of the New Democratic Party is not here today or he would not allow this to go forward. The Leader of the Liberal Party wasn't even here this morning.

Some Hon. Members: Where's your Leader?

Some Hon. Members: Where's Brian?

Ms. Copps: You're never even here when you're here.

Mr. Speaker: Order. Perhaps the Minister could answer the question for those who are here.

Mr. Crosbie: Mr. Speaker, I am not familiar with whatever statement was made by whoever was quoted by the hon. gentleman. I am not familiar with his statement. I am familiar with what I have been told by the people who were involved in the U.S.-Canada trade negotiations, that is, that it was never discussed at the bargaining table.

Our position was made clear by the Minister of the Environment in November of last year when he said: "Our policy prohibits large scale interbasin export of water but not smaller scale exports such as bottled water or shipments by boat container". That is the position, and nothing can force us to sell water to anyone if the Government of the day does not wish to.

It's water, water everywhere, but there's not a drop of water that is affected by the Canada-U.S. Free Trade Agreement.

REQUEST THAT MINISTER TABLE DRAFTS OF AGREEMENT

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I can send a copy of Frank Quinn's statement across to the Minister. This gentleman is in the Inland Waters Directorate and said that Canada wanted water exempted from the trade deal.

If the Minister is so confident of his position that water was not discussed, will he undertake to table in this House the

previous drafts of this agreement so that we can see whether or not water was in one of the original agreements? Will he do that in the House?

Hon. John C. Crosbie (Minister for International Affairs): Mr. Speaker, the negotiations went on for a year or a year and a half, and the hon. gentleman wants us to table here in the House every document that passed between the parties. We are not going to do that. It is not necessary.

Water is not affected by the free trade agreement. This country is just as free to do what it wants with its water, to retain its water, to keep its water, to control its water, today as it was a year ago. While this Government is in office, Canada's water is safe just as all Canadians are safe.

* * *

[*Translation*]

BY-ELECTIONS

LAC-SAINT-JEAN CONSTITUENCY—RENOVATION OF ALMA AIRPORT—GOVERNMENT POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I would point out that the Minister who rose earlier in connection with the grant for Alma's industrial incubator did not answer the question. We still do not know under which program this grant was awarded. Mr. Speaker, Conservative candidate Lucien Bouchard—Mr. Clean—who was expected to give the Conservative Party a virginal image must now be very ill at ease with respect to the methods used by his own Party to prevent his election campaign from backfiring in Lac-Saint-Jean.

Mr. Speaker, I have here another press release dated May 27 concerning the expenditure of close to $1.6 million for repair work at Alma's airport. However, in French the release indicates that work would get under way only in 1990. In English . . .

[*English*]

"Construction is scheduled to begin in 1991".

[*Translation*]

Mr. Speaker, I should like to ask the Deputy Prime Minister whether work is scheduled to begin in 1990 or in 1991, or perhaps the date work begins does not matter at all because the only important thing was that the announcement had to be made before next Monday, June 20, the day of the by-election?

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, I am not in a position to respond to the Hon. Member concerning the airport, but I will enquire and tell him whether it will be in 1990 or in 1991. One thing for sure, you will agree that any repairs to the Alma airport will be a boon to the region.

Liberal Party Members seem to think that we ought to stop government assistance to the regions whenever there is an election. That argument does not hold, it does not make sense. I do not think they would have done that in the past and I fail to see why Lac-Saint-Jean residents should be penalized because of the by-election in their riding.

ANNOUNCEMENT OF PROGRAMS—GOVERNMENT POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, you will notice that the Minister doesn't know under what program the job creation centre in Alma was announced. The Minister doesn't know either when work on the airport will be carried out. It is clear that all these announcements were made only to attract votes. I want to ask the Deputy Prime Minister when he will finally have the decency to stop these million-dollar promises which are being made for only one purpose, and that is to buy votes. What do you think the people of Lac-Saint-Jean are?

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, the Liberal Party must be afraid of Lac-Saint-Jean. You must be afraid of what is going to happen there. During the last three years, 18,000 jobs were created in Lac-Saint-Jean. Did the Liberal Party ever rise during that time to congratulate the Government or to accuse us of wanting to buy votes? Economic prosperity is coming back to Quebec's resource regions, and the Liberal Party deplores that fact. For sixteen years, Mr. Speaker, when the Liberal Party was in power, Lac-Saint-Jean was left to its own devices. Our Government is taking care of all the regions of this country and of all Quebec's resource regions, including Lac-Saint-Jean, and not because we are having a by-election, because this has been our policy since 1984.

* * *

• (1440)

REGIONAL INDUSTRIAL EXPANSION

AIR ALMA—FATE OF ENTREPRISE AND ITS SIXTY EMPLOYEES

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister responsible for Regional Industrial Expansion.

While the Prime Minister and his candidate in the Lac-Saint-Jean by-election are announcing regional economic development programs worth $1 billion, and while the Minister of Transport is distributing goodies in this riding, Air Alma may well be obliged to close down tomorrow, as result of competition from Inter Canadien.

What is the Minister going to do to save this local business and its 60 jobs?

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, we know there would have been no problem for a socialist government, because it would nationalize everything. There would be no competititon. It would be a government . . .

In this case, the programs are in place. If under the Job Development or Job Strategy Program we can help workers that might be affected . . . This is hypothetical, since I don't have the details. But I am sure there are programs to deal with this.

The Hon. Member also referred to the Regional Development Program. One billion dollars has been announced for this program, with the co-operation of the Government of Quebec. This is an important measure for Quebec's resource regions. I am pleased that the New Democratic Party realizes the value of this program. In the weeks to come, programs will be developed in various areas, and perhaps one of these new programs can be used to provide assistance in this particular case, but so far I don't know.

QUERY WHETHER SITUATION WILL OCCUR IN OTHER REGIONS

M. John R. Rodriguez (Nickel Belt): Mr. Speaker, my supplementary question is addressed to the same Minister, the mouth-piece of patronage.

In January 1988, when deregulation came into effect, the Conservatives promised us better service at lower cost.

What is going on with Air Alma reflects exactly what we have seen with the Conservatives, the rich are getting richer while the poor are getting poorer.

Can the Minister tell us if what we are seeing in Lac Saint-Jean will happen in other remote areas, like Sept-Îles, and Rouyn-Noranda?

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, when I hear those people saying that the "rich are getting richer, while the poor . . . " One thing is sure, in this country, since 1984, far less people are living below the poverty level than before. A lot more people are working than in 1984, when we were elected. And that holds true for every region in this country.

The Government has embarked on a regional development program and has made some considerable changes which have resulted in a healthier economy.

Back home, that means more money to send the children to school, more money for other projects.

So, the rhetoric of the Socialist Party may look terrific in print, but we have seen the results of its application in Manitoba. I don't think Canadians want a piece of it, and that is fine with us. We will continue to implement programs in Quebec and in other regions, just as we have done since 1984, programs which benefit all Canadians.

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF JORDAN MINISTER OF ENERGY AND MINERAL RESOURCES

Mr. Speaker: I wish to bring the attention of Members the presence in the gallery of the Hon. Dr. Hisham M. Khatib, Minister of Energy and Mineral Resources of the Hashemite Kingdom of Jordan.

Some Hon. Members: Hear, hear!

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TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—CROSS-COUNTRY SEMINARS—GOVERNMENT CONTRACTS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is also directed to the Minister for International Trade. In order to sell his free trade salad, the Minister has hired no less than six public relations firms to do the cross-Canada trips. That is in addition to the seventh firm, of course, which just happens to be run by his former campaign manager. What selection process was utilized to hire these firms which, by happy coincidence, resulted in the fact that Prime Public Relations Inc. run by Mr. Garry Watton, a well-known Conservative, got the contract in Newfoundland; that Saga Communications Ltd., which contributed $3,000 to the Conservative Party, got the contract for the Maritimes; that Basin, Dumas, Dupré and Sormany, which contributed $3,000, got the contract for Quebec, and so on? What happy coincidence led to this? And can the Minister indicate to this House approximately how much it will cost to reward the few Tories left in this country who have not yet been rewarded?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I can quite truly tell the House that I do not know who has been awarded contracts—

Mr. Axworthy: Oh, come on! Your nose is growing longer.

Mr. Crosbie: I do not know who has been awarded contracts to assist with the seminars, but whoever has been awarded contracts is the best who could be found at the best price. I have no idea who has contributed to the Conservatives or who contributed to the Liberals.

Mr. Axworthy: The devil made you do it.

Mr. Crosbie: There wouldn't be anybody in the country you could hire if you excluded people who contributed to the Liberals, who were in power for 20 years and made sure that everybody who wanted to do a tap of business in the country with the Government had to contribute to the Liberals. But we are not going to eliminate anyone because of who they

contributed to. Even if they contributed to the New Democratic Party, we would still consider their services.

In the meantime, there is someone called Garry Watton who is supposed to be a great Progressive Conservative down in Newfoundland. If so, I am delighted to hear about the man. I am going to welcome him as a new member the next time I see him. I have never met him in my life.

TIMING OF CROSS-COUNTRY CONFERENCES

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my supplementary question is directed to the same Minister. The Minister said earlier, in answer to the Hon. Member for Winnipeg—Fort Garry, that this promotion campaign had nothing to do with promoting the free trade agreement, *per se*. Given that the press release sent by FAX all over the country states:

> The conferences are being arranged in an incredibly short time frame and will call for a maximum of flexibility, goodwill and last minute preparation by our posts in the U.S.A., the regional trade offices—

And so on. Can the Minister tell the House if it is not a fact that the Government wants this program to be done quickly so it can get it over with before the election, so it can use this as political party propaganda designed to promote the Conservative Party and nothing else?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, we have seen an outline there of the Liberal philosophy and Liberal actions. The hon. gentleman exemplifies them in every word of suspicion he tries to transfer to someone else.

The agreement is going to go into effect on January 1. This is June. There are six months for us to ensure that every Canadian businessman, large and small, is advised of what his opportunities are in the United States.

There are 90 studies being done by the firm of Peat Marwick Mitchell on different sectors and industries in the United States to show how we will have an advantage under this agreement as compared to other countries so that we can sell where we are more competitive, and that is what we are doing.

We have six months to prepare. We would have had longer except for the obstruction on the other side, and the denigration on the other side, and the destructive tactics on the other side. But we are going to have 17 conferences now, and then 17 more, and then 17 more.

FUR TRAPPING INDUSTRY

BRITISH FUR LABELLING PROPOSAL—CANADIAN REPRESENTATIONS

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is directed to the Minister for International Trade. It has now been about two weeks since we had the emergency debate here on the British fur labelling proposal. A number of Members on the government side, as well as from the Opposition, spoke on this matter and expressed their concern.

Given the concerns, given the number of jobs at stake, could the Minister tell the House what specific steps his Government has taken to convey the results of that debate to British parliamentarians and, in general, our concern here?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I think I responded to that question yesterday. It was posed by the Hon. Member for Timiskaming. There have indeed been representations made to the Prime Minister of Great Britain by the Prime Minister, and also representations made by the Secretary of State for External Affairs. Definitely, this issue will be raised during the bilateral discussions that the Prime Minister will have with Prime Minister Thatcher.

• (1450)

I should also indicate that I think there are consultations going on among the House Leaders right at this very moment about the possibility of this House moving a unanimous resolution that would reflect the spirit of the debate that took place a week ago. I hope that the New Democratic Party and the Liberal Party would see fit to agree with this resolution so that it can be endorsed unanimously by all Members of the House. I think that that would send a very strong signal.

POSSIBILITY OF RETALIATORY MEASURES

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I think that while the strong words that we have heard will be of some comfort to trappers and to the 105,000 members of the fur industry, they will not really address the problem. Strong words without strong actions are meaningless.

Will the Deputy Prime Minister tell us, in addition to diplomatic expressions of concern, what specific options or retaliatory measures he is proposing to the British Government should it undertake this labelling?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, here again we are hearing some implied suggestions that there should be other actions taken. Perhaps the Hon. Member, if she is serious, would outline what the position of her Party is. The other day we heard the Leader of the New Democratic Party say that rather than defending our oceans, in particular in the north, we should engage in diplomatic rhetoric. It is quite a different position from what the Hon. Member is implying today.

We are taking very strong and vigorous action with regard to the representations that are being made. I call again on the Hon. Member and members of her Party to support the resolution that is being proposed by the Government and, hopefully, supported by the Liberals. I think that the unanimous support of such a resolution by the House of Commons would be the very strong united signal that we need to help in the bargaining process.

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APARTHEID

SOUTH AFRICA—TWELFTH ANNIVERSARY OF SOWETO UPRISING

Hon. André Ouellet (Papineau): Mr. Speaker, my question is addressed to the Deputy Prime Minister. Today is the twelfth anniversary of the Soweto uprising when police opened fire on students in South Africa's biggest ghetto.

Will the Minister recognize that there is absolutely no end to repression in South Africa and, in the words of many, it must now be treated as nothing less than a terrorist state? Will the Minister agree to act on South Africa, to match the Prime Minister's rhetoric with the sort of measures that have been proposed by the Leader of the Opposition? Will the Government finally agree to call back permanently Canada's Ambassador and impose full economic sanctions on this terrorist state?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I believe that the country knows—certainly the House knows—of the actions that have been taken in the last three or four years by the Government, the Prime Minister, and the Secretary of State for External Affairs, to put pressure upon and to try to exert influence upon South Africa with respect to its apartheid policy.

I might point out to the hon. gentleman that his Government was in power for eight years out of those twelve, this being the twelfth anniversary of that event. Yet I cannot think of one single action his Government took or anything that it said during that time about the situation in South Africa, certainly nothing comparable to the actions of the last two or three years.

REQUEST THAT PRIME MINISTER PRESS FOR ECONOMIC BOYCOTT

Hon. André Ouellet (Papineau): Mr. Speaker, the Minister cannot take refuge in the past. A succession of events took place, as well as an escalation of violence that has not been accepted anywhere in the world. The commitments that have been made by the Prime Minister are quite clear. He said that if there was no progress he would end diplomatic relations with South Africa. He has been paying only lip-service thus far.

I want to know from the Minister if the Prime Minister is going to use the summit in Toronto to raise the matter, and to impress upon the Prime Minister of Britain and the President of the United States to act in concert and, indeed, to boycott South Africa effectively?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the actions taken by Canada and the leadership that Canada has provided have been amply proved by the recognition accorded to the Secretary of State for External Affairs who was made the Chairman of the Commonwealth Group of Ministers acting in this matter. The Prime Minister's position has been recognized by the leaders of Zimbabwe and the front line States. The record is excellent.

We are now reviewing, and will continue to review, what is happening in South Africa and what our next steps should be, what can be most helpful, and what can be most useful to accomplish our objective which is to encourage South Africa to abolish the apartheid system and to treat its black citizens on an equal basis with all the rest of its citizens, of course the minority of whom are white citizens who have full privileges.

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TORONTO ECONOMIC SUMMIT

METRO TORONTO POLICE ACTIONS

Mr. Dan Heap (Spadina): Mr. Speaker, in the absence of the Prime Minister my question is addressed to the Deputy Prime Minister. As he knows, the Prime Minister as the host to the summit conference beginning Sunday has naturally expressed our pride in the Canadian traditions of democracy and free speech. Yet the Metro Toronto police have arrested a dozen students who were protesting peacefully at the University of Toronto overnight against the foreign and economic policies of the summit seven.

They have forbidden a peaceful protest march to use College Street, Yonge Street, King Street and University Street, all of which streets are outside the summit security area. They have forbidden organizers of a permitted rally in Queen's Park to use tables for literature, or chairs, or portable toilets.

My question therefore to the Deputy Prime Minister is this. Will he ask the Prime Minister to use his good offices with the Metro Toronto police so that, according to custom, the Metro police will enable the protesters to carry on a normal, peaceful protest on the streets of Toronto?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I can advise the Hon. Member that I have kept in touch with security matters for this conference. I receive daily briefings on it. Indeed, I am attending in Toronto tomorrow for a further review. I will certainly be prepared to bring the matter up, and ask them to review the matter for me. But I am certainly not prepared to make any commitments. However, we will look at it.

CITIZEN'S RIGHTS

Mr. Dan Heap (Spadina): Mr. Speaker, my supplementary question is addressed to the Solicitor General. Will he on behalf of the Prime Minister declare publicly that the people of Toronto are free to exercise their normal right of free and peaceful public protest on the streets of Toronto outside the summit security area?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I can advise the Hon. Member that the precautions we are taking for this economic summit are commensurate with the risks as perceived by our intelligence. While we have no specific threats at this time in any respect, I said before and I will say again that there is a high level of risk. We must be very careful and make sure that nothing untoward happens which would damage the reputation of Canada, not to say the lives of the people involved.

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PENSIONS

PLIGHT OF BRITISH PENSIONERS LIVING IN CANADA

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, my question is for the Minister of National Health and Welfare.

Over 50,000 British pensioners live in Canada, and some 6,000 Canadian pensioners are currently residing in Britain. The lack of a social security agreement between our two countries, however, means that their pensions remain frozen at the amount set when persons moved out of their own country. No adjustment is allowed for cost of living increases.

Can the Minister tell the House what, if any, progress has been made to secure a social security agreement between our two countries so that the pensions of these important citizens will begin to reflect the yearly cost of living increases?

• (1500)

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, we are very much interested in getting an agreement with the Government of the United Kingdom. There are approximately 76,000 people who would be eligible for it.

I should mention that when the Government came into office we had six such agreements. We now have approximately 18.

I can tell the House that, as early as October 9, 1984, we made contact with the United Kingdom in order that an agreement could be reached. I cannot go through all the details other than to say that in 1986 Canada and Australia joined in an effort to convey to the U.K. Government that an agreement was absolutely necessary, keeping in mind that there is an agreement between the United Kingdom and the United States.

As recently as January of this year when I met with the Right Hon. John Moore I made this case again, and we will do so further.

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PAROLE

REQUEST FOR LEGISLATION TO IMPROVE SYSTEM

Mr. John Nunziata (York South—Weston): Mr. Speaker, before time runs out, I would like to put a question to the Solicitor General. It concerns the announcements he made yesterday regarding parole.

The Solicitor General is trying to hoodwink Canadians into believing that something is being done to address the very serious problems in our criminal justice system. Rather than introducing legislation to deal in a comprehensive fashion with parole and sentencing in Canada, the Solicitor General is announcing proposals that will not affect the over 12,000 inmates who are presently in federal penitentiaries, and will not take effect for four or five years.

If the Solicitor General is truly concerned about the criminal justice system, and if the Conservative Government truly wants to take action, why are we not dealing with legislation rather than mere proposals?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, unlike the previous Government, this Government believes in consultation with the provinces, our provincial colleagues, with the member groups out there who are interested in this, and consultation with the standing committee.

We intend to proceed with that. It is my expectation and hope that following that consultation I will be able to introduce some legislation this summer.

I do not consider that that is an unreasonable period of time.

PENITENTIARY INMATES REQUIRING PSYCHIATRIC ASSESSMENT

Mr. John Nunziata (York South—Weston): Mr. Speaker, that is absolute nonsense and the Solicitor General knows it. This Government has been in office for four years and we have not had any meaningful reform to the criminal justice system.

When is the Solicitor General going to address some of the immediate problems in federal penitentiaries? For example, last year in Ontario alone 280 federal inmates were referred for psychiatric assessment. The system was only able to accommodate 118.

If the Solicitor General is truly concerned about public safety, will he today commit the necessary resources in order to ensure that all federal inmates who require psychiatric assessment and treatment will receive that treatment before

they are released into society in order to ensure that society is duly protected?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I can advise the Hon. Member again, as I did yesterday before the standing committee, that I asked the new Commissioner of Correctional Services of Canada to look into this on an urgent basis.

I wish to reassure the Hon. Member that indeed I am concerned about the safety of Canadians, because presently 60 per cent of the people incarcerated in our system are there for crimes against persons. That is why we are concerned about the safety of Canadians. We are acting to do something about it, which is something the former Government never addressed its mind to.

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PENSIONS

PLIGHT OF BRITISH PENSIONERS LIVING IN CANADA

Mrs. Mary Collins (Capilano): Mr. Speaker, my question is also directed to the Minister of National Health and Welfare. Given the seriousness of the question raised by the Hon. Member for Fraser Valley East and the thousands of British pensioners who are living in Canada on as little as £10 a week, will the Minister personally ensure that when Prime Minister Margaret Thatcher is visiting Ottawa next week that he and his colleagues will urge her to sign an agreement, so that she will show her concern for her countrymen living in this country which they so richly deserve.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, as I mentioned earlier, we have been working diligently at every level to get an agreement. An agreement with the U.K. Government is absolutely essential, and it should be done. That is why we joined with Australia, for example.

We will again examine what the Hon. Member has stated, and see what other methods we could use, even with direct intervention, if that is possible, in order to see if we can get an agreement.

The Hon. Member is absolutely correct in showing the concern that she has. I just wish the Liberals sometimes would too.

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PRIVILEGE

ALLEGATION OF SLANDER

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I rise on a point of privilege today in relation to the contents of *Hansard* on June 14, 1988. I draw the attention of

the House to pages 16427 and 16428 of *Hansard* in which you will recall, Sir, that my colleague, the Hon. Member for York Centre (Mr. Kaplan) asked a question of the Prime Minister (Mr. Mulroney) concerning the Department of Public Works.

As recorded in *Hansard* in reply to the question the Prime Minister stated: "... members of the Opposition in the Liberal Party have been doing is slander Mr. LaSalle and saying that he is guilty without... evidence... " Upon further questioning by the Right Hon. Leader of the Opposition (Mr. Turner) who asked: "Who said that?", *Hansard* records the Prime Minister as replying: "Boudria", meaning myself.

In *Beauchesne's Parliamentary Rules and Forms*, Citation 320 states that the word "slander" and "slanderous" aimed at an Hon. Member is inappropriate and has been ruled unparliamentary by previous Speakers, namely, on August 8, 1960, as reported at page 7777 of *Hansard*.

On occasion I will ask questions in the House which are perhaps tough, and I will acknowledge that I do ask questions of the Government, as is, I believe, the role of every Member of the House to do. In asking those questions, I in no way slandered anyone, in my humble belief, and if it is the opinion of Members of the House that I have done so, even if it were true, which it is not, it could not be said in the House of Commons under the rules that this House has set for itself. If any Hon. Member, other than the Prime Minister were to make such a statement, he would be asked to withdraw, as is appropriate.

I would like to submit that no lesser behaviour should be acceptable from the Prime Minister. I now call upon the Speaker to request at the earliest opportunity that the Prime Minister withdraw these unfortunate remarks.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, in speaking to my hon. friend's point of privilege, the first comment I wish to make is that if, in fact, there had been slander, and I will address that in a minute, it is obviously no point of privilege. But if my hon. friend was so aggrieved, one might note that the *Hansard* he is referring to is for Tuesday, and it is now Thursday—

Mr. Speaker: I must apologize to Hon. Members. I should have made this clear to the Hon. Minister of State. The matter was brought to me earlier, not today, but yesterday, as soon as *Hansard* was in the hands of Members. I agreed with the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) that it would be heard today. I requested him to put it over until today because I had other obligations later yesterday afternoon.

I apologize to the Minister of State because I did not bring that to his attention, and I should have.

Mr. Lewis: Mr. Speaker, that is fine. But one would wonder if it might not have been more appropriate to let everyone

know in order that this matter could have been dealt with by all concerned.

The most important thing is that while my friend may wish to suggest that the shoe fits and he will wear it, there is no specific reference to my hon. friend. He may want to associate himself with the word "slanderous", and based on past practice I think that would be appropriate—

• (1510)

Mr. Boudria: You cannot even say that.

Mr. Lewis: There is no specific reference. The Prime Minister (Mr. Mulroney) named no specific person. He named the entire Liberal Party, which I think is appropriate. He did not name the Hon. Member.

Mr. Gauthier: Turn the page.

Mr. Lewis: That is afterwards.

Mr. Rossi: Even if he is the Prime Minister he is not allowed to use that kind of language here.

Mr. Lewis: Get up and speak to it.

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I would also like to put in my grain of salt on this point of order which touches upon the privilege of one of my colleagues, specially since I was present when the events took place, and since I saw with my own eyes the Prime Minister (Mr. Mulroney) make accusations, and given that along with the Leader of the Opposition (Mr. Turner), as the record will show—the Leader of the Opposition and myself asked the Prime Minister on two occasions who he was referring to.

When the Prime Minister said, and that is also on the record in the official report:

[*English*]

What the Liberal Party has been doing is: "slander Mr. La Salle and saying that he is guilty without any evidence being brought forward". When we heard this, of course we were not happy because it is not true.

Second, we wanted to make sure that the Prime Minister (Mr. Mulroney) would say exactly what he meant, so our Leader is quoted as saying: "Who said that?" The Prime Minister further continued by saying:

> This has been said by Liberals in the House of Commons, and that is a disgraceful way to do it.

Then the Leader of the Opposition again asked, and I shouted too: "Who said that?" Then the Prime Minister is quoted in *Hansard* as saying: "Boudria". I know of only one Boudria in the House of Commons and he is sitting right here. He does not have the habit of slandering people.

[*Translation*]

Furthermore, Mr. Speaker, I would like to say that on the very day of the incident I personally checked the videotaped recording of the debate in the House and it is clear, if Your Honour would care to look at the videotape, the electronic Hansard, that from his seat the Prime Minister accused the Hon. Member from Glengarry—Prescott—Russell by name, which by the way is unparliamentary: "Boudria" he said, calling him by his name!

So then, Mr. Speaker, I would suggest that for the sake of maintaining order in this House and to ensure that proper respect is shown towards all Hon. Members, Your Honour has no other choice but to ask the Prime Minister to take the first opportunity to withdraw the disgraceful and unparliamentary words he used and to apologize to my colleague, the Hon. Member for Glengarry—Prescott—Russell.

[*English*]

Mr. Speaker: I will take the matter under advisement. Again, I apologize not only to the Minister of State but to other Members who may have been caught a little unawares by my bringing this matter. However, I want to make very clear that it was brought this morning rather than earlier, at my request and through the courtesy of the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria). I will examine the matter and report back to the House.

I might add that the Hon. Member for York Centre (Mr. Kaplan) is unable to be here at the moment, but I hope that my remarks are extended to him and it may be that he wishes to address the Chair further.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, it being Thursday, I would ask the Deputy Government House Leader if he would be kind enough to let us know what business the Government intends to bring before the House in the coming week.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I wish to advise the House that today we will continue the debate on the motion to extend the sittings. I would hope that the NDP will let us proceed through Routine Proceedings and get to that piece of business. The House will know that yesterday we wasted an entire day without doing any business whatsoever. I would like to think that we can make some progress today.

Tomorrow we will continue debate on the Government's response to the Senate's amendments to Bill C-55, the Immigration Act. I believe there is an understanding among

the Parties that debate on all matters with respect to Bill C-55 will be completed tomorrow.

On Monday we will either continue the debate to extend the sittings or commence the free trade debate, Bill C-130.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, the Deputy Government House Leader has indicated the business for the next few days. There was some suggestion that we might, at an early date, get to the legislation amending the National Transportation Act concerning the disabled. There has been some discussion among the critics and the Parties. I thought this was coming quite soon. Could he give us an indication when the Government will move on that?

Mr. Lewis: Mr. Speaker, I am pleased to have this opportunity to indicate to the Member that we have been discussing various items of business with a hope that the House could proceed to do business. Unfortunately, my hon. friend has been introducing Bills and his Party has been calling for votes about whether or not he should be allowed to introduce the Bills. That blew all of yesterday.

If we can get through today and pass a motion to extend the sittings, I give my hon. friend the undertaking that that and other Bills are very high on our list of priorities. I would say to him, however, that in order to do business we have to get through Routine Proceedings. We have to get through those proceedings without dilatory motions and votes.

My hon. friend is the captain of that particular ship, under today's circumstances, the Routine Proceedings being constructed the way they are. If we get through Routine Proceedings today and get this motion passed, we will be on to Business of the House.

Yesterday my hon. friend's Party delayed him from introducing his own Bills. It was rather tragic, because one likes to think that the House Leader of a Party has his Party behind him and will stand with him when he wants to introduce one of his own Private Members' Bills. But that did not happen yesterday. That may very well be the case today.

When my hon. friend has his team with him and can get us through Routine Proceedings, we will proceed to Business of the House.

Mr. Riis: Mr. Speaker, I think there must be some mistake. First, I want to say that my caucus, by definition, is behind me on these matters. I want to make it perfectly clear that if the Deputy Government House Leader wishes to bring forward the Bill that would see amendments to the National Transportation Act to assist the disabled of Canada, we would pass that very quickly, perhaps within minutes. However, when Orders of the Day indicate there is no intention, at least today, of introducing that particular legislation or other good pieces of legislation, then one is less than interested in indicating some co-operation.

I want to indicate clearly that when that appears on the Order Paper he can count on at least one Party in the House moving expeditiously. That will be the New Democratic Party.

Mr. Lewis: Mr. Speaker, I and my Party do not want to play politics with amendments to the National Transportation Act for the disabled. If the motion to extend the sittings passes before six o'clock tonight, that item of business will be called immediately thereafter and we will need one short speech to introduce it and it will have second reading debate tonight.

Mr. Gagnon: Mr. Speaker, I rise on a point of order. I am glad to hear that both gentlemen would like to expedite things, but could you tell us why the clock shows the hour to be 6.15? Is someone trying to expedite matters in the House?

Mr. Speaker: I probably should explain to Hon. Members that once again the clocks have been moving more rapidly than time itself. I wanted to comment earlier that after the Hon. Member for Fraser Valley East (Mr. Belsher) rose on his question and received his answer, the clock registered that the entire exchange had taken an hour and a half.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, there is a Bill that we in the New Democratic Party are very interested in expediting. I did not hear the Deputy Government House Leader deal with it. It is Bill C-82 dealing with lobbying, which has been promised for three years now. It was promised by the Prime Minister (Mr. Mulroney) on an urgent basis. We have had first reading of the Bill. We are prepared to expedite that Bill because we believe, with the Prime Minister, that it is an urgent Bill and should be dealt with. I am waiting to find out when Bill C-82 will be brought for second reading.

• (1520)

Mr. Lewis: Mr. Speaker, I think my hon. friend inadvertently referred to it as the Bill on lobbying. I believe Bill C-82 is the conflict of interest Bill.

Mr. Riis: Lobbyists.

Mr. Lewis: The Lobbyists Registration Act? That is at report stage. Yes, Bill C-82 is at report stage. It is on a list of Bills that we have agreed are priority Bills. Once we pass the motion to extend the hours and then move past the free trade legislation to the legislation we have agreed is priority legislation, legislation in which a great deal of time has been invested by Members of all Parties, we will debate it. It is on that priority list of legislation.

Mr. Sergio Marchi (York West): Mr. Speaker, I would like to ask the Deputy House Leader a further question on Business of the House. A few moments ago, when addressing the legislation that will be brought forward for tomorrow's agenda, the Minister mentioned Bill C-55, and I believe he intimated that there was unanimous agreement to the passage of Bill C-55 through all stages. If that is the case, I would ask the Deputy House Leader to clarify the situation, because I know that on our side, there was no consent to do that. It was

our understanding that Bill C-55 was being brought forward tomorrow and that Members of Parliament would address it and participate in the debate, but there was no agreement given by the Liberal caucus to the Parliamentary Secretary to the Minister of Employment and Immigration (Mr. Friesen) that we would agree to passage through all stages tomorrow.

Mr. Lewis: Mr. Speaker, I happen to have my notes still, and the wording I used was, "I believe that there is an understanding among the Parties that the debate will be completed Friday". If that is not the case, then I think I am still covered by my words. If I had had a firm understanding, I would have said that there is a firm understanding, but those are the words I used.

This Bill has been before the House for some time. There was considerable debate on it at second reading stage and considerable time was spent on it in committee. The Senate delayed it for a long, long time. I would hope that my hon. friend would see his way clear to help the Government complete its consideration of the Senate amendments so that this very important legislation could be passed.

Mr. Marchi: In response to my hon. friend's comments, there is no agenda on this side of the House to prolong the debate any longer than is necessary. One of the problems with the way this Bill has been brought forward has been the mad rush in the last number of days to bring upon the House an inordinate number of Bills.

Bill C-55 has had a roller-coaster ride. It has been introduced one day, yanked off the list for the next three or four days, and then put back on the list. I would suggest that a number of Members from all sides would like to address themselves to the Senate amendments to Bill C-55. It is not simply a question of prolonging debate. The fact is that the debate on the Senate amendments to Bill C-55 has not taken a long time.

Tomorrow, if Members of Parliament wish to address themselves to Bill C-55, we would like to give them the opportunity to do so, as opposed simply to saying that there is an understanding that the debate will end tomorrow.

* * *

PRIVILEGE

COMMITTEE CHAIRMAN'S RULING RESPECTING WITNESSES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I rise on a question of privilege arising out of proceedings in and decisions made by the legislative committee dealing with Bill C-129 this morning. The committee began its consideration of the Bill on Tuesday. The Deputy Prime Minister (Mr. Mazankowski) appeared before the committee and made a presentation. We had an opportunity to question him.

On Tuesday, the Chairman of the committee asked Hon. Members who wished to submit a list of names of possible witnesses who would be invited to appear before the committee to bring that list this morning. I came to the meeting this morning with a relatively short list of witnesses including people representing the unions, the workers of Air Canada, several academics who are expert in the field of transportation and some people from—

Mr. Speaker: I know that the Hon. Member is a very experienced Member in this place and is expressing a complaint. I do not think the Chair needs to have a long list of all the witnesses he or anyone else would propose, but I would like to know what exactly it is that happened which goes to the question of privilege, which of course is something happening which makes it impossible for the Hon. Member to carry on his duties as a Member of Parliament, keeping in mind that we have a long-standing rule and many judgments indicating that unless it is something extraordinary indeed, the committee is master of its own destiny. Keeping that in mind, I would ask the Hon. Member to focus very carefully on his exact point.

Mr. Orlikow: Mr. Speaker, the Chairman ruled, and the committee accepted his decision, that all the witnesses, some suggested by me and some suggested by the Liberal member from Cape Breton, be heard in one day. I suggest that that ruling breaches my privileges, and I have several citations from Beauchesne's which I think confirm my view.

Beauchesne's Parliamentary Rules and Forms, Fifth Edition, says in Citation 77 on page 24 the following:

> Witnesses before committees share the same privilege of freedom of speech as Members.

I would ask you to consider whether the restricting of evidence of those to be called before the committee to one day is not an abridgement of their freedom of speech. They will certainly not get the same consideration nor time that would occur if normal scheduling were allowed.

I would also ask you, Mr. Speaker, to consider that the constriction on our ability to question these witnesses also constitutes an abridgement of our freedom of speech. Citation 55 on page 20 of Beauchesne's reads:

> —"that the freedom of speech and debates or proceedings in Parliament ought not to be impeached or questioned in any court or place outside of Parliament".

This suggests that the members of the majority should not suppress the free speech of the members of the minority. I suggest that to insist that all witnesses be heard on one day and that the clause-by-clause discussion be completed in one day breaches my privileges and those of other Members of Parliament.

[*Translation*]

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, this morning I attended the meeting of the legislative committee on Bill C-129 concerning the privatization of Air

Canada. Representations were made by the Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan), by the Member representing the New Democratic Party, the Hon. Member for Winnipeg-North (Mr. Orlikow) and also by the government. And in all three cases, the list of witnesses presented was not retained in its entirety. The Parties present gave their consent and the assistant to the Hon. Member for Cape Breton—The Sydneys was there. I cannot see how the Hon. Member for Winnipeg-North can have been denied his rights. The committee felt that a certain number of witnesses should be heard and therefore decided to have four sessions to hear witnesses during the same day, which is the same, Mr. Speaker, as having one committee sit during four days.

[*English*]

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I would like to support the Hon. Member for Winnipeg North (Mr. Orlikow). What he said has a great deal of validity, and it is a cause for concern to me.

• (1530)

Your Honour will recall that we had a debate recently about what was considered notice on second reading of Bill C-129. Since completion of second reading, it has gone to committee. A meeting was called for Monday to set up the committee. I was unable to be at the meeting, but my assistant was there and was told that the Minister was going to appear before the committee the next day. The committee had not even been formed but evidently the Government had made its opinion known to the chairman and set it up so that the Minister was going to be there the following day. It is a pleasure to have the Minister there at any time, but I think the Government should be a little more careful and not schedule meetings until the committee is formed.

The meeting to which the Hon. Member refers was at eight o'clock this morning. I was coming back from my constituency and unable to be there for the meeting, but as it turns out, all the witnesses are now scheduled for next Tuesday. One of the witnesses to whom I was speaking is very upset. He feels his rights are being violated because he cannot be there on a certain day and he cannot be a witness on Bill C-129.

There has to be a fair way of dealing with this without infringing on the democratic process.

Mr. Speaker: I have to say to Hon. Members that I am having a great deal of difficulty accepting this as a question of privilege. However, the Hon. Member for Winnipeg North (Mr. Orlikow), who has been here for many years and contributed much to this place, in putting his procedural argument, brought up one quote from Beauchesne's which I want to look at very carefully. If I feel it is necessary I will return to the Chamber, but I want to emphasize again that there is a very fundamental rule in this place that unless it is something extraordinary indeed, it is not for the Chair to interfere with the majority decision of a committee.

We will now move on to other matters.

Introduction of Bills

ROUTINE PROCEEDINGS

[*English*]

DEFECTIVE MOTOR VEHICLE ACT

MEASURE TO ENACT

Mr. Nelson A. Riis (Kamloops—Shuswap) moved for leave to introduce Bill C-301, an Act respecting defective motor vehicles and to enact the Canadian lemon law.

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Speaker: Call in the Members.

The House divided on the motion, which was agreed to on the following division:

• (1540)

(*Division No. 388*)

YEAS

Members

Epp	Keeper	Skelly—11
(Thunder Bay—Nipigon)	Manly	
Gauthier	Nystrom	
Heap	Orlikow	
Jewett	Riis	
	Rodriguez	

NAYS

Members

nil/none

• (1610)

The Acting Speaker (Mrs. Champagne): I declare the motion carried.

Mr. Riis: Madam Speaker, I particularly appreciate the support of my friend, the Hon. Member for Ottawa—Vanier (Mr. Gauthier).

Mr. Gauthier: It is very symbolic.

Mr. Riis: I appreciate its symbolic value.

The purpose of this Bill is to recognize that the manufacture or assembly of some new motor vehicles often results in a very defective motor vehicle that essentially falls apart in the first few months for a whole variety of reasons. There is no recourse for the consumer. This Bill, if passed, would provide to the owner of the vehicle a refund of the full purchase price for a new motor vehicle of a similar type. That is why it has been called the "Lemon Law". If a consumer ends up with a car that was called a "lemon" or became a "lemon", he or she would have some recourse to the manufacturer and the dealer.

The Acting Speaker (Mrs. Champagne): On a point of order, the Hon. Member for Comox—Powell River (Mr. Skelly).

Mr. Skelly: This law is of such critical importance at this time in Canada, I wonder if I could ask you to seek from the House unanimous consent to allow the proposer to have an extended period to elaborate for another 5 to 10 minutes.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): On point of order, the Hon. Member for Regina West (Mr. Benjamin).

Mr. Benjamin: Madam Speaker, on the vote just held, without commenting on the result of the vote, I wish to say that because of duties in the Transport Committee with the CNR I missed the vote, but had I been here I would have voted for my colleague's Bill, and I know that that would have encouraged my friends opposite to do the same.

[*Translation*]

Mr. Gauthier: Madam Speaker, I would like to sum up the situation. True, I was the only liberal Member in this House during the last vote, and I would like to suggest to the House that we do not appreciate the game being played by the Government and the New Democratic Party. We know that game. We oppose the Governement using this House to its own ends, and I believe the Government knows as well as I do that under Routine Matters they could have, after each item, moved that we now proceed to the orders of the day. They chose not to do so. That was intentional, Madam Speaker. They want to lose the time of the House, and they have the support of the New Democratic Party.

Mr. Nystrom: The Government of Canada is to blame.

[*English*]

Mr. Riis moved that the Bill be read the first time and printed.

The Acting Speaker (Mrs. Champagne): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the motion please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mrs. Champagne): Shall I dispense with the ringing of the bells?

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): Call in the Members.

The House divided on the motion, which was agreed to on the following division:

• (1620)

(*Division No. 389*)

YEAS

Members

Epp	Jewett	Skelly—9
(Thunder Bay—Nipigon)	Keeper	
Gauthier	Manly	
Heap	Orlikow	
	Rodriguez	

NAYS

Members

nil/none

• (1650)

The Acting Speaker (Mrs. Champagne): I declare the motion carried.

Bill read the first time and ordered to be printed.

[*Translation*]

Mr. Gauthier: On a point of order, Madam Speaker. I would like to point out once more that I was the only one to vote on this side of the House because we oppose the Government's strategy to lose the time of the House. The Government could have used the relevant Standing Orders, but they chose not to do so. That was their choice. But we regret that the House must sit for the kind of nonsense we have seen today. I say to the NDP also: Let us get on with the work, let us do something positive, let us stop that nonsense.

[*English*]

Mr. Riis: Madam Speaker, I want to concur, in part, with my hon. colleague, the Member for Ottawa—Vanier (Mr. Gauthier), that we would much rather be dealing with legislation which would benefit the people of Canada than providing for legislation which would result in the inevitable passage of the trade legislation.

I want to make it very clear that when the Government decides to put legislation on the Order Paper which is in the best interests of the people of Canada, it will be guaranteed our support and, I suspect, as my hon. friend from Ottawa—Vanier has indicated, the support of the Official Opposition as well. However, as long as we are dealing with legislation facilitating—

The Acting Speaker (Mrs. Champagne): Order. That is not a point of order and I think the point has been made. Is the Hon. Member introducing another Bill?

Mr. Riis: Yes.

* * *

CANADIAN HUMAN RIGHTS ACT

MEASURE TO AMEND

Mr. Nelson A. Riis (Kamloops—Shuswap) moved for leave to introduce Bill C-302, an Act to amend the Canadian Human Rights Act.

The Acting Speaker (Mrs. Champagne): Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the yeas have it.

And more than five Members having risen:

The Acting Speaker (Mrs. Champagne): Shall I dispense with the ringing of the bells?

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): Call in the Members.

The House divided on the motion, which was agreed to on the following division:

• (1700)

(*Division No. 390*)

YEAS

Members

Epp	Keeper	Manly
(Thunder Bay—Nipigon)		Orlikow
Gauthier		Riis
Heap		Rodriguez—8

NAYS

Members

nil/none

• (1730)

The Acting Speaker (Mrs. Champagne): I declare the motion carried.

Mr. Lewis: Madam Speaker, I rise on a point of order in response to a comment from the other side. I want to place on the record once again the Government's position that private Members should always have the right to introduce their Bills and have first reading.

I would also say in respect to this Bill that our Party is always ready to support improvements to the Canadian Human Rights Act. We feel that it is dangerous to play Party politics with anything that involves human rights. I hope that members of the New Democratic Party will not force a vote on first reading of this Bill because it involves that very important principle of human rights.

Mr. Riis: Madam Speaker, as a member of a Party that has since its inception stood up for human rights whenever the occasion rose, whether it was the forced relocation of Japanese Canadians into the interior of the country, voting against the imposition of the War Measures Act or countless other examples, in the same NDP and CCF tradition, the amendment provided for in this Private Member's Bill would allow an appeal from decisions of a human rights tribunal or any review tribunal constituted under the Act on the merits of the individual case.

As the Act now reads, orders or decisions of a tribunal may be filed as orders or decisions of the Federal Court for purposes of enforcement. But this does not extend jurisdiction to the Federal Court to confirm, dismiss or vary such orders or decisions.

With that explanation, I am sure that it will have the unanimous support of the House next time as well.

Mr. Gauthier: Madam Speaker, I simply want to say as a member of the Party that introduced the Charter of Rights and Freedoms, I do not think we have to take a second seat to anyone, even the Government, in matters of supporting any Member of the House who wants to present a Bill at first reading, second or third. I believe the right to present the Bill at first reading is a democratic right in order to have the Bill printed so that we know what is in it. Now that we have heard the comments, I agree that it is a good Bill and should possibly be discussed by the Members. To that effect, I will vote in favour of having the Bill read now.

Mr. Riis moved that the Bill be read the first time and printed.

The Acting Speaker (Mrs. Champagne): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Bill read the first time and ordered to be printed.

* * *

GOVERNMENT OPERATIONS

CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I move that the second report of the Standing Committee on Government Operations, presented to the House on Monday, March 23, 1987, be concurred in.

I appreciate the opportunity to move and debate concurrence in the second report of the Standing Committee on Government Operations, but before I get into the specifics of the report let me give the context in which I chose to debate the report at this time. It is that the Government is seeking to extend the hours of the House and is making an unprecedented attempt to set aside the Standing Orders.

While the Chair has ruled that it has the legal capacity to do so, the Government is attempting to use this heavy-handed tactic in order to force through the House the omnibus Bill on the free trade deal between Canada and the United States.

That, to us and I believe a majority of Canadians, means a diminution of Canadian sovereignty. We on this side of the House are seeking to bring the Government to its senses and let it know that if it wants to undertake such a measure it ought to have the consent of the people before doing so. That is the context I wanted to lay out before getting into the specifics of the second report of the Standing Committee on Government Operations. This report deals with rural postal service. This is a matter that is of vital national importance, a matter which affects rural communities from one ocean to the other.

• (1740)

The committee of Members of the House of Commons had the Minister responsible for the Post Office before it in order to present his plan and his approach to the post office. We had the opportunity to question him. At that committee, there were Members from all three political Parties, members of the New Democratic Party, members of the Liberal Party and members of the governing Party. Witnesses from across Canada came before the committee to present their concerns with regard to rural postal services and the Government's plans to undercut them.

Interested Canadians, the Minister responsible and Members of Parliament participated in this committee. It was the Members of Parliament who drafted and submitted this report. There is a unique aspect to this report, for it is a report that does not simply point out the errors in the ways of the Government, although that in itself would be important because government Members were in a majority on the committee. However, this report had unanimous consent, and the minutes of the report bear this out. The minutes indicate that the committee is pleased to indicate that the report reflects the unanimous views of committee members.

This report on rural postal services had the support of every member of the committee, whether that member was NDP, Liberal or Conservative. That is significant because in the past, reports from the committee on postal services have been split between the governing Party and the opposition Parties. Of course, opposition Parties pointed out the errors in the ways of the Government and government members defended valiantly the Government's policy. However, this report is unique because both government and opposition Members spoke with a united voice about rural postal services.

This is a very short report, printed on just two pages in these minutes. Taking into account the fact that the report is in both official languages, it is really only a one page report. It was a very short, straight and to the point report. The heading of the report is "Closure of Small Rural Postal Offices". While the Minister is rising in the House day after day to deny that any rural post offices are being closed, the all-Party committee is acknowledging, recognizing, highlighting and protesting the fact that small rural post offices are being closed.

The first paragraph of the report indicates that Canada Post intends, over a 10 year period, to assess the configuration of its small rural post offices and, as a cost saving measure, to close many of them. The all-Party committee is sounding the alarm and saying that the Government and Canada Post are embarked on a 10-year plan that involves the closure of small rural post offices.

That these post offices are being closed is in itself of great significance. We all recall that Rural Dignity came to Parliament Hill a few days ago, after having gone all across rural Canada picking up petitions in every town and village, petitions from people who wanted to keep their rural post offices and did not want them closed.

The second paragraph of the report says that moreover, the committee is appalled by the heavy-handed approach taken by Canada Post in its attempts at closure.

Mr. Rodriguez: Tory Members said that?

Mr. Keeper: Conservative Members of this Chamber joined hands and voices, united with Liberal and NDP Members of Parliament, to say that Canada Post was closing rural post offices in a heavy-handed manner and was doing it as a cost saving measure.

We all agree that we need to be careful with the public's money. I am sure that if we were to ask the residents of rural communities if they want to save a few pennies by doing away with their rural post offices or if they want their taxes to go toward maintaining an essential public service in their communities, the residents of those rural communities would say clearly that they want their taxes which they will inevitably be paying to the Government to go toward maintaining a good postal service. I am sure that is the opinion they would express.

Mr. Brightwell: How much tax do you want them to pay?

Mr. Keeper: I hear a Conservative Member asking how much taxes do we want to pay. I can understand him saying that. We in the House know that since the Conservative Government was elected in 1984, it has continuously increased the tax burden on ordinary Canadians. Ordinary Canadians know that and the people in my riding know that. They are fed up with Conservatives laying on the taxes and at the same time seeking to win elections by laying out the pork, each day making a new announcement about how many million dollars are going to be given away to buy one riding. I think that reveals the Conservative Party's strategy for the next election.

If Conservatives could, they would not have a general election. They would have a series of by-elections. They would have 295 by-elections, and they would try to buy every one of them. Of course, this would bankrupt the country and every family in Canada, so in answer to my friend who asks how high the taxes should be, I say that taxes are too high now and Tory taxes are no better than Liberal taxes.

Mr. Gauthier: Watch it, watch it.

Mr. Keeper: Not wanting to provoke my colleagues, I will return more specifically to the report itself. There is the odd Member in the House who seeks to heckle. I must be getting under the skin of some Members. I would remind them that this report was a unanimous one supported by New Democrats, Liberals and Conservative members of the committee.

The most significant, fundamental aspect of this unanimous report is that the committee recommended that no closure of a rural post office or change in postal service be undertaken without meaningful consultation and the consent of the community affected. Even the Conservative Members of the House who were on the committee and heard the concerned witnesses from across Canada and who heard the Minister and the President of Canada Post present their cases recommended to the House that rural communities ought to be given the right to withhold or give consent before a change is made in a rural post office and before a rural post office will be closed.

This recommendation refers to a change in postal service because the concern of the committee was with the closure of rural post offices. We believe, like those who live in small rural communities and came to Ottawa to protest, that rural community life is valuable and ought to be supported rather than under cut.

• (1750)

We believe that over the last 20 or 30 years, as part of the process of centralization in Government and the private sector, many of the underpinnings of rural communities have been torn out from under them. That is true whether it be consolidation of schools or the loss of services in many other areas. Now it is the Post Office. That is the only federal presence in many of these rural communities. It is the only time the Canadian flag flies in many rural communities.

The Government is attacking and destroying rural community life. I am shocked. If there is one thing that I thought was fundamental to Conservative philosophy, it was the preservation of that which has stood the test of time. I never believed that the Conservative Party was like the Liberal Party, which is to worships on bended knee what is new and modern.

I am also astounded by the fact that the Cabinet holds such sway over the vast number of Conservative Members in this House. These rural communities which are being torn apart vote Conservative.

Mr. Fennell: Everyone votes PC.

Mr. Keeper: I mean up until now. Have the Conservatives no political antenna? Clearly they have brain trusters, people like Dalton Camp, but do they have common sense. When they walk down the street and people say they want to preserve rural community life, the Tories do not listen. Certainly members on the committee heard the rural communities and said we have to put a stop to this destruction of rural post offices.

The Tories are seeking to creep above 30 per cent, hoping to get another 5 per cent so they will have the courage to call an election. If they want that, I say start with the Post Office. Start governing this country in a sensitive, decent, human way. Stop undercutting your own political support. In the places where you have rockbed Conservative voters, what do you do? You slap them in the face, tear away their services, and expect them to vote for you.

As a New Democrat obviously I will be glad if those people observe clearly and fully the behaviour of the Government and reflect upon their allegiances. Maybe it is time for them to change. Maybe they will say they have been Conservative all

their lives, for generations, but if this is the way they are going to be treated, they have to find an alternative.

We are here to say that we are speaking up for those communities. If they are looking for an alternative, we are ready to provide it.

Mr. Belsher: You used the right word, "if".

Mr. Keeper: I do not want to be arrogant but I also recommend to my hon. friend that he not follow in lemming-like fashion the lead provided by the Cabinet. Sometimes back-benchers, ordinary Members of this House, are more in touch with the feelings and sentiments and priorities of Canadians than those at the cabinet table. That was most clearly evident in the smoking legislation. The Minister came in with a Bill that took a step forward but only one. Then the Private Member brought forward a Bill that took three steps. Lo and behold, Private Members passed the legislation which said we will go three steps rather than the one step Cabinet wanted to go. The Cabinet could not read the mood of this House, so how is it going to read the mood of the country? They should listen to back-bench members of the Conservative Party and realize that people are saying they have had enough when it comes to tearing apart rural postal service.

I want to come back to the essence of the report, which is the recommendation that no closure of rural post offices or change in postal service be undertaken without meaningful consultation and the consent of the community affected. It also says that the consultation process include not only a discussion of Canada Post's proposed service changes but also a thorough review of alternative postal service plans proposed by the affected community.

That is a proposal for real democracy. The community ought to have a say in its own destiny.

Are you indicating my time is up, Madam Speaker?

Mr. Gauthier: Yes, your time is up.

The Acting Speaker (Mrs. Champagne): Questions or comments.

Mr. Fennell: Madam Speaker, I would like to give a couple of instances of post office closings. I live in a rural community where I am very well served but I know of one post office that had only one customer. The postmaster was being paid a full salary. The one customer was himself. That post office was a logical one to shut down.

Another example is that on December 20 I was advised that the postmistress had decided to go to England to get married. She sold her store but had not told the Post Office. They decided they must move the post office to another place. I intervened and within 12 hours had arranged for the person who was going to buy the store to take over the post office, move in on a temporary basis and go on with it. Those people have done a superb job in servicing my community, which is RR 1, Ashburn, Ontario, if the Hon. Member wants to check it out. I am pleased to have that service provided by someone from the private sector who is creating a little business up there. It is a young couple and I trust they will do very well with it.

Believe me, the new process of privatization of the rural post offices is an excellent concept and provides the opportunity for young people to take a step up in the business world.

The Acting Speaker (Mrs. Champagne): It is with deep regret that I must interrupt the Hon. Member. There is a statement I must make to the House.

* * *

BUSINESS OF THE HOUSE

PRIVATE MEMBERS' BUSINESS

The Acting Speaker (Mrs. Champagne): I have received written notice from the Hon. Member for Davenport (Mr. Caccia) that he is unable to move his motion during the hour of Private Members' Business on Friday, June 17, 1988. It has not been possible to arrange an exchange of positions in the order of precedence pursuant to Standing Order 39. Accordingly, I am directing the Table Officers to drop that item of business to the bottom of the order of precedence. Since notice will be removed, the hour for Private Members' Business will be cancelled and pursuant to Standing Order 39 the House will continue with the business before it prior to that hour until the ordinary hour of daily adjournment.

• (1800)

[*Translation*]

It being 6 p.m., pursuant to the order adopted Thursday June 2nd, 1988, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.01 p.m.

APPENDIX

ADDRESS

of

DR. HELMUT KOHL

Chancellor of the Federal Republic of Germany

to

Both Houses of Parliament

in the

HOUSE OF COMMONS CHAMBER, OTTAWA

on

Thursday, June 16, 1988

ADDRESS
of
DR. HELMUT KOHL
Chancellor of the Federal Republic of Germany
to
Both Houses of Parliament
in the
HOUSE OF COMMONS CHAMBER, OTTAWA
on
Thursday, June 16, 1988

The Chancellor was welcomed by the Right Honourable Brian Mulroney, Prime Minister of Canada and thanked by the Honourable Guy Charbonneau, Speaker of the Senate and Honourable John A. Fraser, Speaker of the House of Commons

Hon. John A. Fraser (Speaker of the House of Commons): The Right Honourable the Prime Minister.

Some Hon. Members: Hear, hear!

The Right Hon. Brian Mulroney (Prime Minister): Mr. Chancellor, Mr. Speaker of the Senate, Mr. Speaker of the House of Commons, Members of the Parliament of Canada, I have today the honour of welcoming among us the Chancellor of the Federal Republic of Germany, His Excellency Helmut Kohl.

Some Hon. Members: Hear, hear!

Mr. Mulroney: His visit reminds us of and strengthens the ties that exist between our countries. We are partners in peace, partners in prosperity and partners in progress. The defence of Canada begins in the Federal Republic of Germany. More than 7,000 Canadian troops are stationed in the Federal Republic at Lahr and Baden. They stand the first watch on the front line of freedom.

[*Translation*]

We are partners in the Economic Summit group of leading industrialized nations, meeting in Canada next week in our great City of Toronto, a showcase of the Canadian economy.

In the Economic summit group, in the G-7, in the OECD, in the GATT, and other forums of the international community, Canada and the Federal Republic are often advocates of the same cause—from trade liberalization, to easing the debt burdens of the Third World.

Canada and the Federal Republic are trading nations, equally dependent on securing existing markets and creating new ones. We both depend on liberalized trade. We both suffer when protectionism grows.

The Federal Republic is our fourth largest trading partner, with two-way trade of $5 billion last year.

[*English*]

Shared and long-standing bonds of kinship and partnership between our two peoples and countries are the very foundation of our Atlantic bridge. Three hundred and twenty-five years ago, Hans Bernard purchased land near Quebec City and became the first recorded German settler in Canada. Then followed the Irish.

Some Hon. Members: Oh, oh!

Mr. Mulroney: Lots of them.

Some Hon. Members: Oh, oh!

Mr. Mulroney: But waves of colonists from Germany followed him to make a homeland in a land of new opportunity. Canada has been enriched beyond measure by the contributions of Canadians of German heritage to the political, social and economic fabric of our country.

Some Hon. Members: Hear, hear!

• (1110)

Mr. Mulroney: The Right Hon. John Diefenbaker, Canada's thirteenth Prime Minister and an illustrious Leader of my Party in the House of Commons, traced his ancestral roots to Germany. He would be very proud, Sir, of your presence here today.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Today, many Hon. Members from both sides of the House are proud, very proud, of their German ancestry. In our Cabinet, Frank Oberle as our Minister of State for Science and Technology, helping to steer our nation through the high technology frontier of a new decade and a new century, was born in Forchheim in your country and came at the age of 19 to ours, eventually settling in Chetwynd, British Columbia. You lost a vote, and I got one.

His, Chancellor, is the story of 8 million Canadians, almost one-third of our citizens, whose mother tongue is neither English nor French. Indeed, it is the story of Canada itself, a nation of immigrants, a land of promise, a people of hope. Altogether, well over 2 million Canadians trace their roots to Germany, the largest group of origin after English and French-speaking Canadians. Ours is a nation of two languages and many cultures. Shared values and hopes stir us individually and collectively to seize the courage and the vision to challenge the uncertainty of our times.

In the past, the friendship between our two peoples has been interrupted by war. But today we recognize more than ever that we live in a time when war is, as you have said, absolutely unthinkable. We know that it is better to live with one another in peace and prosperity in a more interdependent world.

Under Chancellor Kohl's vigorous direction, the Federal Republic has resumed a vital leadership role in addressing issues on the global agenda. I have been present at many meetings of heads of government where security and strategic considerations have been paramount. I have not heard an analysis more cogent and thoughtful than that put forward by

Chancellor Kohl. He brings to these discussions a unique and incisive understanding of both the challenges and the opportunities associated with the vital East-West relationship. His is a voice of reason. His message is one of clarity and strength. On behalf of all Canadians I salute you for that today, Chancellor.

Some Hon. Members: Hear, hear!

Mr. Mulroney: The Federal Republic under Chancellor Kohl has made protection of the environment one of its most pressing priorities.

[*Translation*]

In the Federal Republic, as well as in Canada, environmental concerns are in the mainstream of public opinion, and the environmental agenda is in the mainstream of public policy. The Federal Republic is a signatory of the Montreal Accord to arrest the dangerous deterioration of the ozone layer. And we welcome German participation in the International Conference on the Atmosphere which Canada will be hosting in Toronto at the end of this month.

From our private discussions since your arrival, Chancellor, I know that we have similar objectives for the multilateral and bilateral agenda before us. At the Toronto Summit next week, we will cooperate with other Summit countries to maintain the present climate of non-inflationary growth, while at the same time helping to reduce the imbalances in the world economy. We will be encouraging our Summit partners to undertake additional measures to reduce structural rigidities in all of our economies.

[*English*]

We all recognize that the agricultural trading system requires fundamental reform. We share a deep concern that the Third World debt has reached an astronomical sum of a trillion dollars. We know that you share our concern for the poorest of the poor and are taking steps, as we have, to alleviate the debt of the hard-pressed African states.

Our commitment to an enhanced multilateral trading system is the cornerstone, and it always has been, of Canadian policy. At the core of this system is the current set of multilateral trade negotiations and the need to come to grips with the acute problems which exist in the area of agricultural trade.

I have twice visited you, Chancellor Kohl, in your capital, and now it is my privilege to welcome you to ours. This is a historic occasion, as well as a very happy one. Your visit marks the first time ever that a Chancellor of the Federal Republic of Germany has spoken to our Parliament.

You, Sir, are welcomed here as a friend, a good and a valuable friend of Canada. I bid you, Mrs. Kohl, and every member of your delegation, a very warm welcome. I invite you now, Sir, to address the Parliament and the people of Canada.

Dr. Helmut Kohl (Chancellor of the Federal Republic of Germany): Mr. Speaker of the Senate, Mr. Speaker of the House of Commons, Prime Minister, ladies and gentlemen, thank you for your kind applause and welcome. I should like to express my appreciation to you, Prime Minister, for your kind and friendly words of welcome. These were words of welcome, but they were also expressing a sense of friendship. I warmly reciprocate and return these feelings.

I am most grateful, Mr. Speakers, and Members of both Houses of the Canadian Parliament, for having invited me to address you here today in this venerable building which, since Confederation was formed in 1867, has been the seat of Canadian Parliament. This is the first time, and you said so, Prime Minister, that a head of government of the Federal Republic of Germany and of a country which currently holds the presidency of the European Community has been afforded such an opportunity to address you here. Therefore, I regard your invitation not only as a special honour for my country but also as a token of your solidarity with Europe as it progresses toward union.

I wish to convey to you, Members of Parliament, my warmest greetings from my fellow countrymen in the Federal Republic of Germany and of Europe.

You, Prime Minister, since the days that you participated in your first summit have played a most helpful role in bridging differences of approach among the partners participating in the economic summit. You have made an essential contribution toward enlarging the G-5, which today includes Canada as well, for the development of international economics. This was certainly an essential step.

In many of our meetings I have been struck again and again by your effort to contribute toward progress and to produce acts of solidarity, and in this way bring about solidarity among the participants in these meetings. I congratulate you as well for concluding the free trade agreement with the United States of America. This is a forward-looking sign. The European Economic Community, in 1992, will establish a single domestic market for 320 million people, an area not in terms of population but in terms of economic potential, which will be the strongest region. If this becomes a reality we will need particularly close consultation and relationship with the United States and Canada, and in particular with that important area in South-East Asia with Japan at the centre. These are the three important regions in international economic relations. I welcome the fact that Canada and we, the Federal Republic of Germany, have particularly close contacts and will help to promote this wonderful development.

• (1120)

Some Hon. Members: Hear, hear!

Chancellor Kohl: Your country, Canada, has always cultivated her political, economic, and human ties with Europe; intellectual and cultural life are rooted in European tradition. Your Prime Minister referred already to the fact that the great majority of your people are descendants of European immigrants. Since the middle of the 18th century

and particularly following the devastating wars of this century, the First and the Second World War, countless Germans have emigrated to Canada.

Here they sought freedom and found freedom, political and personal freedom, freedom from poverty, and freedom from the constraints of the old continent. Those immigrants and their descendants, who today count for probably one-tenth of the population of Canada, have played a large part in your country's economic, technological, and cultural development. They have, and we are happy and delighted at it, preserved their links with their relatives and friends in their native countries, and they are proud of their new home country of Canada.

European visitors in particular are always impressed when they see how Canadians of different origin, and above all those whose roots are in western, eastern, southern and central Europe, live and work together harmoniously in their new homelands, and how, on the basis of the country's federal structure, they preserve the cultural heritage and traditions of their native countries whilst building their common future here in Canada, their new home country.

Here in Canada you have already achieved, to a large extent, what we in one part of Europe, the Community of the Twelve—and this is only part of Europe, the larger part of Europe, which for different reasons cannot yet join those who have formed the European community—are striding towards, sometimes with little steps, sometimes with big steps, namely, unity in diversity.

But let me also say to Canadians of eastern European origins here in this place: We have not forgotten your native countries either! When we speak of Europe, we always have in mind the whole of Europe, east and west of the Iron Curtain.

Some Hon. Members: Hear, hear!

Chancellor Kohl: For this reason the central aim of the policy pursued by my Government, the policy of our friends and allies, is to overcome the division of Europe, and this includes the division of our German fatherland; to make the frontiers more permeable; to reunite separated families and facilitate human contacts; and to develop a lasting and equitable peaceful order in Europe in which all nations themselves can determine their own future and cultivate their relations in freedom.

Mr. Speaker, the free democracies of Europe and North America are linked by their common commitment to the inalienable human rights and to the principles of freedom and democracy enshrined in their constitutions, to the openness of their communities, and together we are resolved to defend our freedom. For my country, the Federal Republic of Germany, this is the basis of our policy.

The trans-Atlantic Alliance, NATO, the alliance of free democracies has, for over 40 years now, preserved the common peace, the common security, and the common freedom.

In this building a chapel reminds us that twice in this century citizens of your country have fought and sacrificed their lives in Europe. Only those who know the devastations of war, the disasters of war, can truly appreciate the fact that our Alliance has secured for Europe, and for us in the Federal Republic of Germany, the longest period of peace in its more recent history.

This has only been possible, and particularly in difficult phases of relationships between East and West, because the allies have shown the political will and determination to maintain adequate military forces, to pool their defence contributions and thus guarantee their common defence capability.

The North American democracies, at least Canada, have rendered an invaluable contribution to those efforts, especially by stationing troops in Europe, and I wish to take this opportunity here before this high House to express my thanks and appreciation for Canada's military presence in my country, and to express my appreciation and gratitude for the service rendered by your Armed Forces in my country.

Some Hon. Members: Hear, hear!

Chancellor Kohl: Let me also address a word of very personal thanks to all Canadian servicemen and their families, whom I meet again and again when I am in Lahr, the Canadian base, who have lived in our country or are living in our country and fulfilling their defence mission side by side with our own troops in our own country.

This is important for us. We have a conscript army of more than 500,000 young Germans who are serving in that army. For them it is particularly significant and important to know that they stand shoulder to shoulder with comrades from other countries of the free world.

Some Hon. Members: Hear, hear!

• (1130)

Chancellor Kohl: I would also express my gratitude for the opportunities you are offering us in the way of training facilities here in Canada, which we do not have in our own country.

The Alliance's assured defence capability has always been and will be the basis for the other principal task to which we jointly committed ourselves in the Harmel Report 20 years ago. That is the quest for a constructive dialogue and closer co-operation with the countries of the Warsaw Pact, and in particular the pursuit of disarmament and arms control to reduce the stockpile of arms in a sensible disarmament and arms control dialogue.

In this respect, too, Canada has rendered outstanding contributions. Lester Pearson was one of the first of the Alliance's statesmen to begin a dialogue with Moscow.

Canada's commitment in the negotiations on security and co-operation in Europe, especially with regard to human rights, has left its stamp on the documents of Helsinki and Madrid.

Until this very day, your country is playing an active role in the arms control negotiations, particularly in the last months and years.

The correctness of the policy pursued in the name of Harmel has been strikingly confirmed. We are experiencing a dynamic improvement in East-West relations, which most of us would have considered to be inconceivable a few years ago.

Never before in the post-war era have the superpowers conducted such an intensive dialogue at the summit. I have asked for such meetings again and again, without expecting too much in the way of an outcome, but I am certain that summit meetings are a major driving force of East-West relations. I want to express my congratulations to the President of the United States and to General Secretary Gorbachev, and express our wish that that policy should be continued along this line.

Some Hon. Members: Hear, hear!

Chancellor Kohl: Never before have East and West discussed such a wide variety of subjects and worked together in so many areas as today, in spite of the continuing differences between their systems. We should admit that these differences are still great and considerable.

Seldom before have the possibilities for removing old obstacles to dialogue and co-operation been more promising. I believe there is an opportunity to reduce tensions in important areas. Afghanistan is an illustration of such an area. Above all, we see for the first time that the Soviets are willing to reflect on the threat posed by their superior military strength and their claim to an ideological monopoly, and to seek through negotiation the path to stable and genuine peace with fewer weapons. This is the course the West has always advocated in the last years and decades.

The INF Treaty is a milestone along this road. It stems from a western initiative. It was made possible by the solidarity and cohesion of the Alliance. Hence, it is, in the best sense of the word, our common success.

It is the first treaty in the history of arms control to provide for the destruction of a whole class and category of weapons. Its underlying principle that whoever has more weapons must scrap more, as well as its strict provisions on verification, are a model for further steps toward disarmament.

We can all congratulate ourselves on this treaty having been put into effect, and all of the treaty's provisions must now be strictly implemented within the prescribed time frame so that it can pave the way for further arms control agreements.

Particularly important in this context is a global and comprehensive verifiable ban on chemical weapons. The continuing proliferation and use of these means of mass destruction must be stopped immediately. In this aim we are at one with your country and greatly value Canada's major contributions to the Geneva negotiations.

Some Hon. Members: Hear, hear!

Chancellor Kohl: Nonetheless, the basic problem of security in Europe, not the least the security of the Federal Republic of Germany, continues to be the conventional superiority of the Warsaw Pact, as well as its capability for launching surprise attacks and for initiating large-scale offensive action. Eliminating these capabilities must be the objective of future negotiations on conventional stability throughout Europe, from the Atlantic to the Urals. We are banking on these negotiations commencing before the end of this year. Here again, Canada and we agree.

Another objective of the Alliance is to reduce the American and Soviet short-range nuclear missiles to equal ceilings in conjunction with the global elimination of chemical weapons and the establishment of conventional stability in Europe.

This is a basic principle of the Alliance, that dialogue and co-operation between East and West should not be confined to matters of security and arms control or disarmament. Progress must be achieved in all fields: including political dialogue, in economic co-operation and cultural exchange, in preserving our natural environment and natural resources, in the solution of humanitarian problems, and particularly in realizing human rights.

This principle is a reflection of the experience of our countries and all our citizens: military means alone will not guarantee security and freedom. While we need the necessary military means because freedom cannot be had for nothing, it is important that our citizens support this principle and are convinced that their human dignity is respected most in a free society, that only in such a community can the individual achieve self-fulfilment according to his aptitudes and inclinations, and that only in a free economy it is personal achievement that counts and is rewarded, and that human solidarity and social justice are possible.

The English language has given us the word "commonwealth", a community of free citizens and free nations based on mutual prosperity. That is what we want in Europe. I repeat, we are convinced that an economically and politically united Europe, a strong European community, can render an inestimable contribution to the security of the West as a whole and to world peace and stability. A nucleus of this community is Franco-German co-operation. That co-operation at the end of this century will have overcome many hundreds of years of national egotism and bitter fratricidal wars.

Prime Minister, you referred to your Minister of State who comes from my home country. He comes from a part of the country where for more than 300 years, we had a war in practically every generation; hardly any generation has not seen the villages and the cities destroyed during Franco-

German wars. Today we are living in a period in which the generation of our children would consider it to be absolutely inconceivable that something like this could happen again.

• (1140)

When, three years ago, I met with François Mitterrand, the French President, in Verdun to commemorate the dead of the two wars, what impressed me most was not so much the number of these graves; what impressed me most were the 20,000 or 30,000 school children who had come from France and from Germany and were running about playing with each other. They found it absolutely impossible to imagine that their own grandfathers or great-grandfathers may have been buried in these graves.

Some Hon. Members: Hear, hear!

Chancellor Kohl: If the French under the Elysée Treaty concluded between Charles De Gaulle and Konrad Adenauer are friends today, then their common policy is not directed against anybody and everybody is invited to join in, but without this nucleus, the core of European development, there will not be a united Europe. We, the French and the Germans, want to be a driving force, an engine, along this path toward a united Europe.

Close relations between a free Europe and North America based on mutual trust remain vital for both sides. I am therefore glad that a regular political dialogue with Canada has been formally agreed in the European community within the framework of European political co-operation on the proposal of the German presidency. This shows the special significance which the Twelve attach to their relations with Canada.

The European community's principal objective now is to complete the single European market by 1992. We aim to create an economic area embracing 320 million consumers, and this is also an important contribution to the development of international trade and commerce. This market offers huge growth opportunities for the European economies and hence for the world economy. It will be and will remain accessible to all. Not only that, it will make the European community an even more capable ally in the fight against protectionism.

The German presidency has energetically pursued this objective of completing the internal domestic market. As early as February, the European Council at its meeting in Brussels set the course, and at the end of this month in Hanover, other important decisions will be taken at the European summit. I am confident that, and I would like to pass on this message to you, when established, the internal market will also offer Canada fresh opportunities to expand her trade relations and her industrial and technological co-operation with Europe.

The U.S.-Canadian agreement on a free trade area, too, has established a new basis for future trade relations on the North American continent. We trust that our friends' expectations here in Canada of increased growth to everyone's advantage will materialize. We trust in the assurance of our Canadian friends that European companies, too, will be able to use the new opportunities for expanding trade. It is our understanding that the free trade agreement will be implemented in accordance with GATT rules. As always, we count on you here in Canada as staunch champions of an open, multilateral trade system.

Another major task of the community which we should also discuss here is the reform of its agricultural policy. I know that criticism of this policy has occasionally been voiced in your country. I think we should discuss this subject here, because particularly among friends, one should speak freely about differences in approach. I am particularly gratified to inform you that in February, the European Council took the necessary fundamental decisions to adjust past aberrations and in particular to limit surplus production.

It must be our objective to limit and to reduce productions in drastic measures. I am against permanent subsidies on principle. Let me add, ladies and gentlemen, when developments have taken a wrong course over 20 years, one cannot remedy the situation overnight. We must now try to attain the objective gradually to reduce the surplus production. Farm units must also have the opportunity in future.

The family-run farm must remain viable in the Europe of the future. However, we respect the decision to take land out of production and reduce farming activity, because this is the only way to ease the strain on the market. Agricultural policy will be one of the subjects on the agenda of the world economic summit in Toronto in a few days' time. The problem of overproduction and of the subsidies race on world markets must be solved.

Some Hon. Members: Hear, hear!

Chancellor Kohl: In Toronto, we will be discussing the world economic situation, the perspectives for growth without inflationary pressure, and we should also dedicate ourselves to the study of the dangers of global protectionism which have by no means yet been removed. The participants in the summit meeting must together strive to ensure that the GATT Uruguay round will prove successful. This meeting will take place in autumn here in Canada, and it is of the greatest meaning and significance for future international developments in the economic sector, not least in view of the problems confronting the developing countries. We will have to discuss that in Toronto as well, the issues of hunger, poverty and indebtedness.

I am one of those who believe that in the first quarter of the 21st century, the hazards, challenges and risks of the North-South conflict will overshadow the East-West problems. This is not only a question affecting the economic situation. It is also a question of the quality of human policy.

I am making these remarks as a German because as a pupil I lived through the Second World War and I still have memories of what the situation was back in 1945 after the

complete breakdown of our country. We were half-starved, and I felt at that time what it means for a country to receive help, help from Canada, help from the United States of America. We have not forgotten that. Since we are now among those countries which are better off in spite of the problems we still have not solved, we consider it important that the strength of a free system should also be shown in acts of solidarity *vis-à-vis* the poor countries.

Some Hon. Members: Hear, hear!

• (1150)

Chancellor Kohl: Canada's foreign policy, especially within the framework of the United Nations, reflects in exemplary fashion the awareness that the different worlds on this planet cannot live in isolation from one another. On the contrary:

International solidarity is the dictate of the hour.

Mr. Speaker, not only must Governments and nations combine their efforts and their energies and develop North-South relations in a way that will hold out hope for the future. We must jointly master the challenges facing mankind as a whole:

—in the nuclear age we must prevent any kind of war;

—we must make constructive efforts to provide a new framework for peace;

—we must preserve the natural sources of life for ourselves and our children. We have inherited natural resources from our parents and we cannot allow them to be destroyed now. It is our moral duty to pass on what we have inherited and keep it in good shape;

—we must master new technologies and learn to apply them for the benefit of all states and nations in the service of man.

In view of the enormous dimensions of most recent developments, the risk of having these new technologies manipulated are of the greatest significance and we must ensure recognition of human rights and human dignity throughout the world.

What we need are new strategies which will meet these challenges now and for years to come. Twelve years from now we will live in the year 2000. This century was inaugurated with great hopes and has seen such misery and loss of life. We, on the threshold of a new century, together with all people of goodwill, are trying to live up to our responsibility to future generations. For their environment, for their opportunity at self-fulfilment, and their hope of living in human dignity, the decisions we are taking today will have an influence on their future. Future generations will judge us by whether we today are living up to that responsibility.

In history there are always periods in which far-reaching decisions are made. There is only a relatively short period of time when real decisions will be taken, very often over long distances. Nations have to suffer, to tolerate and accept the results of these decisions. We are living now in an age where such far-reaching decisions are being made. We should be aware of that and we should approach them together. In this context it is good to have exchanges with friends and partners who share the basic values, the basic faith, who share a vision of a peaceful and free world. While we have a common responsibility, it was in this spirit that I came here to meet and talk with friends, and I thank you very much for the friendly welcome you extended to me in your grand country. Thank you very much.

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Guy Charbonneau (Speaker of the Senate): Mr. Chancellor, Mrs. Kohl, we are indeed honoured by your address to our Parliament, especially since we had not had the privilege of receiving in these precincts the Leader of the Government of the Federal Republic of Germany, since your Basic Law of 1949.

[*English*]

We are proud to welcome to this Chamber an international colleague with such a remarkable political career. You were a militant democrat even before you were of an age to vote. While helping to organize a political Party, you found time to study law, political science, history, and sociology. You must have been able to be in more than one place at a time, and you do not seem to have lost that ability. Were you not equally at home in the Bundesrat and in the Bundestag? Are you not simultaneously Party Leader, coalition leader, and head of Government?

With your devotion to reform, liberalism, and modernism, you are the archetypal citizen of that borderless Germany we have grown to love and admire for its many great artists; Bach, Beethoven, Mendelssohn and Schumann; Stockhausen, Fortner and Schnebel; Goethe and Schiller, whose lines have been as familiar to us as Shakespeare's or Racine's; Henrich Heine, that colossus of universal literature, who delighted us when we were students because he took pleasure in extravagance and luxury; Thomas Mann, whose incomparable passages about snow almost entitle us to claim him as one of our own; and Bertolt Brecht, whose plays are so often performed in our theatres.

[*Translation*]

Your history, Mr. Chancellor, has often been one of sudden change. This was very much in your mind when you selected the subject of your doctorate thesis, namely:

The rebirth of political parties in Germany after World War II.

After 1945 you had to rebuild. Your controversial historian, Oswald Spengler, when he wrote *The Decline of the West* in 1920, had predicted, despite his pessimism, the important role Germany would have to play in the renewal of Europe, the source of our civilization.

Thanks to politicians of your stature, Europe was rebuilt, and perhaps we should say that a substantial part of the credit should go to your country. Where would the Common Market

be without your economic strength? Where would the North Atlantic Treaty Organization be without your determination, and where would the Council of Europe be without your strategic presence?

[*English*]

Your presence here is clearly an invitation to greater co-operation between our two countries. We already have so much in common: Democratic ideology, economic liberalism, a policy of detente and, I should add, our federal system of Government. While you are geographically in the uncomfortable position between East and West, we in Canada occupy a strategic area between the Soviet Union and the United States. From these observation posts, so to speak, we can more easily understand the fears which weapons engender in us.

• (1200)

Mr. Chancellor, we trust these expressions of friendship will convey to you not only the warm feelings with which our people regard the citizens of the Federal Republic of Germany, but also our respect and admiration for your sense of duty and your contribution to the well-being of your country.

[*Translation*]

Mr. Chancellor, we express our admiration for the modern country that you personify, and we offer our warmest thanks to you, as a statesman.

[*English*]

Mr. Speaker: Chancellor Kohl, on behalf of my colleagues in the House of Commons and other honoured guests present, I wish to thank you for your speech and to extend warmest greetings to you and to the citizens of your country. In this often troubled world the friendship between our two nations, the result of our co-operation to ensure peace and security, and our significant bilateral trade is an example of what can be accomplished.

[*Translation*]

Despite the distances that separate us and despite our cultural differences, our commonality of ideas provides a ready basis for bilateral discussions.

Our citizens have the same concerns about world peace, the humanitarian needs of developing countries, trade and acid rain.

The fact that our two countries work together within the United Nations, NATO and a number of specialized agencies is an important factor in helping to solve these problems, while it also consolidates our friendship.

[*English*]

Another factor which has helped to develop our friendship is the presence of Canadian servicemen and servicewomen and their families in the Federal Republic of Germany as part of our NATO commitment. I say to you, Chancellor, as a Canadian who served modestly in the Canadian Armed Forces in your country in 1953, your comments today about the children playing together and finding it impossible to believe that their parents or grandparents could have ever been at war were very touching.

Some Hon. Members: Hear, hear!

Mr. Speaker: Over the years the large number of Canadian personnel who have served in your country have returned to ours with a better awareness of your country's vibrant culture and dynamic economy. In the meantime, your people have become more aware of Canada, not just through that military presence but also because of the growing recognition accorded to its writers, artists, and film makers, and the increasing numbers of contacts with Canadian business representatives.

In short, the cordiality of our relations is not simply the result of diplomatic niceties, but of our commitment to mutual goals and the tolerance with which we treat each other's views. Such friendship between countries is something to be cherished in a world still faced with significant problems.

We have made much progress in recent months in slowing down the arms race and easing international tensions, but there are still many difficulties to resolve and numerous issues to consider. I can say on behalf of the Members of the House, Chancellor, that we have been heartened and impressed with your remarks about the environmental challenges which we as the people on the globe face and must face together.

Some Hon. Members: Hear, hear!

Mr. Speaker: As parliamentarians we have the responsibility of conveying to world leaders the needs and aspirations of the people we represent. We must also explain to the latter the complexity of the problems and the implications of the proposed solutions.

Parliamentary democracy can be carried out successfully in chambers such as these or in the present temporary premises where the debates of the Bundestag take place pending the reconstruction of your old Assembly Hall, but freedom of speech and sense of duty are the essential features, not a building or ceremonies.

Our shared conception of parliamentary democracy can only underline how much our two countries have in common. We are, therefore, most grateful to you for honouring us with your presence and for your statement of the aspirations of your country and the understanding that you have shown of the aspirations of ours. We have no doubt that the bonds between our two countries, already strong, will be strengthened as a result of your visit among us. Thank you very much and our blessings go with you.

Some Hon. Members: Hear, hear!

HOUSE OF COMMONS

Friday, June 17, 1988

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

IMMIGRATION ACT, 1976

MEASURE TO AMEND—CONCURRENCE IN SENATE AMENDMENTS

The House resumed from Monday, June 13, consideration of second reading of, and concurrence in, amendments by the Senate to Bill C-55, an Act to amend the Immigration Act, 1976 and to amend other Acts in consequence thereof; and the amendments of Mr. Marchi (p. 16341) and of Mr. Friesen (p. 16354).

Mr. Heap: Mr. Speaker, I rise on a point of order. I seek Your Honour's advice on procedure so that I will not make a mistake and thereby delay—

Some Hon. Members: Oh, oh!

Mr. Turner (Ottawa—Carleton): Speak to Nelson Riis. We are only here to govern the nation.

Mr. Blackburn (Brant): Not for much longer.

Mr. Speaker: Perhaps if Hon. Members would let the Hon. Member for Spadina and the Chair work this out it would be to the general advantage of all.

Mr. Heap: Mr. Speaker, I have two amendments that I wish to move to the main motion. I did not have the opportunity to move them previously since there was the amendment of the Hon. Member for York West (Mr. Marchi), to which I moved a subamendment.

Last week the House gave unanimous consent to the Parliamentary Secretary to the Minister of Employment and Immigration (Mr. Friesen) to move a motion including certain other amendments which could not have been incorporated into the Minister's response because they were not amendments to the Senate amendments, they were further independent amendments. I would like to know how I should proceed.

One of my amendments is an amendment to the Minister's response. One of my amendments would be in respect of the new amendments. I would like to know whether I should ask that they be moved at this time or whether there would be a later time that would be more appropriate. I would also like on that occasion to ask for unanimous consent as was given to the Parliamentary Secretary.

Mr. Friesen: Mr. Speaker, it is not our intention to debate the amendments that we have tabled. We have not seen the amendments to which the Hon. Member has referred. Perhaps if he wants to table them—and I will be guided by you, Sir—then we can look at them and Your Honour can rule as to their admissibility. We could perhaps during that time take a look at the amendments.

Mr. Heap: Mr. Speaker, I would be very happy to table them. I did, as the Parliamentary Secretary suggested yesterday, send copies of them over to the Minister's office. I am sorry the Parliamentary Secretary has not had an opportunity to see them yet. I would be very happy to table them now, if that would mean that we could later consider how to handle them.

Mr. Speaker: I think that there may be some disposition in the House to co-operate here.

Let me just begin by answering the question that the Hon. Member for Spadina has put to the Chair. I will then comment on the helpful suggestion made by the Parliamentary Secretary.

First, in answer to the Hon. Member for Spadina, as debate continues on the Parliamentary Secretary's amendment and the Hon. Member for Spadina obtains the floor on debate, then he will be in a position of course to move the amendment to that particular amendment.

With respect to the other matter, if the Hon. Member has consent, of course it could be done.

It seems to me that it might be appropriate to put this matter down for a couple of minutes until everyone takes a look at the form of the amendments which the Hon. Member is proposing. Then I have to advise all Hon. Members that it can all be done by consent at this time, which might, quite frankly, be of assistance to the Chair. It might be in the interests of general convenience.

I suggest that the Hon. Member have a further discussion and come back to the Chair. In the meantime I want to say the following to the Hon. Member for Spadina and other Hon. Members.

The Table Officers have considered the two amendments to which the Hon. Member for Spadina has made reference. I wish to advise the Hon. Member that the procedural advice that I have received is that they are acceptable.

• (1010)

Mr. Friesen: I am sure the Hon. Member wants to speak to his subamendments, and he could do so at this time. We could carry on the debate, whether it is on the Hon. Member's subamendments or the debate in general, in order that we can conclude the debate, as I think there was general agreement to do so.

Mr. Speaker: I do not want to read too far the mood of the House. I suppose I should ask if there is consent to have both of the amendments put at this time. Is that agreed?

Some Hon. Members: Agreed.

Mr. Dan Heap (Spadina) moves:

That the motion of the Hon. Parliamentary Secretary to the Minister of Employment and Immigration be amended in the proposed amendment to insert a new Clause 32 into the Bill, by adding immediately after Section 123 the following new Section:

"123.1. Should Bill C-84, entitled an Act to amend the Immigration Act, 1976 and the Criminal Code in consequence thereof, be assented to during the second session of the thirty-third Parliament and section 16 of that Act comes into force before this Act, then, on the day on which this Act comes into force the reference in section 123 of the Immigration Act, 1976 as amended by this Act, to paragraphs 19(1)(E) and (2)(A), subsections 39(2) and 40(1), subparagraph 48.01(1)(E)(iii) and subsections 82.1(2) and 83(1) shall be read as a reference to paragraphs 19(1)(E) and (2)(A), subsections 39(2) and 40(1), subparagraph 48.01(1)(E)(iii) and subsections 82.1(2), 83(1) and 91.1(1)."

And:

That the motion be amended in the proposed amendment to Senate amendment numbered 4 by deleting in subparagraph (iii) all the words after "(2)(C)" and substituting the following therefor:

"who the Minister has certified constitutes a danger to the public in Canada; or".

Mr. Speaker: Those are the two amendments. I will recognize the Hon. Member for Spadina on debate on both amendments.

Mr. Dan Heap (Spadina): Mr. Speaker, to put it mildly, the first amendment is a technical one. It relates to that part of Bill C-84 which is not before us at the moment but is connected with Bill C-55. Bill C-84 has a provision empowering the Minister to turn away ships at sea under certain circumstances.

In the amendments being brought to Bill C-84 there is an amendment that would restrict the Minister from delegating that power. In other words, there is Clause 123 in the present Act which states, in effect, that the Minister may not delegate to any lower official powers under certain sections of the Act, and it lists those powers. The amendments to Bill C-84 would restrict the effect of that power, that is, restrict the Minister from delegating the power to turn away ships.

My Party and I are in agreement with that restriction. We are not in agreement with giving the Minister the power to turn away the ships, but we do at least agree that it should be restricted, if it is there, to the Minister only, for the reasons that the Senate and the Minister have agreed upon.

However, it has been pointed out to me from legal advice, and I say that only because it is obvious that I am not a legal expert or a lawyer, that the power to turn the ships away will come into effect when Bill C-84 is passed. But if that comes into effect after Bill C-55, then that restriction of the delegation would be cancelled because there is a section in Bill C-55 which provides for another restriction of the power of delegation, but not for that one. In other words, the restriction would not be in effect, even though that restriction was intended by the Senate when it considered that Bill and agreed to by the Minister in responding to the Bill.

The amendment that I am proposing, which I hope will be found acceptable by all sides, states:

"123.1. Should Bill C-84, entitled an Act to amend the Immigration Act, 1976 and the Criminal Code in consequence thereof, be assented to during the second session of the thirty-third Parliament and section 16 of that Act comes into force before this Act,—

In other words, if Bill C-54 were to be passed soon and Bill C-84 subsequently.

—then, on the day on which this Act comes into force the reference in section 123 of the Immigration Act, 1976 as amended by this Act, to paragraphs 19(1)(E) and (2)(A), subsections 39(2) and 40(1), subparagraph 48.01(1)(E)(iii) and subsections 82.1(2) and 83(1) shall be read as a reference to paragraphs 19(1)(E) and (2)(A), subsections 39(2) and 40(1), subparagraph 48.01(1)(E)(iii) and subsections 82.1(2), 83(1) and 91.1(1)."

I apologize, Madam Speaker, for the number of numbers and brackets, but this appears to be the legal situation that we have. I have sought the advice of the parliamentary staff on this matter, and received it, and I am grateful for that. I have sought advice of the Journals staff on this matter, as a matter of form, and received it, and I am grateful for that.

To simplify it for Hon. Members who may not have had the opportunity to follow this through in detail before now, it is the intention of the Senate and the Minister, agreed to, certainly by my Party and I believe by the other opposition Party, to restrict the power of the Minister to delegate authority to turn away ships. Even though that authority will lapse six months after Bill C-55 comes into force according to the amendments that are being considered, this particular aspect of it, this restriction of the delegating authority, would fail to operate from the time that Bill C-55 is declared until that lapse. Therefore, during that time the power of delegation of the Minister would exist. The Minister could delegate to lower officials the decision to turn away ships. Since that is not the intention of the Senate, nor the intention of the Minister, as I understand her amendments, I would hope the Minister would find this subamendment acceptable.

• (1020)

If I may, I will proceed to the second amendment. In the Senate's amendments, there is an amendment concerning the relationship of the process for dealing with refugee claims and the process for dealing with a perceived security risk. What the Senate proposed was that there be a section created which says that among those who will not be allowed to make the refugee claim is (A) described in paragraph 19(1)(c) or (B)(iii):

> . . . a person described in paragraph 19(1)(e), (f) or (g) or 27(1)(c) or (2)(c), if the Minister is of the opinion that the application of sections 45 to 48 and 70 and 71 to that person would be contrary to the public interest;—

It is those last words I propose to change. My motion would read:

> That the motion be amended in the proposed amendment to the Senate amendment No. 4 by deleting in subparagraph (iii) all the words after "(2)(c)".

That is to say: " . . . if the Minister is of the opinion . . . " The Minister has made a variation in the following words. Instead of saying "that the application of Sections 45 to 48 and 70 and 71", the Minister's amendment reads: "If the Minister is of the opinion that it would not be in the public interest to have the refugee claim determined under this Act". The Minister's words and the Senate's words have the same effect, but I am concerned with the ground upon which such a determination would be made. In Section 19(1)(ii)(B) the ground for rejecting the claim depends on it being a person who the Minister has certified constitutes a danger to the public in Canada. I think that is a much more objective ground and, in that sense, a much more reasonable ground, upon which to base such an administrative decision. If the Minister has certified that a certain person is a danger to the public in Canada, there are limited provisions for having that decision reviewed by the Security Review Agency. There are some opportunities for the intervention of the normal procedures of justice such as habeas corpus and the right to counsel, even though the right to counsel is limited by the option of an *in camera* hearing from which counsel would be excluded. Nevertheless, the charge of being a danger to the public and the necessity of being able to show someone, such as a judge, the evidence of that danger, is a suitable limit on the power of either the Minister or the officials. It is the sort of limit that, for centuries, we have sought to develop and strengthen in our democracy.

Therefore, I believe the words used "who the Minister has certified constitutes a danger to the public in Canada" are acceptable words, but the words used in paragraph (iii) below: " . . . if the Minister is of the opinion that to admit that person would be contrary to the public interest", is so undefined, so subjective and so general that I believe we should not allow that to creep into our law.

Parliamentary democracy in England became well established about three centuries ago when people decided they would not allow the King to use arbitrary power. They would not allow the King to just say, "I do not like him, so off with his head", or, "I do not like him, so kick him out of the country", or, "I do not like him, so remove him from office". There were military battles fought in England to establish the principle that even the King, or in this case the King's Minister or the Queen's Minister, must show some reason and not just use a blanket phrase such as "contrary to the public interest".

I believe that at the same time, three centuries ago, in France, the phrase used when the King was giving *carte blanche* to some servant to go and get rid of someone, was simply "reasons of state ". If the bearer has done what he has done through "reasons of state" then, of course, he is not to be accused or prosecuted even if he murdered someone. We rejected that three centuries ago. We did not want that in England and we do not want that in Canada.

Reasons of state or simply reasons of public interest are not good enough when a matter is very serious, and this is very serious. There could be a person with a legitimate refugee claim. He could also be a person who, because perhaps he came from a dictatorship such as Chile, was accused of having done subversive acts against the Government of General Pinochet. That is one of the causes referred to here. If he falls under certain clauses and the Minister says it would not be in the public interest to have his refugee claim processed, it could not be processed. What I am saying is that it is not enough for the Minister to say: "General Pinochet does not like him and neither do I". That is not in accordance with our democratic rules. It is also not in accordance with the UN convention with respect to the status of refugees which we signed 20 years ago and which the Government still boldly claims to support. If that person fell under the displeasure of General Pinochet or some other tyrant, he should be judged not according to whether the Minister does not like him, but according to whether it can be shown he is a danger to the public in Canada; not in Chile, not in Vietnam, not in the Soviet Union, not in Mozambique, not in South Africa, but in Canada.

This introduction of the phrase "the public interest" at this time is of particular concern because of a case that hit the newspapers a few weeks ago in which the Secretary of State for External Affairs (Mr. Clark) was reported to have influenced the Minister and the Department of Immigration to exclude a Sikh refugee claimant by the name of Santokh Singh Bagga on the grounds that to allow him to make a refugee claim, to allow him to have his refugee claim heard, would be contrary to the public interest in Canada. In that case it was reported and never refuted that that person had received a security clearance from CSIS. It had been alleged by officials of the Government of India that they had no complaint against him. Yet the Minister, in correspondence with his colleague, the then Minister of Employment and Immigration, alleged that this person was wanted in India on suspicion of certain crimes. In other words, there was no agreement among our officials as to whether there was substance to the Minister's vague allusions. It was clear that, according to our existing law, the Minister had no right to ask that the opportunity of making a refugee claim and having it heard should be withheld from Santokh Singh Bagga.

• (1030)

It appears that the object of this change would be to give the Minister the power that he then undertook to use—although he did not rightfully have such power, and I believe that matter may come before the courts but I have not heard that it has as yet—the power to finger any refugee claimant that he did not like and say it would be contrary to the public interest to let that person make a claim. I believe that would be a very undemocratic precedent to establish. It would not only damage the cases of certain refugee claimants but it would also undermine a fundamental principle of Canadian law that a person should not be hurt without being accused of something to which he could answer. In that case the Secretary of State was also quoted as complaining about the fact that Sikhs had been given refugee status in Canada.

It would appear that if the Secretary of State for External Affairs had this clause to use he might simply ban all Sikhs from making refugee claims in Canada. There might be others, perhaps the Bangladeshis, the Chileans or the people from Mozambique. We do not know, but if the Minister said, "I don't want any of those people making refugee claims", their stories would simply not be heard by the refugee process in Canada. That would be a very unfortunate law for Parliament to enact and it might very well be challenged in the courts.

My concern at present, however, is with the responsibility of Parliament. I am asking that the words in subparagraph (iii), "if the Minister is of the opinion that it would be contrary to the public interest to have that claim considered under our present law", be replaced by the words, "who the Minister has certified constitutes a danger to the public in Canada".

The Acting Speaker (Mrs. Champagne): Are there any questions or comments? Debate. The Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly).

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I welcome the opportunity to speak once again on Bill C-55 and have one more chance to show my opposition to government policy that I believe betrays one of the oldest Canadian traditions, a tradition of welcome to people who have been persecuted or oppressed in another country. This tradition goes back to the earliest arrival of non-indigenous people in Canada. It goes back to the arrival of the Huguenots in New France. The United Empire Loyalists came to Canada fleeing from the excesses of the American dream. We have a history of receiving blacks fleeing from slavery in the United States and coming through the underground railroad. We have members of the historic peace churches, the Mennonites, the Doukhobors, the Hutterites who came to Canada, sometimes by a very circuitous route, to escape the enforced militarism of various European countries. They wanted a new way of thinking and did not want to be bound by old European ways of thinking which prescribed how everybody should think.

Since the Second World War we have had refugees from war-torn Europe and from behind the Iron Curtain. Over 400,000 of them have come to Canada since the Second World War. In the last few years we have seen a great many refugees coming from Southeast Asia. Particularly in recent times, because of our traditions, refugees have wanted to come to Canada from Latin America. Two years ago the Canadian people were awarded the Nansen Medal for receiving refugees from other parts of the world. But this is not the only tradition in Canada. There is a counter tradition, a tradition of ethnocentrism, of xenophobia, a fear of the stranger. That goes back to the roots of our human psyche for all of us, an intolerance of differences, a preference for the known and for the comfortable, which sometimes degenerates into bigotry.

As individuals, political Parties, societies and churches, I suppose we all share both traditions. We have on the one hand a tradition of openness and hospitality toward other people. On the other hand we have this bigotry and intolerance, which every so often crops up and sometimes dominates our lives and society. Every so often I find myself betrayed by something that comes up, some bigotry or intolerance within my own life that makes me ashamed when I recognize it later on.

The question we have to decide when we are making conscious policy decisions, when we sit down to make rational decisions about the direction in which our individual lives should go or the direction in which our nation should be going, is which tradition do we follow? Certainly when we look at the situation of people coming to Canada claiming refugee status we know there is a problem.

Speaking on this issue the Minister told us that some 60,000 people are now waiting to have their refugee determination status clarified. It is time there was some clarification. There have been royal commissions and committees of this House which have looked at this issue. Recommendations have been made which, if followed, would have resulted in clarification and a fair and speedier process, preventing the backlog from continuing to build up, a process to ensure that everyone would have a full hearing and the right to appeal. We do not have that in Bill C-55. We have a Bill that follows the tradition of fear and intolerance. That is why we are so opposed to it on this side of the House. In attempting to meet a real problem as we all recognize, it resorts to fear and intolerance, and there are measures in this Bill that will destroy the openness that we in Canada have come to see as a hallmark of our society. The tradition we wish to enshrine is one of openness and of welcome to refugees.

Carlos Fuentes in his book *The Old Gringo* said:

> A muckraking reporter needs a robber baron as God needs Satan.

• (1040)

In the same way democratic socialists sometimes find it handy to have a right-wing ideologue as a convenient focus for our remarks. Sometimes we are even tempted to create straw men so that we can attack the straw men, but when it comes to Bill C-55 we do not create a straw man. We have a genuine

right-wing ideologue who has stated the policy very beautifully, I am referring to the Hon. Parliamentary Secretary. Last week, the Hon. Member for Surrey—White Rock—North Delta (Mr. Friesen), in response to a comment made by the Hon. Member for Essex—Windsor (Mr. Langdon), said, as reported on page 16348 of *Hansard*:

> The Member began, for example, by saying his forbear came here in 1848 as a result of the failed revolutions in Germany. I understand that since my grandparents and great grandparents came from much the same kind of background.
>
> However, he went on to say that the refugees today are the same as those in 1848, as if nothing has happened in the world since 1848 that would change the outlook or behavioural practices of people wanting to come to Canada.
>
> Let me list just a few of the concepts which have now formed the behavioural patterns of people. For example, nihilism, which basically says it does not matter since nothing matters anyway. So you can do what you want. It is all a black future. There is no good consequence of anything, anyway, so go ahead and do what you want. There is existentialism, which makes everyone's individual outlook paramount. There is no uniform absolute. Nothing is clearly right or wrong.
>
> Therefore, the expression of your own particular authenticity is the most moral thing you can do. There is no absolute morality so it does not matter if you incite violence or peace in its own self. That is a very popular concept.
>
> There is dialectical materialism. It began to be popular around 1848 but was not pervasive at that time. But for the last 150 years witness eastern Europe and the effect of dialectical materialism, where the state is supreme and individual rights are nothing. They have value only to the extent and to the degree they support the state. How about situational ethics, again where nothing is right or wrong except the situation in which you happen to be. It depends on the situation.
>
> Finally, the Marxist theology of Latin America which espouses violence for their cause. I want to remind the professor that when we have that cauldron of beliefs in the system, the thought forms of people coming to Canada have changed in the last 150 years, and Canada deserves some protection from people whose thought forms have changed, if they no longer hold to absolute rights and wrongs.

The key issue here, of course, is the Hon. Member's final statement. He said that people have changed in the last 150 years and that Canada deserves some protection from people whose thought forms have changed if they no longer hold to absolute rights and wrongs. I believe that we in Canada need protection from those whose thinking has not changed in the last 150 years, those who believe that their own way of interpreting right and wrong is the absolute law of the universe.

The Hon. Member for Surrey—White Rock—North Delta listed five different concepts that he felt were dangerous to Canada. I am not sure how he sees Bill C-55 preventing these concepts from coming into Canada. Some have already sneaked in over the border from the United States. Perhaps we have to do something to tighten up the free trade agreement a bit.

The Hon. Member talks about nihilism, existentialism, dialectical materialism, situational ethics and Marxist theology. We do not know how Bill C-55 will keep these things out, but the point is that the statement made by the Hon. Member gives some idea of the thinking of some Conservative Members, at least, as to the reason behind Bill C-55. It is to keep out people who do not think properly. It is a question of ideology rather than of refugee determination.

I know that the Hon. Member has never had a dialectical thought in his life, so I will not talk about dialectical materialism. I will not ask the Hon. Member to tempt himself with the thought of nihilism, to look into the abyss and see nothing there. Just this morning someone defined a nihilist as a Conservative who looks into the by-election opportunities in Lac-Saint-Jean, sees that there is nothing there and is tempted to despair. I will not ask the Hon. Member to be tempted by nihilism or dialectics, but I would like him to think existentially for a moment.

Mr. Friesen: Oh, no.

Mr. Manly: Yes, think existentially, because existentialism is not a philosophy that began with people like Karl Jaspers, Martin Heidegger and Jean-Paul Sartre. Existential thinking, as the Hon. Member will know if he thinks about it, goes back at least as far as the Bible.

An ancient creed like the one found in Deuteronomy 26—

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

Mr. Blackburn (Brant): You couldn't even spell existentialism, let alone Deuteronomy.

Mr. Kilgour: It is not a spelling point of order, it is simply to ask what possible relevance do the Hon. Member's musings on existentialism have to what we are talking about this morning.

The Acting Speaker (Mrs. Champagne): I am sure the Hon. Member will show a little bit of patience, and that the Hon. Member who is speaking will make the link.

Mr. Manly: You are absolutely correct, Madam Speaker. The link was established first by the Hon. Member for Surrey—White Rock—North Delta who said that we had to beware of people who came to Canada espousing existentialism, and that some thought forms had changed in the last 150 years so we had to be very careful about these people coming here as refugees. I am now asking him to think about refugees from an existential point of view.

I am pointing out that existential thinking as a way of thinking is something that goes back a long time. I referred to the creedal formulation that is in the 26th Chapter of Deuteronomy, and the Hon. Member is very familiar with that. The ancient Israelites were told to begin their creed with this statement: "A wandering Aramean was my father; and he went down into Egypt and sojourned there".

The beginning of this creed was a remembrance of the experience as refugees. Again, there is the statement in Exodus: "You shall not wrong a stranger or oppress him, for you were strangers in the land of Egypt". Here we begin with a reference to an existential understanding of the situation.

Mr. Friesen: Madam Speaker, I rise on a point of order. This just underscores what I have felt for a long time. Israelites and Mennonites are about the same.

Mr. Manly: The Hon. Member is absolutely correct. The history of the Mennonites of being forced from one country to another and finally finding refuge in Canada is so important to this whole debate. The commandment that you shall not wrong a stranger or oppress him for you were strangers in the land of Egypt means that you shall not wrong a refugee for you were strangers in Russia or wherever. Many people have different traditions in their own families and their own faiths. If they look back, they will see where they were strangers or sojourners or refugees. It is that kind of existential thinking that I appeal to the Hon. Member and to all Hon. Members to use. Let us put ourselves in the position of the refugees and look at Bill C-55 from that point of view.

What happens when we look at Bill C-55 from the point of view of a refugee? Let us look at it, for example, from the point of view of a Salvadoran who has escaped from the persecution, the oppression, the war and the death squads that exist in that country. In spite of the farce of elections that took place a few years ago there and the façade of a democratic Government, right-wing oppression continues in that country. We can imagine this Salvadoran making his or her way to the United States and living a precarious underground existence, knowing very well that if discovered, he or she could be deported. In 1982, for example, out of 12,000 refugees, or people who claimed refugee status in the United States, only 26 were accepted. The United States is not very hospitable towards Salvadorans. In the last year the United States has passed legislation which imposes very severe penalties upon anyone who gives employment or harbours illegal refugees.

• (1050)

Therefore, these people have a very precarious role in the United States and find their way to Canada. Once Bill C-55 is in place, instead of being able to come to Canada and have a full hearing they will be subject to a prescreening process. If it is determined that they came from the United States, there is a very good chance that the United States will be declared a safe third country to which they can be sent back. There is no guarantee.

The Library of Parliament studied this issue with regard to the safe third country, and said:

> Even when the wording of the provision is finally settled, it will probably still be very difficult to enumerate or explain the factors that will underlie the safe country list or how those factors will operate in any given case. For example, what are the implications if the general human rights record of a country is a criterion? It is not immediately apparent how human rights would be relevant. Some countries have a general record that is good (or reasonably so) for the majority of their citizens, but poor in respect of certain sectors of the population. Turkey is a case in point—
>
> Similarly, the general human rights record of a country in relation to all their own nationals might be excellent. The countries of Western Europe come to mind.
>
> Yet, in the special case of non-nationals who happen to be refugees or refugee claimants, the attitude may be quite different. Again, certain incidents in Europe in the last five years will serve as examples of this. Yet the criterion of the human rights record would imply that all of those countries should be placed on the list.
>
> The foregoing discussion illustrates the difficulties in establishing what a safe country is, in particular by referring to its general human rights record. If that is to be a criterion (a point not yet established at time of writing) its application may prove very difficult.
>
> Especially in view of the difficulties just discussed relating to general human rights, a country's record on *refoulement* will, and should, be the factor most central to a safe country designation, yet how will that be assessed?
>
> If individual examples of *refoulement* (probably indirect, but *refoulement* nevertheless) in relation to a country were sufficient to keep that country off the list, very few countries, even in Western Europe, would qualify.

We have again problems with what is going to happen. We have the concept of sending people back to a so-called safe third country, but what do we mean by that?

The Hon. Member for Spadina (Mr. Heap) has pointed out the bias in Canadian policy. I am not sure whether it is as a result of bias or just of mistake that this morning's headline in *The Globe and Mail* talks about a Mozambican terrorist who has been granted refugee status in Canada even though he was not on the United Nations High Commission for Refugees list of refugees. It appears that the appropriate consultation was not taken, there was not a CSIS clearance, yet this person has been granted refugee status in Canada. On the other hand, a Sikh, a non-violent person, has been denied refugee status by the direct intervention of the Minister.

The Inter-Church Committee for Refugees has written, again underlining the need for legislation which would provide access for all claimants to a full, fair, and independent hearing and a meaningful appeal. They say:

> Legislation which compromises the level of justice accorded to refugees is unnecessary and should be resisted.

It is on that basis that we are resisting Bill C-55. It is not in accordance with the best Canadian traditions of openness and hospitality. It does a disservice to Canada and a disservice to refugees.

Mrs. Mailly: Madam Speaker, we have a gallery full of young Canadians who have come to visit our Parliament and I would be very saddened if they went away from this place with the wrong impression which the Member is trying to give them of the legislation before us. First, we have before us a Bill on immigration—

Mr. Heap: Madam Speaker, I rise on a point of order. The Member for Gatineau (Mrs. Mailly) has just accused the Hon. Member for Cowichan—Malahat-The Islands (Mr. Manly) of trying to give a false impression, not of giving a false impression but of trying to give a false impression. I assume that she chose her words unintentionally and that she does not mean to accuse the Hon. Member of trying to give a false impression but that she disagrees with what he is saying. I hope she will correct that.

The Acting Speaker (Mrs. Champagne): I would not want any Hon. Members to jump to conclusions too quickly.

Mrs. Mailly: Madam Speaker, as I was saying, I do not want the young people to go away with the wrong impression which the Member was trying to give of this particular legislation.

Mr. Heap: Madam Speaker, I rise on a point of order. She has done exactly the same thing. She said he is trying to give the wrong impression. Would you please explain to her the basic rule of Parliament that we do not accuse a Member of wilfully misleading.

Mrs. Mailly: The particular piece of legislation we have before us, Madam Speaker, is Bill C-55 with regard to immigration. We have this legislation because we have done precisely what the Member who has just spoken has recommended. We have put ourselves in the place of real refugees who are waiting in camps overseas in Asia and Europe to come to Canada and cannot do so because we have a backlog here of some 50,000 cases, 80 per cent of which turn out not to be real refugees.

We have brought forward Bill C-55 so that in the future we will not have such a backlog which keeps real immigrants from coming to Canada. In our country we have recent immigrant stock and we would like the families of these new Canadians to be able to come and join with them. That is why we have this legislation. We are precisely carrying out our traditional approach of openness to people who want to come and settle in Canada.

Mr. Epp (Thunder Bay—Nipigon): That's not true.

Mrs. Mailly: We are also carrying out our tradition of respecting the law. When people come to our country they find that we are a law-abiding people. They come here because they find here justice, freedom, respect for authority, and respect for individuals.

With this legislation we are trying to protect real refugees. There are thousands of real refugees languishing in refugee camps who want to come here but cannot because of the backlogs. We are trying to avoid having backlogs in the future. I cannot understand why the Member would want to give the impression that what we are doing is contrary to our traditions. It is right in the stream of our traditions. I do not understand why that approach is being taken. I would also like the Member to explain why he is confusing a Bill on immigration with a Bill on refugees.

• (1100)

These are two different areas. It is a package with which we are trying to approach the problem.

[*Translation*]

The Acting Speaker (Mrs. Champagne): It being eleven o'clock, under Standing Order 19(4), the House will now proceed to Statements by Members pursuant to Standing Order 21.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

MUNICIPAL AFFAIRS

VANCOUVER—STANLEY PARK CENTENNIAL

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, on Sunday, June 19, the Board of Parks and Recreation of the City of Vancouver will be celebrating a century of service and marking the 100th anniversary of Stanley Park.

The first resolution of the First City Council of Vancouver petitioned the then Dominion Government to grant what was at the time a government military reserve to the city for a public park. Ottawa consented to lease the park to the city for 99 years, and Lord Stanley of Preston, then Governor General of Canada, gave his name to the park with these memorable words: "To the use and enjoyment of people of all colours, creeds and customs for all time, I name thee Stanley Park".

You and I know, Mr. Speaker, that Stanley Park is famous for its many features, from the zoo and the aquarium, to Lumbermen's Arch, Pauline Johnson's Memorial, the beautiful totem poles and, of course, the Lord Stanley Monument. But it is the park itself, an island of green shining like an emerald jewel in the middle of a large urban setting, which is the major attraction for tourists and citizens alike.

The fact that Stanley Park has retained much of its original natural and uncluttered beauty is a tribute to the people of Vancouver who have been vigilant over the years in their efforts to protect the park from overdevelopment and from commercialization.

I am sure I speak on your behalf as well, as a neighbouring Member of Parliament, Mr. Speaker, when I say that all of our constituents in Vancouver Quadra, Vancouver South, and other constituencies of Vancouver join me in congratulating the Vancouver Parks Board on its role in preserving Stanley Park over the last century and for future generations.

Mr. Speaker: I just might say that there are times when the Speaker needs others to speak for him. I thank the right hon. gentleman.

Some Hon. Members: Hear, hear!

S. O. 21

FUR TRAPPING INDUSTRY

BRITISH LABELLING PROPOSAL COUNTERMANDED BY U.K. PRIME MINISTER

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, this morning's announcement that Prime Minister Thatcher of Great Britain has countermanded her Trade Minister on the fur labelling issue which threatened the livelihood of tens of thousands of Canadian trappers and fur industry workers is welcome news.

This victory of commonsense will restore normal cordial trading relations between our country and Great Britain.

The diplomatic skills of the Prime Minister (Mr. Mulroney) and the Secretary of State for External Affairs (Mr. Clark), and the parliamentary skills of my colleague, the Hon. Member for Timiskaming (Mr. MacDougall), who spearheaded the emergency debate in this House, played no small part in this achievement.

In addition, we must recognize the efforts of provincial and territorial Governments, native organizations, the fur trade itself, and the opposition Parties, all of which rallied to the defence of Canada's oldest and most honourable industry.

* * *

HON. STANLEY KNOWLES

EIGHTIETH BIRTHDAY

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, today we are celebrating the birthday of a very honourable gentleman, one Stanley H. Knowles. We are celebrating his eightieth birthday.

As a young boy, Stanley would not have survived if it had not been for the fact that his family discovered that goat's milk was good for his health. As a young child he suffered when his father died as a result of not having a pension, losing it during the Depression.

Stanley learned from his suffering to care for people, and learned something that we do not often say these days—he learned to love.

When Stanley grew up, he entered the ministry and responded to the social gospel. As a young man he saw senior citizens in poverty, without clothes, without the wherewithal to live a decent life. Stanley chose politics along with people like Tommy Douglas. He chose to follow J. S. Woodsworth. He brought integrity to politics. He fought for justice and achieved results.

He set an example for us all. At the foundation of all this was a very caring, loving personality. Stanley took time for me when I first came to this place where we are all so busy. It demonstrated to me how he is a caring person.

He took time for his constituents and did his case work himself. His files will attest to that. He persevered in the fight for decent pensions for seniors so that today seniors can live in dignity.

He has genuinely earned through a lifetime of politics the mantle of J. S. Woodsworth.

Some Hon. Members: Hear, hear!

* * *

ENVIRONMENTAL AFFAIRS

PRESERVATION OF ROUGE VALLEY WILDERNESS AREA

Mr. Bill Attewell (Don Valley East): Mr. Speaker, the Ontario Government must be convinced to designate the Rouge Valley System as a recreational park or to participate with the federal Government and make it a Canadian heritage park.

This is a unique wilderness area of over 5,000 acres stretching north to Markham and to the Bruce's Mill conservation area. It is rich in natural and historic resources. It contains the largest forest in the Greater Metro area and numerous species of plant, fish, bird and animal life.

The Rouge Valley is also equally rich in our cultural legacy with archeological remains of Indian settlements dating back thousands of years, along with the earliest evidence of European settlements.

We must protect the Rouge Valley System from becoming the exclusive domain of a luxury housing development, or even worse, a dump, as has been threatened.

With the world's environment at a crossroads and with the public's unprecedented support for natural heritage preservation, let us take a leadership role to protect the Rouge Valley System.

* * *

ENVIRONMENTAL AFFAIRS

NECESSITY TO PROTECT QUALITY OF DRINKING WATER

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the Science Council of Canada points out to Canadians that there is a need for urgent action to rehabilitate our waters. Shortages of fresh water and increasing pollution threaten our quality of life. The quality of drinking water is an acute problem in several parts of the country. Northern and native communities are particularly vulnerable.

Compare this assessment of water issues with the actions of the Environment Minister. This year alone he has cut 14 people from the Inland Waters Branch. He has also done away with the sewage treatment facilities construction program.

Last year he eliminated the water resources research program. What a sham!

While less and less has been done for water protection since the present Government took power, the Minister of National Defence (Mr. Beatty) proposes to find billions of dollars for the construction of nuclear submarines. The priorities of the Government hardly reflect the priorities of Canadians.

* * *

HOUSING

CO-OPERATIVE HOUSING PROJECTS IN TORONTO

Mr. Alan Redway (York East): Mr. Speaker, a few weeks ago representatives of the Co-Operative Housing Foundation met with the Metro Toronto and area Progressive Conservative Caucus.

They asked for more support for low income housing. Last week the Minister responsible for CMHC announced a substantial increase in rent supplement assistance for co-op housing projects.

Because of skyrocketing real estate prices in the Metro Toronto area, they also asked for short term financial assistance to help co-ops buy land on which to build badly needed affordable housing. Last week the Minister announced the establishment of a stabilization fund to be used for just that purpose. Thank you, Mr. Minister. But that was last week, now about this week.

* * *

FUR TRAPPING INDUSTRY

BRITISH FUR LABELLING PROPOSAL COUNTERMANDED BY U.K. PRIME MINISTER

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, today reports from Britain state that British Prime Minister Thatcher will agree to drop the unjust fur labelling proposal. If these stories are correct, we have achieved a victory of significant proportions.

This is a story of co-operation. Throughout the campaign I and others have worked with numerous groups in Canada and Britain.

The emergency debate which took place in the House a couple of weeks ago gave a clear signal of parliamentary unanimity on this issue. The Indigenous Survival Institute, Grand Chief of the Assembly of First Nations Georges Erasmus, the Fur Institute of Canada, the Governments of the Northwest Territories and the Yukon, the British Fur Trade Association and British Labour MP, Gwenyth Dunwoody, all worked long hours to stop what would have been a gross injustice to aboriginal peoples and trappers in general.

While I am delighted with our achievement, we must not think that this issue is over. We must reassure people all over the world that Canada is a strong supporter of developing more humane trapping methods.

• (1110)

I call on the federal Government to increase funding for research aimed at creating more humane traps. We cannot rest in our struggle to preserve a way of life, an important cultural Canadian heritage in a substantial sector of our economy.

* * *

[*Translation*]

RELIGIOUS AFFAIRS

THE LATE RABBI DAVID FEUERWERKER

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, let us fervently bless the Creator's name in memory of "Chamir", the late Chief Rabbi of the French-speaking communities in Canada, David Feuerwerker Z".T".L"., who died in Montreal as the Sabbath candles were being lit on June 20, 1980.

He is resting on Mount Zion beside the Righteous of Israel and all of us in the House of Commons and in Canada pray with the believers of the world who, without disctinction of race, colour or religion, venerate David Feuerwerker's memory by earnestly reciting the Kadish for the salvation of our souls.

* * *

CANADA POST CORPORATION

PRIORITIES

Mr. Gilles Grondin (Saint-Maurice): Mr. Speaker, yesterday I received another request to intervene, this time from the Golden Age Council of the Saint-Maurice Valley.

The Council rightly deplores the closing of local post offices, to be replaced by supermailboxes.

With the support of 75 golden age clubs and more than 15,600 members, the council prefers that the present post office structure be maintained. Closing rural post offices or using supermailboxes causes many complications for our senior citizens.

The solutions proposed by the Minister responsable for postal services (Mr. Andre) to remedy the Corporation's financial problems run directly counter to the objective pursued by a national postal system. A decent service for all citizens, that's what they want.

I call on the Government to spend the billions of dollars planned for the purchase of nuclear-powered submarines on improving our postal service instead.

S. O. 21

Mr. Speaker, the Government's priorities leave something to be desired.

* * *

[*English*]

FATHER'S DAY

SEVENTY-NINTH OBSERVANCE

Mr. Bob Hicks (Scarborough East): Mr. Speaker, on Sunday, June 19, Canadians will observe Father's Day. Young children will deluge their fathers with hand-made cards, and hand-picked ties and socks. Older children will reflect on intimate childhood remembrances.

Father's Day observances appeared in several North American locations in the early 1900s. But the idea is generally credited to Sonora Louise Smart Dodd of Spokane, Washington.

In 1909, inspired by her own father, Mrs. Dodd suggested to her church pastor that a special day be set aside to honour all fathers.

Through the intervening years the Father's Day idea has been officially approved by one U.S. President; turned down by two; thrown out by the U.S. House of Representatives on two occasions; and abandoned by the City of Chicago. Against these odds, however, Father's Day survives.

In 1988, 79 years after its first observance, Father's Day is officially celebrated in 20 countries as the one special day of the year when children honour their fathers for their loving care and devotion to their families.

May I wish all Canadian fathers a very happy Father's Day—especially my own Dad.

* * *

MULTICULTURALISM

CALL FOR SECRETARY OF STATE FOR EXTERNAL AFFAIRS TO APPEAR BEFORE COMMITTEE

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, the Secretary of State for External Affairs (Mr. Clark) during his appearance yesterday before the Justice Committee declared again his refusal to appear before the Standing Committee on Multiculturalism.

The Secretary of State for External Affairs has been told about terrorist activities. He has also heard about the concerns of the Government of India. Obsessed with these matters he has only contempt for the Standing Committee on Multiculturalism and its genuine concern about lack of respect in External Affairs for Canada's multiculturalism policy.

Canadians of many backgrounds have found the Department of External Affairs insensitive to the concerns of their communities, and unwilling to consider their desires. The Department of External Affairs has been far more sensitive to foreign Governments than to the needs of Canada's ethnocultural communities.

The Standing Committee on Multiculturalism is hearing representatives of Canada's Sikh, Armenian, Ukrainian, and Baltic communities. The committee is amassing evidence of insensitivity and worse on the part of the Department of External Affairs, and preparing for an appearance by External Affairs officials on June 28.

A Minister worth his salt would appear with his officials on June 28 and end this display of contempt for a standing committee of this House.

* * *

MULTICULTURALISM

CHINESE COMMUNITY'S CELEBRATION OF DRAGON BOAT FESTIVAL

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, I would like to take this opportunity to offer my best wishes to the Chinese community as it prepares to celebrate the Dragon Boat Festival tomorrow.

Since the drowning suicide of a patriotic poet statesman in 276 BC, it has become a day of commemoration, uniquely celebrated by offering some special rice dumplings wrapped in bamboo leaves, and by holding dragon boat races.

The Chinese have enriched Canada's multicultural life with their colourful celebrations, such as the Dragon Boat Festival. I for one from Toronto, where we have a large active community, would like to take this opportunity to thank them for their tremendous contributions to our country and to Canadian society as a whole.

On behalf of the Government of Canada and my colleagues I would like to wish all the best to those of Chinese origin who will be celebrating tomorrow.

* * *

[*Translation*]

NEW DEMOCRATIC PARTY

UTILIZATION OF STANDING ORDERS OF THE HOUSE OF COMMONS

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, for days the socialist Members have been abusing parliamentary procedure. They always use the same technique. First, they move a motion, for which the unanimous consent of the House is required. Then one of their own Members refuses to make the

vote unanimous. This has the effect of forcing a vote and wasting an hour and a half of the precious time of the House. They have used this tactic over and over again during the past few days.

Mr. Speaker, this is absurd, and I wish one of the smarter people in their group of anti-social excentrics would convince the others to speak to the substance of the legislation before the House. That is what we are here for. We are not in the House to obstruct systematically the business of this House. I hope the message will get through to the most intelligent person in their group, if that isn't too much to ask.

* * *

[*English*]

HOUSE OF COMMONS

RECEPTION HONOURING HON. STANLEY KNOWLES AND HON. GEORGE HEES

Mr. Speaker: Before commencing Question Period, I know Hon. Members will want me on their behalf to wish many happy returns to both the Hon. Stanley Knowles and the Hon. George Hees. The Hon. George Hees's seventy-eighth birthday is today, and Mr. Knowles's eightieth birthday is tomorrow.

In honour of this extraordinary event the Speaker is hosting, at 3 p.m. this afternoon in the Railway Committee Room, an appropriate reception for both hon. gentlemen.

Some Hon. Members: Hear, hear!

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I know you will indulge me some latitude in the rules if I echo your tribute to Stanley Knowles and to the Minister of Veterans Affairs (Mr. Hees). A few moments ago I paid a tribute to the one hundredth anniversary of Stanley Park. These two gentlemen are almost as permanent, not quite as beautiful, but certainly as honourable.

I want to wish both hon. gentlemen a tribute from our Party, our admiration, our affection, and our wishes for continued good years.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, we will be delighted to accept your hospitality.

ORAL QUESTION PERIOD

[*English*]

REGIONAL INDUSTRIAL EXPANSION

LAC-SAINT-JEAN BY-ELECTION—PROMISED GOVERNMENT EXPENDITURES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, may I put a question to the Deputy Prime Minister. I wonder whether he would be good enough to ask the Prime Minister to deliver to Parliament a complete accounting of the amount of money the Prime Minister has promised to spend in attempting to buy a seat in Parliament for his school chum, the ex-ambassador to Paris, the unelected Secretary of State.

The Canadian people have a right to know how many of their tax dollars the Prime Minister has promised to spend to get the former Mr. Clean into the House of Commons. Is it $50 million, $100 million, $500 million, or $1 billion? Would the Deputy Prime Minister prevail upon the Prime Minister to render an accounting to Parliament?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, that is a rather silly question. The Right Hon. Leader of the Opposition is simply trying to play politics in his final act of desperation. I noticed yesterday he promised the candidate who is running for his Party a Cabinet position.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Mazankowski: I am not sure what that does to the other people there.

Mr. Turner (Vancouver Quadra): Mr. Speaker, that will not cost the country anything. I told the people of Lac-Saint-Jean that their choice was to have a Conservative Minister for four months or a Liberal Minister for four years.

Some Hon. Members: Hear, hear!

• (1120)

[*Translation*]

LAC-SAINT-JEAN CONSTITUENCY—QUERY CONCERNING COST OF ELECTION PROMISES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, yesterday I met people from Lac-Saint-Jean, from all over the riding, and I was struck by their pride and dignity. They don't like to feel they are being bought, and they don't like to be told who is going to be their next Member. The people of Lac-Saint-Jean want to know, and they have a right to know, what price the Prime Minister will pay in his attempt to buy their votes.

I would like to ask the Deputy Prime Minister to inform the House and the voters in Lac-Saint-Jean of the total amount of taxpayers' money the Prime Minister has promised to spend on

the people in this riding in order to buy their votes, so the Prime Minister's close friend, his school chum, the former ambassador in Paris and now former Mr. Clean, will be elected.

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, maybe the right hon. gentleman would do the Canadian people a great service if he were to explain to Canadians just what his candidate is running under.

As we know, on previous occasions in the House of Commons he stated that in politics pragmatism is everything. He said if one has to be a socialist, one has to be socialist; if one wants to do certain things, one may even have to be a communist; sometimes one may even have to be a Conservative; sometimes one may have to be Liberal, or even NDP to achieve certain objectives.

What is the hon. gentleman's candidate running as? A Liberal, a Conservative, a communist, or a socialist?

[*Translation*]

Mr. Turner (Vancouver Quadra): Mr. Speaker, our candidate, Pierre Gimaïel, the next Member for Lac-Saint-Jean, simply wants to represent the people of Lac-Saint-Jean.

LAC-SAINT-JEAN CONSTITUENCY—ETHICS—COST OF ELECTION CAMPAIGN

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, when the Prime Minister appointed the former ambassador to Paris to his Cabinet, he stated that the Minister would be asked to do some housecleaning, introduce a new code of ethics for his Government and put an end to Tory abuse. However, instead of getting better, things have gotten worse, and we are right back in the Duplessis era.

I therefore want to ask the Deputy Prime Minister whether trying to buy votes is part of the Tory Government's new code of ethics. Is the Lac-Saint-Jean by-election an indication of what the Tory Government's attitude will be in the next general election? In that case, how much will the Prime Minister's new code of ethics cost Canadian taxpayers in the next election?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I can understand the Leader of the Opposition's frustration about this election, because there are not too many Liberals who are supporting the Liberal candidate that they are running. As I understand it, the Premier of Québec—

Ms. Copps: You are going to find out on Monday.

Mr. Hnatyshyn: How about Premier Bourassa?

Mr. Mazankowski: I understand that the Premier of Quebec—the Hon. Leader of the Opposition states that they bought the Premier of the Province of Quebec too, and I think that he may want to reflect on that.

The fact of the matter is that the Premier of the Province of Quebec who happens to be a Liberal is supportive of our candidate. I understand that the former candidate is supportive, and other political Parties are supportive.

I can understand and appreciate the Hon. Member's frustration. Again, it is his final act of desperation. When we talk about who is being a populist, it is quite obvious that our candidate has popular appeal and popular support, and that will shown on Monday.

* * *

IMMIGRATION

ADMISSION OF FRANCISCO NOTA MOISES AS REFUGEE

Mr. John Nunziata (York South—Weston): Mr. Speaker, in the absence of the Minister of Immigration my question is directed to the Deputy Prime Minister, and it concerns the admission into Canada as a refugee of an individual who is a high ranking official in a terrorist group responsible for the deaths of more than 100,000 innocent civilians in Mozambique.

Why did the Government of Canada allow Mr. Francisco Nota Moises into Canada as a political refugee when it knew that he is the chief information officer of Renamo, a reprehensible rebel terrorist group backed by the apartheid Government of South Africa, and when the Government of Canada knew that the United Nations High Commission for Refugees did not regard him as a genuine political refugee?

Can the Deputy Prime Minister explain to the people of Canada why this particular individual was allowed to come to Canada as a political refugee?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member will learn sometime that there is more to responsible parliamentary behaviour than reading or seeking headlines. His question is based upon a story in this morning's *The Globe and Mail* that is wrong in several particulars. Perhaps of most importance it is wrong with regard to the attitude of the United Nations High Commission for Refugees, which did indeed regard the individual in question as a convention refugee eligible for resettlement to Canada.

I think the Hon. Member will also know, when he goes beyond the headlines and looks at the facts, that this individual was sponsored by a Canadian church group, the St. Andrew's Catholic Church Refugee Committee in Victoria, British Columbia.

As are my colleagues in the Government, I am certainly prepared to answer questions on this and other matters. I

would hope that the Hon. Member would do a little more research and not rely simply on spectacular headlines.

REQUEST THAT GOVERNMENT START DEPORTATION PROCEEDINGS

Mr. John Nunziata (York South—Weston): Mr. Speaker, the fact is that this particular individual is a high ranking official with Renamo. The fact is that he continues to disseminate propaganda in support of Renamo while living and working here in Canada. The admission of this man to Canada could lead one to question the Prime Minister's and Canada's commitment to Mozambique, and the other frontline States in their struggle against apartheid in South Africa.

This gentleman has no right to be in Canada. He is *persona non grata*. When will the Government commence proceedings to have this individual removed from Canadian soil?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member, on behalf of the Liberal Party, has come to a judgment without hearing, without process, a judgment that would be highly prejudicial to the rights of one individual in this country. Presumably, if they would act in that contemptible way with regard to one individual, so they would with all others. I hope that that lesson will not be lost.

The case has been referred to the Canadian Employment and Immigration Commission. It is for the CEIC to determine whether there is any case for enforcement action. We believe that procedures should be followed and should not be catapulted over because a headline occurs in a newspaper.

With regard to the Government's position on South Africa, and with regard to the Government's position on Mozambique, I have had the opportunity to speak directly with officials of the Government of Mozambique. They know and appreciate fully the very positive support that is coming to them from the Government of Canada.

ROLE OF OFFICIALS IN ADMITTING INDIVIDUAL

Mr. Dan Heap (Spadina): Mr. Speaker, my question is to the Secretary of State for External Affairs and it concerns the same matter that has just been raised, the case of Francisco Nota Moises who appears to be undeniably a leading person in the Renamo organization, and continuing his active support of Renamo in Canada even though Renamo is known to be a terrorist organization acting against the Government of Mozambique, the Government which Canada strongly encourages, and acting with the support of the Government of Pretoria which Canada criticizes.

In view of the allegations that have been made that inadequate research was done by CSIS, in view of conflicting accounts of the status of Mr. Moises with the United Nations High Commission for Refugees, and in view of the fact that the Minister has oversight in the overseas offices of the immigration officers there who are subject to the head of post which is part of his Department, will the Minister report to this House on the status or the quality of the work that was done by immigration and other Canadian officials in admitting this man to Canada in what appears to have been an error?

• (1130)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I note and commend to the House the care with which the Hon. Member put that question. He said in a rather peculiar formulation, but I understand the difficulty under which he is operating, that the individual "appears to be undeniably . . . " something. The difficulty is, of course, that there is some very real dispute about the facts. One of the allegations that is not a fact had to do with the United Nations High Commission for Refugees. I have responded to that question. There have been some other matters raised. I indicated that the question will go to the CEIC.

The Member asked with respect to CSIS. The Solicitor General will naturally be looking into the question to see if anything occurred here that should not have occurred. Naturally, when a controversy of this kind arises, it is my normal practice to review procedures, which I will do in the normal way. I would imagine that kind of review will also be undertaken by, among others, the reputable church group in Victoria which was involved in the sponsorship.

Mr. Heap: Mr. Speaker, I would be very pleased to have all those inquiries made by the authorities and some report given to us on the result, particularly given the fact that it often happens that a church group asks for a refugee, perhaps a refugee from a certain country, leaving the selection to our officials, since our officials are considered to have more knowledge in detail than the average parish can secure.

REPORTED SUPPORT OF TERRORIST MOVEMENT

Mr. Dan Heap (Spadina): My further question is directed to the Secretary of State for External Affairs, in the absence of the Minister of Employment and Immigration. Since it appears that Mr. Nota Moises is continuing in Canada his open advocacy of Renamo, will the Minister tell us whether there is an inquiry being made as to what legal means are being used to prevent Mr. Moises from continuing support of a terrorist movement dedicated to the overthrow of a Government which is recognized by Canada? And what action is being taken to stop him from doing so, according to Canadian law?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I take the Hon. Member's representations seriously and I will treat them that way. Because he has raised the question, I can certainly assure him and other Members that anything that is done will be done strictly in accordance with Canadian law. I do not think the Hon. Member would ask me to take any actions with respect to this individual which are not in accord with Canadian law.

REQUEST THAT INQUIRY BE CONDUCTED

Mr. Dan Heap (Spadina): Mr. Speaker, I agree with the Hon. Secretary of State for External Affairs and I have not asked that anything be done except according to Canadian law. According to Canadian law, if Mr. Nota Moises gave false information, or withheld relevant information, at the time he was admitted by our Nairobi office for landing as a refugee, he would then be subject to an inquiry to determine whether his status in Canada ought not to be revoked.

I would ask the Hon. Minister whether he and his colleagues will ensure that such an inquiry takes place according to the normal procedures of Canadian law, and that this House is advised of what action is initiated?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I think I have answered that, but for greater clarity, I will ensure that the relevant investigations are undertaken and I will find a way to report relevant conclusions to the Hon. Member and to other interested Members of the House.

I think it is very important, before we conduct some kind of inquiry based upon accusations in the House of Commons, that it be understood that some of the allegations made in that newspaper report were, indeed, false. The allegation regarding the UNHCR was false. I understand the individual did not seek or obtain political asylum in Canada. He already had asylum in Kenya. Indeed, the Kenyan authorities granted him a travel document which recognized his status as a refugee within the meaning of the 1951 Geneva Convention. That happened in February, 1986.

He subsequently applied for permanent residence in Canada as a Convention refugee. There may well be other errors in the story that has given rise to these questions. I think Hon. Members would want us to act on the basis of facts, not allegations.

* * *

CANADA POST CORPORATION

REQUEST THAT MINISTER TABLE CORPORATE PLAN

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Minister responsible for Canada Post, affectionately known as the Minister responsible for closing down post offices. Last week Canadians discovered that Canada Post had a plan to close down 5,221 rural post offices putting 8,200 women out of work. Another document has now been released which informs us that 734 urban post offices will be shut down.

I want to ask the Minister responsible for shutting down post offices if he will table in this House the complete corporate plan of Canada Post so that Canadians can be aware of the full intentions of the Government. Will he table that document today? I also want to know from him why the Government persists with these plans that are most unpopular in both rural and urban Canada.

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the only such plans exist in the propaganda of the unions and in the Member's empty head.

Some Hon. Members: Oh, oh!

Mr. Andre: The Member wants the corporate plan. He received the summary of the corporate plan. I refer him to page 18 of that summary which says:

> The retail counter service objective is to develop an efficient, modernized, fully-rationalized network of retail outlets that will provide improved customer access, an enhanced corporate image and a better range, level and consistency of retail services in a cost-effective manner. This objective will be achieved largely by increasing the use of the private sector in providing retail counter services.

That is not secret. That is there in the summary of the corporate plan.

Mr. Boudria: The summary!

Mr. Andre: Would the Hon. Member start reading that rather than relying on these ridiculous outdated stories from Canadian Press which are based on a document which the reporter has been told has no relevance to what in fact is happening?

Mr. Boudria: I want to tell the Minister that a retail counter service objective does not a post office make, to use his own words.

CONVERSION OF POST OFFICES TO POSTAL RETAIL OUTLETS

Mr. Don Boudria (Glengarry—Prescott—Russell): I want to ask the Minister responsible for Canada Post a supplementary.

[*Translation*]

Mr. Speaker, I have here a copy of Canada Post's so-called planning document for converting post offices into retail counters for selling stamps. Why does the Conservative Government want to convert or close down post offices in Rimouski, Sept-Îles, Shawinigan, Drummondville, Pontiac, Trois-Rivières, Saint-Jean and, especially, the post office in Chicoutimi which serves part of the riding of Lac-Saint-Jean?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): These newspaper stories which give rise to the Hon. Member's silly questions are based on a planning document, one of hundreds, the Post Office has. The story last week was based on data on the second last line. The story this week is based on the third last line. I presume we are going to have another story next week based on the fourth last line and the Hon. Member is going to stand up and ask his questions.

The Hon. Member gives me an opportunity to correct something I said to him last week. He talked about the

closures and dismissal of postmasters, most of them being women. I pointed out to him that last year 218 new postmasters were hired and said 80 per cent of them were women. I misinformed the Hon. Member. Ninety-two per cent of them were women.

[*Translation*]

REQUEST THAT DOCUMENT BE TABLED

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my question is directed to the Minister responsible for Canada Post. Before the planning document was released, Canada Post denied the existence of a planning document for the privatization of urban post offices. The Corporation now denies the significance of this document, and the Minister is doing the same. Isn't it a time to let the public know what is going to happen to these post offices? Why won't the Minister table the document in the House?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, as I pointed out last week, the news story, based on a number of planning documents which have come into the hands of the reporter, stated that last year there were 269 rural conversions planned. In fact, there were 119. So that should be prima facie evidence that the numbers in here are not relevant to what in fact is happening.

The Post Office has stated explicitly in the summary of its plan its intention to open retail postal outlets because they are open longer hours and provide better service and more accessible service to the public. As the Hon. Member knows, in his own province when surveys by independent third party organizations have been taken of customers dealing with these retail outlets, the approval rating is very, very high. The customers like it. It is the unions that do not like it. The Member is representing union interests and not customer interests, nor the interests of Canadians who use the post office, in asking his questions.

• (1140)

Mr. Keeper: Mr. Speaker, perhaps the difference in the numbers between the planning document and what actually happened at Canada Post was a result of people protesting the closure of post offices rather than that this is not in fact a planning document.

WHITEHORSE POST OFFICE

Mr. Cyril Keeper (Winnipeg North Centre): My supplementary question for the Minister responsible for Canada Post deals with the Whitehorse post office.

People in Whitehorse are worried about their post office. They have asked the Department of Public Works whether in the new federal building there has been a request for space for the post office. Public Works has said no, that there has been no request for space for the post office. People want to know whether it is the plan of the Government and this Minister to privatize the post office in Whitehorse. People want to know so they can express their opinions about the future of the post office in their community.

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, without any notice from the Hon. Member I obviously cannot give him that kind of detail. He knows he should not be wasting the time of the House and should ask the Post Office that kind of information. It is within its responsibility as provided by Parliament.

Mr. Keeper: We tried that.

Mr. Andre: The Hon. Member says he has tried that. I will check to see if in fact he has asked the Post Office that particular question—

Mr. Keeper: She has tried that.

Mr. Andre: —because I do not believe very much of what that Hon. Member says.

Mr. Speaker: I think that is too close, and I would ask the Minister to withdraw.

Mr. Andre: I am not sure what I said—

Some Hon. Members: Oh, oh!

Mr. Andre: —that would cause him to make that request.

Mr. Blackburn (Brant): Just leave.

Mr. Speaker: I can assure the Hon. Minister the Chair heard what he said and I think he is getting to the point where he is impugning the truth of what the Hon. Member said. It is too close for comfort and it moves toward disorder. I would ask the Hon. Minister to correct that.

Mr. Andre: Mr. Speaker, I, of course, have no interest in creating disorder. I believe I said that I do not believe what the Hon. Member said.

Mr. Gray (Windsor West): You cannot say that.

Mr. Andre: I have difficulty believing what the Hon. Member said. I do not think that is contrary to any—

Mr. Cassidy: Withdraw. Don't provoke the House like that.

Mr. Speaker: In the opinion of the Chair and in the context of the remarks it was close enough to an allegation to create disorder, and I would ask the Hon. Minister to withdraw.

Mr. Andre: I was just getting to that part of my comment, Mr. Speaker, when you interrupted me. Of course, I will obey the edicts of the Chair in this regard. I simply wanted the record to show that I did not use any language that is contrary to the indications in Beauchesne of what is appropriate in this House. Of course, I do follow the Speaker's request and withdraw.

Oral Questions

UNITED NATIONS

PROPOSED NEGOTIATIONS ON FUTURE OF CYPRUS

Mr. Alan Redway (York East): Mr. Speaker, my question is for the Secretary of State for External Affairs. As the Secretary of State knows, the Secretary-General of the United Nations is in the process of arranging a meeting in Geneva next month to try to bring about a solution to the problems in Cyprus.

Two of the key issues in those negotiations will be the guarantee of minority rights and also the possibility of setting up a federal system of government. Canada has had a peacekeeping force in Cyprus since 1963. We have had a lot of experience with minority rights in this country and with a federal system of government. We have an international reputation as a peacekeeper yet we have always played a passive as opposed to an active role in these negotiations.

Will the Secretary of State for External Affairs give the House his undertaking that Canada will play a very active as opposed to a passive role in these upcoming negotiations with a view to bringing about a solution of the problems in Cyprus?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I thank the Hon. Member for his question and his interest in a matter that is of great importance to Canadians, not simply because of the presence of our troops in Cyprus in a peacekeeping role.

We are encouraged by the interest being taken by the Secretary-General of the United Nations. Certainly the Hon. Member would want the Government of Canada to support those measures fully and not to do things that might detract from the initiative of the Secretary-General. We will support his initiatives fully. If there is something more that we can do in the view of the Secretary-General that will contribute to a peaceful solution of a long-standing situation in Cyprus, then we certainly will co-operate fully with the Secretary-General of the United Nations with that in view.

The Hon. Member will know that every six months the question arises as to whether we should renew our presence of troops in the area. We have decided to do that. Last year we increased our commitment.

It would be in everyone's interest if Canada could contribute to a solution that would resolve the fundamental problem. We are very much interested in doing that in collaboration with the Secretary-General of the UN.

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT— EXCHANGE VALUE OF DOLLAR

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, in the absence of the Minister of Finance and the Minister for International Trade I will direct my question to the Deputy Prime Minister.

Since October when the Canada-U.S. deal was signed the value of the Canadian dollar has gone up from 76 cents to 82 cents. In the same period of time the value of our exports has fallen by 2.5 per cent. Last evening the spokesperson for the British Columbia lumber industry said that already $400 million had been lost as a result of that rise in the Canadian dollar.

Considering that the Government's own economic studies—

Mr. Hnatyshyn: Do you want a 50-cent dollar?

Mr. Axworthy: —show that the marginal benefits of any trade deal will be a maximum of one-quarter of one per cent, will the Minister confirm that whatever marginal benefits are being proposed in the trade deal have already been wiped out?

Can the Minister tell us whether this topic of how the rising dollar will substantially affect Canadian exports is a topic that will be discussed at this week's Summit so we can get some remedial action to protect industries?

Mr. Hnatyshyn: Vote Liberal for a 50-cent dollar.

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I discern three questions in that presentation. First, the free trade agreement with the United States will secure access to the United States market. Therefore, the free trade agreement is good news and is in no way affected by the allegations of the Hon. Member.

Second, commodity prices have been rising and the Hon. Member knows this. As a result that situation has helped our export industries even in the face of a rising Canadian dollar.

What I finally have to say to the Hon. Member is that on January 16, 1986, his colleague, the Leader of the Opposition, stood up and criticized the Government for the dollar falling below 70 cents by saying it was bad economic management.

Mr. Turner (Vancouver Quadra): Different circumstances.

Mr. Hockin: Is he saying now that because the dollar is strong that is good economic management?

Some Hon. Members: Hear, hear!

Mr. Axworthy: Mr. Speaker, I detect in that answer three wrong assumptions and three wrong assertions. None are correct.

GOVERNMENT POSITION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): If the Minister is replying in this case, will he answer the following question, Mr. Speaker?

The Export Association of Canada has already written to the Governor of the Bank of Canada pointing out that the value of the Canadian dollar has affected Canadian exports to the tune of 6 per cent over the past year. The trade documents themselves say that the impact of signing the trade deal will add another 4 per cent increase to it. We are now facing a minimum of a 10 per cent increase in the Canadian dollar which will have a devastating effect on our commodities as well as a whole series of goods and services.

Under that circumstance, what action does the Government intend to take? Will someone in the Government talk to the Governor of the Bank of Canada?

Mr. Hnatyshyn: Do you suggest pegging the dollar?

Mr. Axworthy: The Attorney General wants to know what we are going to do. I presume that he is the Government at least for a few more months and the Government should have some answers. It is becoming a very serious problem for the export industry which will be accented and aggravated by the trade deal by a further rise in the Canadian dollar. What does the Canadian Government intend to do about it?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, it is very clear what the Canadian Government intends to do. We will continue to follow these policies which will produce record breaking productivity in this economy. We have the fastest growing economy among the OECD countries in the last two years except for Japan. Unemployment is at the lowest level since 1981. Our interest rates are around 9.5 per cent instead of 22 per cent under the Hon. Member's Government seven years ago. We will continue on that course. The Hon. Member has to make up his mind. Does he want the dollar to fall through the floor or does he want it moderating?

* * *

• (1150)

[*Translation*]

BY-ELECTIONS

LAC-SAINT-JEAN CONSTITUENCY—ETHICS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Deputy Prime Minister and concerns the by-election in Lac-Saint-Jean.

Perhaps the Deputy Prime Minister will remember that the theme of Mr. Bouchard's campaign in Lac-Saint-Jean was: The new political morality. After all the patronage, road repairs and expenditures announced in the past few days, could the Deputy Prime Minister explain to the House the difference between the new morality of the Tories in Lac-Saint-Jean and the old political morality of the Liberal Government?

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, I have been following the events around the by-election in Lac-Saint-Jean, but I was not aware the socialists were campaigning. It sounds as if they were interested!

The Hon. Member's question referred to the by-election. I realize they are on edge. They are like the Liberals under their present Leader. You have a problem. Monday, Mr. Bouchard will be elected as the Member for Lac-Saint-Jean, and we will be delighted to welcome him here in the House, as soon as he is elected next week, by the people of Lac-Saint-Jean and not by the socialists in Ottawa.

PROGRAM ELIGIBILITY CRITERIA

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I would like to inform the Minister of State that he can hardly say there is a difference between the old political morality and the new political morality. And I also want to inform him that the voters of Lac-Saint-Jean don't want to be bought.

My question is this: Could he explain the difference as it applies to job-creation centres, when the needs of one centre that caught the eye of the Tory candidate in the riding are immediately met with a government grant?

Could he table the criteria for this program in the House, with all the necessary documentation, to prove that the centre in Alma met all the criteria in a process that would normally take six months, and also to prove that this is not just a miracle that was cooked up to try and buy the voters of Lac-Saint-Jean?

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, a socialist like him has a lot of nerve to rise in the House and talk about political morality, when a few months ago, when he was visiting Quebec, he said he would take the frigate contracts away from New Brunswick, just to get votes in Quebec. He should talk about political morality in this House!

Canadians are fed up with this socialist rhetoric about public morality, especially coming from the Hon. Member. His argument just won't wash. He has given all Canadians a demonstration of the socialists' morality by threatening to take contracts away from poor little New Brunswick and give them to Quebec, for purely political gain. You should be ashamed, sir!

[*English*]

ATOMIC ENERGY OF CANADA LIMITED

GOVERNMENT FUNDING FOR RESEARCH

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, my question is for whomever is answering for the Minister of Energy, Mines and Resources today. In the election campaign of 1984 the Prime Minister promised all kinds of support for Atomic Energy of Canada Limited, and then less than a year later the Minister of Finance cut the research and development budget of Atomic Energy of Canada by 50 per cent or $100 million. To date, the Prime Minister's broken promise has cost AECL $60 million in lost research funds.

Because the company could not face another $25-million cut this year, the Government has reduced that cut to $11 million without any statement whatsoever about future financial planning for the corporation. Will the Government cease these devastating cuts and restore a positive outlook to the company so that its multiplicity of research and development projects can continue, so that Canada will not lose more top-notch scientists, and so that hundreds of other jobs will not be lost in addition to those that have already gone by the boards because of the lack of fulfilment of the promise of the Prime Minister?

Hon. Gerald S. Merrithew (Minister of State (Forestry and Mines)): Mr. Speaker, the Hon. Member knows or should know that AECL is a private company, despite the fact that there are government connections, and we have been very aware of the necessity of ongoing R and D in that particular company. It has had some difficulties with sales and the like, we realize that, and it is for that very reason that we topped up its R and D budget in just the last week or two.

FINANCIAL FUTURE OF CORPORATION

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, Atomic Energy of Canada Limited performs research and development in many areas. In cancer research, the cobalt therapy unit is its project. That is known around the world. It produces two-thirds of the radio medical isotopes used in the world. Its energy research has been unsurpassed anywhere, and its problem solving in many areas of advanced technology is its trademark.

Why is the Government not serious about planning the financial future of Atomic Energy of Canada Limited with all these major objectives in mind? Surely the Government understands that research and development are the engine that will drive industry and trade in Canada for years to come to benefit all Canadians. Why does the Government not do that?

Hon. Gerald S. Merrithew (Minister of State (Forestry and Mines)): Mr. Speaker, the Government is certainly aware of the good work done by AECL, and it is for that very reason that we have been supportive of it. We are working with AECL to try to deal with its issues, and it is for that very same reason that we just finished topping up its budget, again reassuring it that it will be able to carry on with the very excellent R and D work that it is doing on behalf of Canadian citizens.

* * *

CANADIAN ARMED FORCES

ACCIDENT DURING CAMP GAGETOWN FIELD EXERCISES

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, my question is for the Deputy Prime Minister. Last Sunday, six members of the Armed Forces at Gagetown engaged in field exercises were hit by shrapnel from a shell which fell 500 metres short. One was hit with shrapnel in the eye, another in the stomach, and a third had shrapnel hit in the back which destroyed his right kidney, part of his right lung, and part of his liver.

While the base officials have said that there will be an investigation of the incident, will the Government ensure that this investigation will not be an in-house whitewash but will be an open inquiry conducted by an outside, impartial investigator?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I will have to take the Hon. Member's representation as just that and convey it to the Department of National Defence. I would not like, however, to carry the message that there is a suspicion that the Department of National Defence cannot be trusted to make an honest and fair evaluation or assessment of what in fact happened. I do not know on what basis we would reach that conclusion, but I will nevertheless carry the representation of the Hon. Member to the Department.

CONDUCT OF FIELD EXERCISES

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I think it is always better if incidents like this are investigated in an impartial way. A week earlier another soldier was killed, leaving behind a wife and young children, when his armoured personnel carrier flipped over.

Will the Minister find out if this investigation will look into suggestions that these field exercises are being run like a U.S. Marine boot camp where soldiers are continually being pushed beyond the point of fatigue so that the human error factor is magnified and the dangers are increased? Will the Government ensure that the personal safety of armed forces personnel receives a higher priority than it appears to have received at Camp Gagetown in the past?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I cannot accept the representation or the opinion of the Hon. Member that the Department of National Defence personnel are not sensitive to the risks to

which members of the forces are exposed. Of course, preparing for war is a risky business. I do not see how one can—

Mr. Manly: Preparing for war?

Mr. Andre: That is what our military does, it prepares for war. That is what having a military is all about. Nevertheless, the substance of the Hon. Member's supplementary question was a representation to ask for outside investigators. I will carry his representation to the Department.

* * *

[*Translation*]

LABOUR RELATIONS

UNIONS DUES—OPPORTUNITY TO ESTABLISH TRUST FUND

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs.

Two years ago, Judge John White ruled that the use of funds deducted from workers' salaries at source under the Rand formula was unlawful. A year later, a second judgment ordered the unions to return the money to workers who so requested, if the money was not used for collective bargaining purposes.

We know that the New Democratic Party benefits, is in fact a "receiver" of money unlawfully collected from Canadian workers.

Mr. Minister, the unions refuse to stop this practice and give the money back to the workers. Do you intend to ask them to put those funds in trust, to prevent the socialists from being politically immoral, something they accuse us of being? This is important, because the workers want their money to be well managed and not used against us, to their own disadvantage.

• (1200)

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the Hon. Member is aware that the $2 million union campaign against the Government has been challenged by some of its members. The Post Office has taken the matter before a court with regard to some of the advertisements which were planned by the union. Mr. Lavigne's case is now being taken to an appeal court. I am sure that we all await with interest to see how this is dealt with.

In the meantime I will pass on the Member's representation to the Post Office to see whether there is anything it is able to do.

[*Translation*]

CANADA POST CORPORATION

LAC-SAINT-JEAN CONSTITUENCY—REQUEST THAT DEPUTY PRIME MINISTER GUARANTEE POST OFFICE WILL NOT BE CLOSED

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Deputy Prime Minister. I have in my hand a list of 66 Canadian cities where post offices will be closed over the next three years, including Sudbury, Timmins, Thunder Bay, Fredericton, Nanaimo, Barrie, Peterborough, Chatham, St. Catharines, Greater Toronto and Niagara Falls. I would like to ask the Deputy Prime Minister, since he has already given out thousands of dollars, if he would be prepared today to do something that would not cost the Canadian people a cent, namely to guarantee that at least the post office serving the people of Lac-Saint-Jean will not be closed, as suggested by the plan I have in hand.

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, in its corporate plan the Post Office indicated that over the next eight years 6,000 new, additional post office outlets will be opened in Canada raising the current number of about 12,000 to about 18,000.

Mr. Turner (Vancouver Quadra): What number corporate plan is that, Harvie?

Mr. Andre: If the Hon. Member had been interested earlier this week she could have gone to the committee of this House which had Mr. Lander, the President of the Post Office, before it and asked that particular question. If she had she would have been told by the Post Office, as I have told the House on many occasions, that the plans of the Post Office are to increase the number of postal outlets from the current approximately 12,000 to about 18,000 over the next eight years.

CHICOUTIMI POST OFFICE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have in hand the secret plan which the Minister refuses to table in the House. The secret plan shows that we are going to be replacing post offices with so-called dealerships and we are going to be closing post offices in 66 cities across the country.

I would like to ask the Minister a very simple question. His Government has dropped millions in the last few days in a desperate bid to save a dying candidate who should go back to France where he can solve the problems that—

Mr. Speaker: I would ask the Hon. Member to put her question.

Ms. Copps: Will the Minister, at the very least, promise that the post office which is currently serving the citizens of Lac Saint-Jean, which is scheduled for closure, that is the post

office in Chicoutimi, will not be closed? Can we get that little promise from the Minister?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have said repeatedly in the House, and according to Beauchesne's that is supposed to be accepted, what the President of the Post Office has said on many occasions. I gave the document I had to the *Hansard* reporters, but the Hon. Member can read the summary of the corporate plan. She can read with her own little eyes in plain language that in fact post offices will be increased in number, not decreased, not closed. She should stop trying to scare the people of Chicoutimi. They are not going to lose their post office. They will have improved service.

* * *

FUR TRAPPING INDUSTRY

BRITISH FUR LABELLING PROPOSAL—POSITION OF U.K. GOVERNMENT

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, my question is for the Secretary of State for External Affairs. Can the Minister confirm that the Government of Great Britain has now agreed to withdraw its controversial fur labelling proposal, a move which would have cost thousands of jobs of trappers and fur workers in Canada?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, it appears that the British Government has in fact decided not to proceed with the proposed regulation.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): That owes a great deal to the initiative of Members in all parts of this House. I think all Members of this House would join me, if that indeed turns out to be the case, in expressing our appreciation of the sensitivity of the British Government to this very important industry in Canada and the effects that the proposed regulation would have had upon that industry.

Some Hon. Members: Hear, hear!

Mr. Speaker: There will be a single question from the Hon. Member for Thunder Bay—Nipigon and that will close off Question Period.

* * *

RAILWAYS

FUTURE OF NEWFOUNDLAND RAILWAY

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, my question is for the Deputy Prime Minister. A press report this morning indicates the intention of the Government to abandon support in perpetuity for the Newfoundland Railway as promised in the Terms of Union with Newfoundland.

Can the Deputy Prime Minister confirm the accuracy of the press report? Is the Government planning to offer Newfoundland assistance for Trans-Canada Highway construction in order to buy its way out of the constitutional commitment? Will Newfoundlanders find the perpetual support replaced by one-time assistance for highway work?

Hon. Gerry St. Germain (Minister of State (Transport)): Mr. Speaker, in response to the excellent question of the Hon. Member, as indicated by the Deputy Prime Minister on June 10, discussions are still ongoing. There are discussions taking place on the issue. The moment the discussions come to fruition we will make the information available to the House.

* * *

POINT OF ORDER

DELAY IN GOVERNMENT RESPONSE TO COMMITTEE REPORT

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, I rise on a point of order to bring to the attention of the House a breach of the Standing Orders. Standing Order 99(2) reads as follows:

> Within 150 days of the presentation of a report from a standing or special committee, the government shall, upon the request of the committee, table a comprehensive response thereto.

On January 19 of this year the Standing Committee on Environment and Forestry presented a report on the storage and disposal of high-level radioactive waste. The title of the report is *The Eleventh Hour*. It contains 15 recommendations that deal with the nuclear fuel cycle. It is an important, in fact critical, report. I repeat that it was presented on January 19.

My colleague, the Hon. Member for Broadview—Greenwood (Ms. McDonald) who asked me to raise this point in her absence today, has been informed by the clerk of the committee that today represents the 150th day that has passed since the presentation of this report.

At the time the report was presented the committee requested a government response. The arrangement for such a request was an innovation under parliamentary reform which was intended to upgrade and reinforce the real influence of parliamentary committees.

We in this Party participated actively in the parliamentary reform process. We believe in parliamentary reform and believe in operating within the rules of this House of Commons, unlike the Government which has no hesitation in suspending and throwing out the rules at the slightest opportunity.

The Government has not responded to the standing committee's report within the 150-day deadline. It has, therefore, breached Standing Order 99(2).

Hon. Herb Gray (Windsor West): Mr. Speaker, I think this is a valid point of order. The rules provide for no exceptions. Where a response is requested by a committee to its report the Government must table the response in 150 days. There is no doubt that this is the last day for filing such a report within the rules.

We are talking here about the first report of the Standing Committee on Environment and Forestry entitled *High-Level Radioactive Waste in Canada: The Eleventh Hour.* Quite apart from the rules, this report should have an early response because of its importance. I regret to say that one can only wonder why the Government has not been able to table such a response in view of the importance of the subject matter of the committee report.

• (1210)

Equally serious is the seeming unwillingness of the Government to live within the rules. These are rules which I have often characterized not only as part of parliamentary reform but rules for which the Government takes credit for that reason.

We are dealing with an effort by the Government to suspend the rules, but at least in that case, which we do not accept, the Government is waiting until the House agrees, if it ever happens, to a motion to suspend the rules and do something other than is what is provided for in the rules. Here, with respect to the failure to file a response to the report of the Standing Committee on Environment and Forestry, the Government is simply ignoring the rules, not even seeking and obtaining the agreement of the House in an effort to do something for which the rules do not provide. I regret very much that I have to bring to your attention this breach of the rules. I hope the Government will realize that it has the same obligation to live within the rules, unless and until they are properly changed. It has not done so. This is another deplorable act by the Government.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, if one were to examine the record I think one would find that in almost all cases the Government has met the deadline of 150 days. I am advised that this report is in the final throes of preparation and that it should be tabled in the House shortly.

At all times we have tried to meet this requirement. Unfortunately, due to the complexity of this report, we were unable to meet the requirements of the rules. I assure my hon. friend that it was not a wilful matter. It was simply that we wanted to get the best reply possible to a very comprehensive committee report. Therefore, I submit that it is correct that we are in breach of the rules, but I think it is the exception rather than the rule and I can assure the House that it will be tabled shortly.

Mr. Speaker: I want to tell the Hon. Member for Thunder Bay—Nipigon (Mr. Epp) and the Hon. Member for Windsor West (Mr. Gray) that the point is accepted by the Government. This has happened before once previously. I think it is fair to say, as the Hon. Minister of State (Mr. Lewis) has said, that it is an exception rather than the rule. However, I urge upon Ministers and all their officials to note that this rule is there with the consent and support of both sides of the House. I would ask that every effort be made to ensure that it is complied with.

I might also say that if it cannot be complied with for some legitimate reason, the appropriate step to take is to have some discussion with the committee that asked for the response. That is a fundamental courtesy. I would hope that that procedure would be followed.

I might also say for the edification of Hon. Members and the public that is listening, that while the rule does require a response within 150 days, the rule does not say anything about what the Speaker ought to do if that response is not made. Perhaps that is something that might be looked at by others at another time.

In any event, the matter that has been raised is legitimate. The Government has quite quickly and appropriately conceded that it is in breach. The word of the Minister is that the Government is working as fast as it can to deliver the report. I think that closes the matter.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

THE THREAT OF NUCLEAR-POWERED SHIPS

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I have a duly certified petition from a number of Canadians, mostly from Salt Springs Island, who are concerned about the danger of accidents from nuclear-powered or nuclear-armed ships in Canadian ports. They point out that this is a threat to the environment and Canadian citizens. They call upon the Government not to purchase nuclear-powered submarines for Canada.

ABORTION—SUPREME COURT OF CANADA DECISION

Mr. Alan Redway (York East): Madam Speaker, I have the honour and privilege to present a petition signed by almost 600 residents of the Borough of East York, the City of Toronto and the City of Scarborough in Metropolitan Toronto, emanating from the great efforts of Mrs. Mary Kierans and generally from the parishes of St. Dunstan, St. Bridgets and Canadian Martyrs.

It relates to the recent decision of the Supreme Court of Canada regarding abortions, and calls upon Parliament to

define human life as being created at the moment of conception and to reflect that in any newly created law.

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Derek Blackburn (Brant): Madam Speaker, I have the honour and privilege to present a petition pursuant to Standing Order 106 with respect to the proposed Mulroney-Reagan trade deal. It is particularly apropos considering the number of Canadians who were previously supportive of that deal and are now turning against it.

These petitioners are from my area and from other parts of southwestern Ontario.

RESEARCH INTO PREVENTION AND CURE OF SCHIZOPHRENIA

Mr. Ernie Epp (Thunder Bay—Nipigon): Madam Speaker, I have a petition signed by residents of the City of Thunder Bay which shows that schizophrenia is a major illness in Canada, costing Canadian society more than $3 billion in direct health care or other support costs.

They further say that recent research findings, including those obtained in Canada, show the illness to be a biochemical brain disorder, in part caused by a genetic malfunction.

Whereas schizophrenic patients, relatives and friends desperately hope that a cure and method of prevention can be found as soon as possible, but Canada's research's efforts are very limited in this area, they call upon Parliament to ensure that research efforts related to schizophrenia will in the future be commensurate with the seriousness of this illness in Canada.

[*Translation*]

ESTABLISHMENT OF A DAY OF THE CHRONICALLY ILL

Mr. Gilles Grondin (Saint-Maurice): Madam Speaker, I too have a petition signed by many citizens, mostly from my riding, but also from neighboring ridings, who, considering that many chronically ill people in institutions are abandoned by their families, that the movement for the rights of the chronically ill wants to make the public aware of this indifference and that a date written on the calendar would help families remember their sick and plan visits to them, ask Parliament to designate the first Sunday after Easter as the day for the chronically ill every year in Canada.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Benno Friesen (Parliamentary Secretary to Minister of Employment and Immigration): Madam Speaker, the following questions will be answered today: Nos. 320, 330, 338, 342 and 345.

[*Text*]

PRIVATIZATION OF AIR CANADA

Question No. 320—**Ms. Jewett:**

Since September, 1984, has Air Canada commissioned public opinion surveys or polls concerning the sale or privatization of Air Canada and if so (*a*) (*i*) at what time (*ii*) at what cost (*iii*) by which pollster were these polls or surveys undertaken (*b*) what were the findings of the polls or surveys?

Hon. Benoît Bouchard (Minister of Transport): The management of Air Canada advises as follows: The information requested is of a proprietary nature.

REMOVAL OF CANADIAN TROOPS FROM EUROPE

Question No. 330—**Mr. Blackburn (Brant):**

Since September 17, 1984, have Ministers of the Government discussed with any official or representative of any NATO-member Government the removal of any Canadian troops stationed in Europe and, if so, which Ministers and, in each case (*a*) on what dates (*b*) with (*i*) which representatives or officials of (*ii*) which governments (*c*) what response was received?

Mr. Bud Bradley (Parliamentary Secretary to Minister of National Defence): Canadian Defence Ministers have held discussions with their NATO counterparts since 1984 as part of the defence policy review. The outcome of such discussions was reflected in the Defence White Paper. You will appreciate that national security considerations and the confidentiality of ministerial discussions preclude the provision of details of discussions with foreign governments.

WOMEN'S PROGRAM

Question No. 338—**Ms. Dewar:**

1. Since the tabling in November 30, 1987 of the Secretary of State's response to the report of the Standing Committee on Secretary of State regarding the Women's Program, have any women's groups received multi-year operational funding and, if so (*a*) what is the total number of such groups (*b*) what are their names (*c*) in each case, what is the length of the period for which the funding was received?

2. Since April, 1987, have any publications received funding from the Women's Program of the Secretary of State Department and, if so, which publications and, in each case, what amounts did they receive?

Hon. Gerry Weiner (Minister of State (Multiculturalism)): 1. (a) (b) and (c) Multi-Year Operational Funding. As indicated in the Government's response to the report of the Standing Committee on Secretary of State, multi-year operational funding will be introduced into the Women's Program.

The 1988-89 fiscal year is a transition year for the implementation of the renewed Women's Program. Multi-year operational funding will be operationalized in the next fiscal year, that is 1989-1990. Therefore no multi-year operational funding has yet been awarded.

2. The Women's program has funded the following publications from April 1, 1987 to May 2, 1988:

Name of Publication	Amount
Éditions Communiqu'elles	$ 4,265
Éditions Communiqu'elles	$ 7,000
La Parole Métèque	$15,000
Briarpatch Inc.	$ 3,800
Perspective Newspaper	$24,500
Tiger Lily	$30,000
Women Healthsharing	$67,745

TRIP TO NORTH POLE

Question No. 342—**Mr. Boudria:**

1. Did the Minister of Energy travel to the North Pole on or about April 25, 1988, and, if so, what was the (*a*) total distance travelled (*b*) total cost for travel (*c*) cost for lodging (*d*) cost for hospitality, if any?

2. What was the (*a*) name (*b*) function and purpose of each person accompanying the Minister on this trip?

Hon. Marcel Masse (Minister of Energy, Mines and Resources): In so far as the Minister of Energy, Mines and Resources is concerned: 1. Yes, on April 25, 1988. (a) 8,800 miles, (b) $8,000, (c) $125 (lodging cost for one night for the Minister and his communications advisor), (d) None.

2. (a) Bob Evans, communications advisor. (b) Mr. Evans' function on the trip was to handle media relations between the Minister of Energy, Mines and Resources and the group of more than 30 journalists who travelled to the North Pole, including representatives of the Canadian Broadcasting Corporation, Toronto *Star*, *Pravda*, *Izvertia*, *Tass*, *Novosti*, and others from the United States, Japan, Italy, France and several East European countries.

SOUTH MORESBY—EXPLORATION BY DIAMOND RESOURCES

Question No. 345—**Mr. Caccia:**

1. Was the Government notified of an intention of the Government of British Columbia to issue an exploration permit to Diamond Resources for their holdings on South Moresby and, if so (*a*) on what date (*b*) what employee or member of the Government was notified (*c*) was the notification made by (*i*) telephone (*ii*) letter (*iii*) meeting (*iv*) another means and, if so, which?

2. Did the Government reply to the Government of British Columbia and, if so (*a*) was the response made by (*i*) letter and, if so, what was the text (*ii*) other means and, if so, what was the substance of the message (*b*) what employee or member of the government authorized the delivery of the message (*c*) on what date was the response (*i*) approved (*ii*) forwarded?

Hon. Tom McMillan (Minister of the Environment): 1. Yes. (a) March 21, 1988, (b) Director General, western region, Canadian Parks Service, Department of the Environment, (c) (iv) by form letter.

2. Yes. (a) (ii) By telephone. When the federal parks official spoke to the B.C. mines official, it was determined that exploration drilling, not mining, was being proposed and that the exploration was to occur on valid claims to be excluded from the proposed parks and under provincial jurisdiction. It was also learned that it was to occur on an area of former mining activity and that there would be no new disturbance. On the basis of this and on the understanding that the application would be reviewed by other resource agencies and that in accordance with the B.C. Mines Act, special terms and conditions would be established on the permit, and a performance bond would be required to ensure there would be no significant environmental impact, the parks official indicated that he would not be submitting any comments. No approval for the drilling was given nor was it requested.

(b) Special Advisor, western regional office, Canadian Parks Service, Department of the Environment, (c) (i) April 13, 1988, (ii) April 13, 1988.

[*English*]

The Acting Speaker (Mrs. Champagne): The questions as enumerated by the Parliamentary Secretary have been answered.

Mr. Friesen: Madam Speaker, I ask that the remaining questions be allowed to stand.

The Acting Speaker (Mrs. Champagne): Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

IMMIGRATION ACT, 1976

MEASURE TO AMEND—CONCURRENCE IN SENATE AMENDMENTS

The House resumed consideration of the motion of the Minister of Employment and Immigration relating to amendments made by the Senate to Bill C-55, an Act to amend the Immigration Act, 1976, and to amend other Acts in consequence thereof; and the amendments of Mr. Marchi (p. 16341), of Mr. Friesen (p. 16354) and of Mr. Heap (p. 16534).

The Acting Speaker (Mrs. Champagne): When debate was interrupted, there were five minutes left in the question and comment period following the Hon. Member's speech.

• (1220)

Mr. Manly: Madam Speaker, I simply want to respond to the comments raised by the Hon. Member for Gatineau (Mrs. Mailly) who said that I was trying to give the wrong impression about Bill C-55. To review briefly what I said in that speech, I talked about the two traditions that there are in Canada. There is a tradition of openness and of welcome to strangers and to refugees, and another tradition which, unfortunately, we share to some extent, of being more fearful and closed toward people with differences.

I highlighted the comments of the Hon. Member for Surrey-White Rock—North Delta (Mr. Friesen) in the debate last week wherein he talked about the need to protect Canada against people who had certain ways of thinking that had

arisen in the last 150 years and with whom he did not happen to agree.

I talked about the lack of access in Bill C-55 to a full hearing before a person is denied refugee status. I talked about the lack of an appeal process. I talked about the fact that we still have this possibility of sending someone back to a third country, and yet we do not have any real guarantee that he or she will receive adequate treatment in that third country.

The Hon. Member for Gatineau talked about real refugees as being those who are in refugee camps somewhere else in the world and that that is where Canada should obtain its refugees from. The fact is that refugees do not originate in refugee camps. They appeal to some country for refugee status and are placed in camps. Canada in the past has often been able to pick and choose which refugees we wish to accept. But there have always been two streams of refugees who would come to Canada. There were those who would be in refugee camps where we would go and select certain refugees who had come to Canada. There were those who themselves would come and appear on our front doorstep as it were, claiming refugee status.

This is where the problem has been, when a number of people have claimed refugee status, some of them being bogus claimants, and we did not have an adequate system for dealing with that. Thus we have built up a backlog of people who are claimants for refugee status, some legitimate and a great many of whom we all admit are not legitimate.

What the Government has done over the last number of years, beginning with the Liberal Government, has been inadequate to deal with this situation. The Liberal Government appointed a royal commission under Rabbi Plaut to investigate this matter. He brought in a very good report in 1985. When the Standing Committee on Labour, Employment and Immigration studied the report it brought in another report that contained some very good recommendations. They would have resulted in a much shorter, more expeditious process, but it would still have been a fair process for refugee claimants, a process which would have given them full access to a hearing within Canada. They would also have a fair appeal process.

The Government did not choose to act on that report. Instead, it brought in Bill C-55 which, as I pointed out earlier, does not have access to a full impartial hearing by a refugee determination board. It does not have any possibility of an adequate appeal. It is on that basis that the Government is really closing down this second stream of refugees so that it will be very difficult for people, particularly from Latin America, to come to Canada and claim refugee status. The great majority of refugees who come and present themselves to Canada asking for asylum come from Central and South America. I refer to legitimate refugees. We have had some bogus refugee claimants who have flown in here from other parts of the world. That issue needs to be addressed.

In trying to address that situation we have practically shut off this second stream of refugees. As the Hon. Member said, we should be getting all our refugees from refugee camps. That is one stream of refugees, but we still have to retain the openness of Canada to people who come to our doorstep asking for refugee asylum.

Mr. Ernie Epp (Thunder Bay—Nipigon): Madam Speaker, I am pleased to have the opportunity to rise in this debate on Bill C-55 in order to speak with my colleagues in support of an amendment to the Bill as it has come back from the other place, and amendments from my colleague, the Hon. Member for Spadina (Mr. Heap), as well, which are very limited attempts in a Bill that is so bad in many sections. They are worthy attempts to try to restore something of the humanity that is required in our refugee legislation.

I note that the Parliamentary Secretary is present in the House. I trust that he will be with us a little while longer. I, too, would like to say something about the debate that took place here last Friday in which he articulated some thoughts about the kind of supervision that we should be providing at the borders in order to be sure that we did not bring into the country and find settled among us as neighbours and eventually as fellow Canadians persons who might have one dangerous notion or another.

There was an exchange of views. In particular I am thinking of the response of my colleague, the Hon. Member for Essex—Windsor (Mr. Langdon), in which he suggested that what the Parliamentary Secretary was really suggesting would require thought police sitting at the borders looking for traces of nihilism, existentialism, particularly Christian existentialism, and persons who believe in dialectical materialism, and so on. That was a fair comment. It was a most appropriate response by my colleague to the suggestions of the Parliamentary Secretary.

I trust that he is listening since he has stepped out of the Chamber. I do not want to transgress the rules. However, I hope most devoutly that I have his ear since he and I are both, as it happens, of Mennonite origin. We happen neither of us to find our homes in Mennonite churches these days, having made other choices, as we are free to do in Canada. However, I confirmed with him earlier this day that his ancestors had come to Canada during the 1870s. His spouse's ancestors had come in before the Great War, around the turn of the century. That may perhaps give him a less keen appreciation of exactly what he was pointing to in his suggestions about people's ideas.

As I told him, I happen to combine the two traditions among Mennonites in Canada. My mother's ancestors, too, arrived in the migration to Manitoba in the 1870s. There, they faced the rigors of pioneering in the southern part of that province. My father's ancestry is that of the 1920s migration to Canada, refugees from Soviet Russia who were very happy to have escaped the Bolshevik revolution and what followed from it. They escaped with their lives although they were affected in health by the rigors of those years.

The fact of the matter is that it was a near thing that they got to Canada because, following the Great War of 1914-18, there was in Canada a fair amount of aversion to Mennonites. After all, they have a belief in conscientious objection. They do not want to participate in war. They seek alternatives to service in the army, navy and air force. That particular principle, the aversion to taking part in war and joining in the war effort against the empires of central Europe, aroused a great deal of reaction among neighbours of the Mennonites in Canada. It aroused a reaction which reached such a pitch that the Government of Canada decided to exclude Mennonites from migration to this country.

• (1230)

In the 1920s a new Government came to power after the unionist Government was defeated in 1921. The new Government happened to be Liberal and, to its credit, it recognized the need for agricultural settlers. It was busy settling the veterans and the soldiers who were returning from the front, but it also saw the need for other farmers. That Government decided to allow Mennonites to migrate, but it imposed a restriction which affected the life of more than one young Mennonite man for all his lifetime, and that was very much my father's experience.

The Mennonites who came to Canada in the 1920s were required to stay on the land. For many of them that might have been quite a satisfactory restriction of experience, and they may have been quite content to farm as their ancestors had done in the Ukraine, in East Prussia, and all the way back to Friesland. For others that was not something that was easily accepted. I know that my father would have preferred to have been an engineer, or work with machinery. In fact, after almost 30 years of farming in southern Manitoba he sold his farm and bought a welding shop in the Town of Carmen. He spent the last four or five years of his working life blissfully happy, overworked, and not charging enough for his labours, I am quite certain, but blissfully happy working with machinery and helping farmers with the repair of their machinery, and other welding work.

From the 1920s, the prejudices of the Great War, through to the experience of one Mennonite Canadian in the 1960s and 1970s we have the consequences of prejudice expressed in the law of Canada, the regulations, and the requirements laid on Canadians. I do not know if this particular requirement was legislated or made a regulation. The fact that the Government had made this a condition of the return to migration was sufficient for most of the Mennonites. They are honourable people, and if that was the commitment that they had given, then that was what they were going to do in Canada, or at least they would do so for 30 or 40 years and perhaps eventually, when there was no possibility of the farm being continued in the family, like my father, decided to do something else.

I use this particular experience at some length to illustrate to the Parliamentary Secretary that to suggest dangerous notions is something that he should be profoundly uneasy about doing. If his ancestors did not face that type of prejudice on the part of fellow Canadians, others of his ethnocultural community did. He should certainly know better than to suggest that Canada wants to put thought police at the borders to check people out to ensure that they will not be a danger to the country.

In this context, the Secretary of State for External Affairs (Mr. Clark) has served up similar fears to us in the last month in reaction to another community in Canada, the Canadian Sikh community. I wish to say very carefully on that particular point that to have the law enforcement agencies of Canada ensuring that the law is not broken, to ensure by one means or another that Canadians are not involved in support of violence in Canada or elsewhere and that those who participate in violence are punished, are all necessary things for the appropriate agencies of the Canadian Government to carry out.

But to suggest that because someone has lived with terrible experiences or lived in terrible situations and has come to a certain view of the world, and that that person should not have the right to come to Canada or should be stopped from coming into this country, because presumably those ideas are so ingrained that they will continue to work in that person's mind and make him a threat to this country, is surely to misunderstand the psychology of practically all persons. It is to miss the key point that people are driven to desperate views of the world, to desperate measures by circumstances in which they see no other way of dealing with it.

In this country we provide constitutional means. We allow freedom of assembly. We allow freedom of speech. We expect persons to use those means to express their viewpoints. We are opposed to ostracizing any group. We are profoundly opposed in law to guilt by association. We want to allow people the opportunity to seek the objectives that they are prepared to state with clear face, without having to blush or be embarrassed about their goals. I mean by that goals that can be stated in a meeting without embarrassment. They should be able to pursue those goals by legitimate means, and we are not involved in questioning the thoughts or philosophies involved here.

I am sorry that I do not have the opportunity to ask my colleague, the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly), who is, after all, an ordained minister of the Church of Canada, whether he had some further thoughts. He cited the Old Testament to splendid purpose in supporting the necessity to offer refuge to those in danger of life and limb. I would have liked to ask him what his further observations were on the attitude of someone who thinks that ideas must be kept out, and presumably that means keeping out persons who may hold these ideas, and that we might as a consequence see lives sacrificed. We might see a person suffering loss of limb or loss of life, as is all too possible in country after country these days, simply because we are suspicious of the ideas held by some persons or perhaps even political Parties in that country that they have come to in desperate response to the terrible circumstances imposed on them.

Perhaps the Parliamentary Secretary will respond to those observations. I expect he is with us in ear as well as in spirit. He may have some observations of his own on the suggestion that it is bad ideas that we will keep out without regard to the persons who happen to hold those ideas, and that somehow human life, which I have no doubt he would hold very sacred, would be maimed or lost because he is preoccupied with ideology. That tells us a good deal about attitudes that are behind the Government's Bill.

Perhaps you will remember, Madam Speaker, that about 17 months ago I had to say something in the House that was not pleasant and which aroused a certain amount of reaction when the then Minister for Employment and Immigration made a free-time speech on television in the Province of Quebec in which he was celebrating his own area, very close to where the by-election is currently under way, and he spoke of a region in which people are rather untouched by immigration and some of the other world realities. I suppose there is some truth to that, perhaps there is a great deal of truth to that. I do not think it is the total truth for the Lac St. Jean—Saguenay region of the Province of Quebec. No part of the country is free of persons from other continents of this world who have come to find refuge. I know there are multicultural organizations in that area to which the Minister might have been sensitive.

When the Minister went on to talk about an area that was demographically pure in population he aroused terrible fears in many people. I know very definitely that for members of Canada's Jewish community these were reminders of what had been said in the Nuremberg trials. What is most distressing is that requests from the Canadian Jewish Congress to withdraw those statements were not acted upon. I do not know what was in the Minister's mind in refusing to do so, but the fact that he insisted on standing by those statements for some reason of lack of support for any withdrawal on the part of his colleagues in the Quebec caucus of the Conservative Party, I find quite troubling, as I expect you would also, Madam Speaker, as someone who is very well acquainted with many members of that caucus.

• (1240)

The possibility of racism in Canada, supported and expressed in legislation such as this, is something people of many backgrounds across this country find intensely troubling. The woman who is now Minister for Employment and Immigration (Mrs. McDougall) cannot say that the constituency she represents in Metropolitan Toronto is free of the knowledge of the diversity of our country and the needs of people who are in danger of life and limb in other parts of the world. That makes it all the more distressing that she can become Minister, carry these Bills, and refuse to take up with her colleagues significant changes. Her comments in presenting the Bill are found in *Hansard* of June 3, 1988, page 16095. She said:

> These two vital Bills, which I consider a complementary package, have been considered from every possible angle by parliamentarians, non-governmental organizations, legal experts, the media and many others. As a Government, we have encouraged the scrutiny and appreciate the efforts and sincere concerns of those who have contributed to the examination of these Bills.

She does not say that practically every person who appeared and practically every organization which made a representation to the committee—and I have this on the authority of my colleague, the Hon. Member for Spadina—and he can correct me if I am exaggerating—was opposed to this Bill. Practically every presentation was profoundly critical of what the Government was doing. How can one, in all honour and with any kind of integrity, say the words I have just read and not recognize that this process of consultation was profoundly critical of the legislation and called for fundamental changes which the Government has refused to carry through? How is it possible for an honourable Minister to do that?

We have lost a great deal in time and we have suffered damage in the attitudes of Canadians by reason of what the Government has done. The Government promised a campaign against racism in the fall of 1986. One would expect that sometime in 1987 it would be accomplished. But instead of such a campaign being undertaken, there was a whipping up of feeling, after a ship of Sikh refugee claimants landed on the Nova Scotia coast. The Canadian Government whipped up that feeling and there were incredible responses. I lived in astonishment and distress for days having heard what the Right Hon. Leader of the Opposition (Mr. Turner) said in apparent acceptance of the Government's suggestion that these people should be sent away. It took days before he changed his stance. Such a yielding to racism in this country, may I say with care, is not surprising coming from someone who represents a Vancouver riding, because on the West Coast these feelings of concern about Asians coming to Canada have existed for a long, long time. I am sure the Right Hon. Leader of the Opposition would eschew any such motive in himself, but that was just one demonstration of the effect of the Government's actions.

We have seen more than a year pass without anything like a campaign against racism. The present Minister for Multiculturalism promised, trying for some support for the Government in the context of the upcoming election, whenever it happens to be, more money for multiculturalism, and a good chunk of that money, a couple of million dollars, perhaps, will be put into the area of work on race relations. This Government shamefully neglected race relations for most of the time from September 17, 1984. It left a couple of people in the area, but there was no program, no strategy, no resources to do anything. Now when the next election draws near, after the Government has done its damage with this legislation, it will belatedly spend some money in this area to try, if it can, to rescue things. It is terribly late to do that.

All those persons across the country who recognize what the Government is doing with Bill C-55 and Bill C-84, and who have been hoping that at some point the presentations by all those groups, by churches and by those concerned about

refugees from wherever they may come, those persons who want to work in the Canadian tradition that brought us the Nansen Medal, those who have been waiting for some evidence that the Government has changed its mind, will not be impressed by more spending on race relations. They want real action in which this Government will arrest the feelings of racism that exist in the country and return it to the traditions of openness about which my colleagues, the Hon. Member for Spadina and the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly), have already spoken so very well earlier this day.

Ms. Copps: Madam Speaker, I was a little surprised to hear the Member saying that the citizens of British Columbia for some reason are more racist than citizens of other parts of the country. I wonder if the Member could give us his reasons for stating that?

Mr. Epp (Thunder Bay—Nipigon)): Madam Speaker, I thank the Hon. Member for her question. This is the sort of thing that should never be done easily or loosely. It always deserves to be done carefully. I speak, of course, from my background as a teacher of Canadian history, Associate Professor of History at Lakehead University, on political leave, and also as someone who has lived and taught in the interior of British Columbia. I want to be very careful because the feelings of prejudice and racism have existed in many parts of Canada. I respect the desire of my colleague from southern Ontario not to have anything said unfairly. I think the fact remains, perhaps because British Columbians live across the Pacific from Asia and because Japanese immigrants and, before that, Chinese workers who built the railway, settled there, may have had more experience with Asians on the Pacific coast. I think of a man who was one of British Columbia's Lieutenant Governors, James Dunsmuir, whose family owned large coal mines on Vancouver Island. The Dunsmuirs were capable of bringing in labour that could be discriminated against, as in law one could in British Columbia. They used that labour to break strikes by British-born workers in those communities, and that, of course, built up terrible feelings of resentment. So there are these factors in the history of the province to be noted.

If there is any question about the validity of suggesting that British Columbia may be more racist, it would surely be seen in the laws of the province that apply to citizenship and voting rights and so on. After all, these were laws that, for a long time, were left to the provinces to establish. The Canadian Government has not always filled areas of its own jurisdiction very well, and in matters of voting, when a province discriminated deliberately against Asians, denying them voting rights and citizenship, in those professions where one could not enter unless one were a citizen able to vote, this exclusion actually closed doors. This was discrimination in law, British Columbia style.

• (1250)

The last thing anyone wants in these areas is to have any possibility of having an attitude of being holier than thou. I think one can quite fairly recognize in British Columbia's history the whipping up of feeling against Japanese Canadians particularly that led eventually to the action in 1942 of uprooting a community, seizing property, selling it off for whatever and relocating people into detention and work camps et cetera. Japanese Canadian redress is one of the final expressions of the racism that prevailed in B.C. to which a Canadian Government tragically yielded in the midst of war, or which, in retrospect, we would surely say was against racism, first of all the racism of the Nazi system.

Mr. Manly: I have a brief comment on the same subject, Madam Speaker. I remember once when Robin Sears, who at the time was the federal secretary for the New Democratic Party, and a grandson of Colin Cameron, a distinguished Member of Parliament for Nanaimo—Cowichan—The Islands, asked his mother what happened when his grandfather had opposed the expropriation of Japanese property and the expulsion of Japanese from the coast of British Columbia. She described how she and her sister were spat upon by other children in the community and that their father, Colin Cameron, lost the next election. There was a price to be paid at that time for standing up against racial intolerance. That is certainly not exclusive to British Columbia. I think it is probably a fact that people are most intolerant of those next to them.

I was brought up in a situation where there were no blacks. I never learned to be intolerant of blacks. There were very few Asians on the Prairies where I grew up. I did not have that kind of prejudice. We tend to have prejudices built into us when we are face to face with a situation. I think what the Hon. Member is saying is that we have to stand up against it.

Mr. McCurdy: I am here!

Mr. Manly: We have blacks next to us now, Madam Speaker, but not in sufficient numbers, I might add.

Some Hon. Members: Oh, oh!

Mr. Manly: We have prejudices that have built up. We have to learn to overcome them and have policies that stand against them rather than go with the flow of prejudice.

The Acting Speaker (Mrs. Champagne): Does the Hon. Member for Thunder Bay—Nipigon (Mr. Epp) want to respond?

Mr. Epp (Thunder Bay—Nipigon): Madam Speaker, I will cheerfully accept someone else's question or response. I appreciate the comments from my colleague.

Ms. Copps: Madam Speaker, I appreciate the historical perspective which the Hon. Member for Thunder Bay—Nipigon (Mr. Epp) has given, but I understood the Member to

say that currently, today, British Columbia citizens are more racist. He was not talking about 1942 or 1932. Could he give some proof of that?

The trouble I have with that type of interpretation is that if we take the attitude as Canadians that, yes, racism exists in Canada but it is off in British Columbia or somewhere else, we tend to neglect looking in our own backyards. I did understand the Member to say that the citizens of Vancouver specifically were potentially more racist than citizens in other communities. I would like the Hon. Member to clarify that point.

Mr. Epp (Thunder Bay—Nipigon): Madam Speaker, I thank the Hon. Member for the question she put temperately and with care. What I said was one of those asides. It came in the course of observations about reactions of various persons, specifically the Right Hon. Leader of the Official Opposition who, for some days anyway last summer, left us with the impression that he was in support of sending shiploads of Sikhs back to wherever if they arrived on our coasts. I find that troubling. I speak for Canadians,we do not want any Party including the governing Party to be committed to any such view. Having expressed concern about what seemed to be his acceptance of the kind of campaign being whipped up by the Government, a concern I will say from which he did withdraw—he did not hold with that stand in the long run, it was just that period of time—what I said in passing was in recognition of the fact that he is of course the Hon. Member for Vancouver Quadra.

Given B.C. traditions of the past, this perhaps was not quite so surprising given whatever he may have been hearing in his constituency office, but it might be worth recognizing that even in these days the maintaining of human rights in the Province of British Columbia is difficult and it is made more difficult by reason of the Government's lack of support for it. After all, the Human Rights Commission in that province has been abolished. If that does not suggest in the ruling Social Credit Party circles some kind of lack of respect for human rights of varying sorts—I recognize the commissions do not just deal with complaints of racism—then I do not know what would.

I do know from conversations with Mr. Azis Khaki, who heads the Committee for Racial Justice in British Columbia, that that committee is currently making an effort to ensure that all of us are sensitive to ethnocultural and racial diversity and that our actions reflect those needs in the Province of British Columbia. That is a task for all of us and one in which the New Democratic Party in British Columbia joins, having of course in its membership a black member, a south Asian, and a native member in the caucus to reflect the province and to ensure that the New Democratic Party recognizes the need for action.

The Acting Speaker (Mrs. Champagne): Resuming debate. The Hon. Member for Hamilton East (Ms. Copps).

Ms. Sheila Copps (Hamilton East): Madam Speaker, the reason I asked the specific questions of the Hon. Member for Thunder Bay—Nipigon (Mr. Epp) is that we have to get back to the main point, it being Bills C-55 and C-84. I see this not on the basis of a particular political philosophy, but it bothers me when I hear Canadians say we have racism, but it is somewhere else; "We have racism but it is not in my community. It is out in British Columbia" or somewhere else. It is quite clear that racism exists in every community. As Canadians I think all of us have to recognize that the existence of racism is not isolated to a particular part of the country. It is not isolated to British Columbia, albeit there may be certain government policies of the B.C. Government that may not work to reduce racism. But it disturbs me when a Member suggests that a particular part of the country is more racist than another part.

Mr. McCurdy: There are all kinds of studies to confirm that.

Ms. Copps: If there are studies that confirm it, maybe the Member can table them. That is the question I asked the Member from Thunder Bay—Nipigon. Specifically, he referred to Vancouver when he said that Vancouver was more racist than other communities.

Mr. McCurdy: That is not the question at all.

Ms. Copps: The Hon. Member over there was not here. I heard it. I wondered whether there were some specific studies referred to today to outline that. I am not familiar with them. Maybe I should reconsider my position. I do not think any community is blameless.

Mr. McCurdy: He did not say that either.

Ms. Copps: Unfortunately, when we tend to point the finger at somebody else we reduce the capacity to look within ourselves as Members of Parliament. Every person in this room is probably carrying a certain amount of prejudice—

Mr. McCurdy: Table those documents.

Ms. Copps: —either prejudice against other persons whether they be on the basis of race, creed, religion, colour, gender, et cetera. Many of the people in this Chamber probably face potential racism themselves whether they be Francophones working in an Anglophone atmosphere, women working in a predominately male atmosphere or men working in a predominately female atmosphere. For us to tackle the problem of racism, we have to look within ourselves.

I say that because by looking within ourselves we have to look at the content of this legislation before us today. In particular, in dealing with Bills C-55 and C-84 it is pretty clear that the Government has responded to concerns in a racist way. We recall that last summer there was supposed to have been an emergency going on because a couple of hundred refugees were seeking solace and refuge on our shores.

• (1300)

I think many people had hoped that there would be some fundamental changes to Bill C-55 and Bill C-84 when the Hon. Member for St. Paul's (Mrs. McDougall) took over the portfolio of Employment and Immigration. I thought she would return with legislation which would exclude the possibility of turning a boat away. I would have thought that she would have done that because in a period of war this country, not Vancouver, not Toronto, not a specific community, responded in a racist way by turning away a ship full of Jewish refugees who were seeking solace here. Eventually that ship was sent back and those people went to their deaths. That is a tragedy that should hang on the consciences of all Canadians, because that decision was made by a Government representing the people of Canada. We have made mistakes, and that one was a deadly and racist mistake that resulted in sending people to their deaths.

Why should we today, through a new piece of legislation, grant future Ministers the right to commit the same deadly errors that were committed in the past? Unless amendments are accepted, the Minister will actually be able to give responsibility for such a decision to someone else. A Minister or even a civil servant would be able to decide, on behalf of the people of Canada, to turn away a ship full of people.

I do not think anyone is suggesting that owners of ships who trade in human flesh and are trying to milk desperate people for hundreds and even thousands of dollars should not be dealt with, but surely the best way to achieve the dual objectives of opening the arms of our country to refugees and at the same time making sure that those who exploit them are dealt with in a severe fashion is a different way than the one proposed by this Bill. We can do it in a better and more humane way.

We can achieve those goals by permitting those who arrive on a boat to land in the same way as any other refugee. At the same time, we can bring in legislation which permits the seizure and sale of ships so that those who actually try to trade in human flesh will realize that they cannot sell passage to desperate people and walk away from it.

The owner of the ship that came in last summer walked away with hundreds of thousands of dollars. He was never dealt with. If we had seized that ship, fined the owner, and perhaps imprisoned him, that would have been the right way to deal with the culprit without victimizing the victims who are genuine refugees or, at the very least, people who have the right to be heard. These people had the right to plead their case without having a political decision being made by a Minister responding to the hot political climate of that particular summer. There should not have been a sudden determination that anyone who comes to this country of a different colour or race might not be desirable and therefore may be sent back.

I do not think we want to repeat the racist mistakes that Canada made in the past and for which we are all responsible. If we pass this legislation as it is currently written, we will be conferring on future Governments the ability to commit the same deadly errors that were committed when we sent a boatload of Jewish refugees to their deaths during war. I do not think we want to do that.

I do not think the Government has thought through the impact of the legislation it is asking Canadians to accept. All Canadians are proud of the fact that Canada is the only country that has actually been awarded international recognition for our contribution to the resettlement of refugees from Vietnam. Individuals have been recognized over the years, but Canada is the only country to have been awarded such international recognition.

With these two pieces of legislation we will destroy, in one fell swoop, Canada's reputation as a country with a humane policy toward people who are desperate, people who are without a homeland, people who are so desperate that they will pay someone thousands of dollars to get on a ship that may lead to nowhere. These people could be put on a life-raft out in the middle of the ocean, but they are so desperate because they are homeless and stateless that they are willing to take that chance. As a native born Canadian, I cannot even conceive of the desperation that I would feel if I would have to pack up my family—

Mr. Nickerson: Sit on this side; you will know what desperation feels like after listening to this nonsense.

Ms. Copps: The Hon. Member says that if I sit on that side I will know what desperation feels like. I can understand how he feels, given the potential results on Monday.

I cannot imagine how desperate some people must be that they would pack up their families, pay thousands of dollars to someone who at the very least has a questionable business background, and head off on a boat going God knows where, maybe nowhere, potentially to their deaths. Yet we are being asked to pass legislation which will tell those people that they will not even be given a fair hearing in this country. That is one provision of the Bill which absolutely must be changed.

The second area of concern deals with the safe third country concept. Because the Government does not wish to give potential refugees the opportunity to have their cases heard in our country, they will be sent to a third country.

The Government believes that the list of safe third countries should be drawn up by a committee which ultimately reports to the Minister. First, I would suggest that the safe third country concept is not a functional concept in the turbulent political time in which Canada finds itself in relation to other countries. Let us take the United States, as an example.

Most of us would consider the United States a safe country. However, is it safe for a refugee who comes from Central America, lands in Canada, and is then sent to the United States? Do we have any kind of guarantee that the United States will not send that person back to a place like El Salvador where he may in fact be facing certain death, or to a

place like Chile where people have disappeared by the thousands? What kind of a guarantee do we have that in the turbulent political climate in the Americas, a safe third country concept should include the United States?

If it were left up to the Minister, with the so-called advisory committee, the Minister would be under a tremendous amount of political pressure to include the United States as one of the safe countries. We have a renewed, terrific relationship with the United States of America. Imagine what kind of a backlash there would be if we issued a list of safe third countries for refugees from Central America and the United States was absent from that list. Imagine what kind of pressure we would have from people like George Shultz and the President of the United States.

I do not think it is viable to suggest that the Minister who is subject to those kinds of political pressures should decide something like this about an issue we have tried to depoliticize. I do not think we want to place upon the Minister the responsibility for determining these so-called safe third countries. We would be setting a dangerous precedent. In very many instances what is a safe country to a Canadian is not necessarily a safe country to a potential refugee. That is another reason that this legislation, as it is currently drafted, is simply unworkable. The safe third country concept does not work. If the Minister is given the power to determine what constitutes a safe third country, the question will be a political one rather than a moral one.

The third area of the legislation which was not changed and with which we can absolutely not agree is that dealing with the Government's intention to provide an exclusion for a person who is "contrary to the public interest".

• (1310)

In other words, a refugee coming to this country can make application and say "I am a bona fide refugee; I have come to this country with nothing but the shirt on my back, my children, and my husband" or "my wife". The refugee determination process is set in motion and the refugee board can determine, after all the appropriate security checks, et cetera, that in fact the person is a bona fide refugee. Yet, the Government is reserving the right for an amendment for the exclusion of a person who is "contrary to the public interest".

It seems to me that that is exactly the kind of exception that we want to avoid. We have seen the case most recently of Santokh Singh. Indeed, the Secretary of State for External Affairs (Mr. Clark) may be called to report before the House because he refuses to appear before the committee and clear up the discrepancy of the refugee determination process as it relates to Santokh Singh.

Your Honour will recall that Mr. Singh went through the process. He in fact was cleared by the security people; he got clearance from CSIS as well as the general clearance carried out by the RCMP. He was also cleared by the refugee determination process. Then, all of a sudden, a foreign Government, which happened to disagree fundamentally with the political views of a minority in its own community, allegedly contacted the Minister and said that this person should not be allowed into Canada because it was not in the public interest.

Even though the refugee determination process, in an independent fashion, had given clearance to this individual, by virtue of a foreign Government calling and saying that the person was not to be allowed in because he was "contrary to the public interests", the person can be sent away.

There are constituents in my own constituency of Hamilton East from the Ukraine who may not be the most beloved former citizens of their own country from which they were forced to flee and which was taken over by the U.S.S.R. According to the amendment in this legislation the Soviet Government could call up and say "I don't think Zenon Kramer should be allowed into your country because he might be working contrary to the public interest". I am sure that Ivan Boyko, the current President of the National Congress of the Ukrainian Canadians, is not working in the public interest of the Government of the Soviet Union.

Do we think that by bringing in a Bill which permits the Minister to override the independent findings of a refugee board and respond to the alleged concerns of foreign Governments we will be able to maintain the independence, depoliticization, and integrity of the refugee determination process?

We do not think that is possible. That is why we cannot support the concept of an overriding amendment which would allow any Minister, if the political climate gets hot, notwithstanding what the refugee board may have determined or the security clearance of CSIS and the RCMP may have determined, to reserve the right to get rid of a person if a foreign Government calls up and says that we should. The Minister would be able to disregard the due process which has been the hallmark of the refugee determination process in Canada.

There are certainly three major concerns, some with which I have dealt. One is the safe third country concept. The weak appeal process is also of extreme concern. People who come to Canada to make refugee applications have approximately 72 hours in which to apprise themselves of the fact that they may be able to appeal the case. That was, in fact, extended from the original plan of 24 hours. In three days they may not be able to have access to counsel. They may not learn what opportunities they may have to appeal a decision of the Government. In fact, it seems to me that it is a fundamental flaw in the Bill to give them such a short pre-screening period and immediately to ship them out to the so-called safe third country. I am very surprised—

[*Translation*]

I am quite disappointed, after more than 30 years of progress by the Canadian Government on human rights and refugee policy in Canada, that on the matter of Japanese Canadians that was just mentioned, all Canadians should be

ashamed of what our Government has done. Madam Speaker, because my own daughter has a Japanese grandmother, according to the rules that were in effect during the Second World War, she could have been put in a prison camp by the Canadian Government. I think it is a disgrace for all Canadians that during the war, we reacted so strongly that we put *bona fide* Canadian citizens in prisons and concentration camps, just because they had a Japanese great-grandfather. They were put in a concentration camp for that. I do not want us to adopt retrograde policies that would allow us to turn back a ship. I think that the Bill as it stands is a step back, and Canadians and Members of the House should reject it.

[*English*]

Mr. Keeper: Madam Speaker, I wonder whether the Hon. Member could elaborate a bit upon why the Government has chosen to bring in such badly drafted legislation with regard to refugee determination. It is hard to understand why, when there is a need for an effective refugee system, the Government would bring in legislation which is condemned by a wide group of Canadians. Does the Hon. Member have any ideas about why the Government is bringing in this legislation?

Ms. Copps: Madam Speaker, often in Parliament we hear the Government complaining about opposition criticism and how we are too tough on the Government because we ask some pretty tough questions. In fact, the people who have spoken out against this Bill, including the two Parties in the Opposition, are not only political people.

Among non-governmental organizations which have spoken out is the Canadian Council for Refugees that is made up of 96 different groups. It has turned thumbs down on the legislation. The B'nai B'rith of Canada has said that the legislation is open to legal challenges because it is unconstitutional. The Coalition for a Just Refugee and Immigration Policy has condemned the process and condemned the Bill as politicization of the refugee process. In fact, the Canadian Bar Association, the National Action Committee on the Status of Women, the Canadian Labour Congress, and the Canadian Ethnocultural Council all consider that this piece of legislation is so fraught with drafting problems that it will be snarled up in the courts for years.

Rather than passing the Bill and letting it be challenged in the courts, the better route to follow is for all Members on all sides of the House to make the necessary amendments, to respect the constitutional rights which have been invoked in the Charter, and to respect the opinion of not only the Opposition but many church organizations and community groups across the country which say that this Bill is simply going too far.

Mr. Cyril Keeper (Winnipeg North Centre): Madam Speaker, I welcome the opportunity to participate in this debate. This is not the first time I have spoken on this legislation in the House, but it is necessary to keep debating it until the Government gets the message.

I was asking my colleague why the Government has brought Bill C-55, an Act to amend the Immigration Act, into this House. The legislation has been widely condemned. I conclude that the Government has brought in this legislation because it has been playing to the fear that people have about false refugee claimants and immigrants. It has been appealing to the mass audience in trying to score political points. That was evidenced by the fact that Parliament was called back into emergency session last summer to deal with the question of immigrants in response to the headlines in the newspapers.

• (1320)

The Government is playing a mean spirited type of politics with refugee policy. It could follow an alternative. It could take advantage of the democratic process rather than play to mass audiences through the media and try to take advantage of fear about false refugee claimants and of the frustration felt by immigrants who are trying to reunify their families by bringing relatives to this country legitimately while others are trying to come in through the back-door.

Instead, the Government could implement a generous and genuine policy of family reunification, which it has promised time and time again. There are many immigrant groups in my riding with a genuine need to reunify families in this country. It should do the hard work that is necessary to develop an effective, fair, and generous refugee determination process. No Government can do that by itself. It must conduct public hearings to deal with the current refugee determination process which is clearly ineffective. It takes years to process people through that system. After two years, even if someone were found not to be a legitimate refugee, he has already begun to be integrated into the country and it is difficult to remove him. There are many other reasons the present system does not work. There must be a consultative process to develop a workable and generous refugee determination process.

The Government should produce a paper on its refugee determination policy on which groups concerned about refugee issues can comment. Those groups in our society working with refugee claimants on a daily basis should have input into the policy so that we can develop a process that will work, that will screen out those trying to come in by the back-door and take advantage of the generosity of Canadians, while providing safe haven for legitimate refugees whose lives are in danger for expressing their political views.

A refugee determination process must accomplish two goals. It must separate the wheat from the chaff so that the generosity of Canadians is not taken advantage of, while providing a safe refuge for genuine refugees.

An open door refugee claimant policy would only create a backlash in which Canadians would want to slam the door to prevent abuse of the system. Then we will have hobbled the possibility of establishing a real effective and generous refugee determination system.

The Government should take a democratic approach to the development of a refugee determination policy by allowing public discussion in which the Minister and interested groups can receive attention in the media. That would only be the beginning of the process. Real consultation could take place behind the scenes in which the Minister could have real dialogue with the church groups that work with refugee claimants, with lawyers who work with refugee claimants, with concerned citizens, as well as with members of the Opposition. For instance, the Minister could meet with our critic in order to get the benefit of his consideration in this area and thereby improve the legislation.

The Government has chosen not to do that. Instead, it has taken a much more traditional route of policy development, which is to seize a political opportunity. It has to announce action, strong action which will eradicate this abuse from the system. Therefore the development and the writing of the legislation is conducted behind closed doors. An announcement will come before the legislation is drafted. The call of Parliament will then come before the legislation is even ready. The Government will scramble to put something together. It does not have a real opportunity to meet with people to consider this matter in depth and to obtain some studied comments on the type of policy it is bringing forward.

• (1330)

In choosing to approach the refugee determination question from a political perspective, political in the sense of taking advantage of headlines and trying to get the attention of television cameras, the Government has lost the opportunity to obtain a genuinely democratic policy development process. It has lost the opportunity, thrown it away, to develop a policy in this very difficult area that could actually work, a policy that could combine both compassion and effectiveness.

I know that when the Government made announcements with regard to its legislation it added a footnote with respect to family reunification. It promised a more generous family reunification regime. I assume that it has done this because of what I have heard from people in my riding. I am sure that members of the Government hear the same thing in their ridings. When people from the immigrant communities in my riding go to the Department of Immigration to ask to have a member of their family come to join them, they tell me that it is like banging their head against a brick wall. I am told that the process is very slow and difficult. I know from the case work in my riding that when we seek information from the Department of Immigration to try to assist on some occasions we are successful and we can facilitate the process. However, it is an incredibly slow, cumbersome, and difficult process. There is a need to be more compassionate with regard to those people who are already in this country as immigrants. They are here. They are established. They want to live a decent and humane life. Part of achieving that is by having their whole family here rather than just parts of it.

Rather than the Government stating that it will do something about family reunification as an add-on to an announcement about refugees, it ought to take the whole matter very seriously. It ought to take the opportunity to do something real in the area and to be much more generous in terms of recognizing that families are the backbone of the country. The Government should realize that immigrants have made a great contribution to the country. If we want those immigrants who are here to enjoy the benefits of their own hard work, then we ought to allow them to bring their relatives here.

Rather than seeking to take advantage of headlines and rather than playing to people's fears, the Government ought to be performing some real policy development in the area of family reunification and in the area of developing an effective refugee determination process. In short, it ought to be governing the country. It ought to be developing policies that will work. It ought to be examining the policies that are there, recognizing where the policies do not work, and going through the process of developing a policy that can be effective. That is called governing.

If the present Government were to concern itself more with governing the country than it does with the public opinion polls and the latest headlines, I think it would do better politically. It would do much better in the public opinion polls in the direct result. However, when it seeks, as the Prime Minister (Mr. Mulroney) appears to be doing most of the time, to play to public opinion and to the headlines as well as to raising of the stature of the Government in the polls, it is seen to be doing just that. The people then simply refuses to give it their confidence. What is needed for the country is a Government that is committed to devising policies that are necessary to meet the problems the country faces.

If the Government were to set its agenda, recognize that we need to have an effective determination policy, and go about developing it, obviously it would receive criticism in the process as well as some publicity. Fundamentally it would build confidence among Canadians in their own capacities, intentions, and values. As an indirect result it would gain in popularity, if we can call it that, and in the polls.

Maybe one of the reasons it is so desperate to use every political opportunity in order to rise in the Gallup poll result is that it was elected on such a wave of public approbation. Members of the Government were so high in the Gallup polls when they were first elected that I am sure it was some sort of a record in polling history. They got so high that when they came crashing down to earth it must have been a pretty hard experience. Thus it desperately sought a quick-fix political answer to its desperate straits in the public opinion polls when what it ought to have been doing was concerning itself with governing the country. Having been elected its job was then to solve the problems that faced Canadians, or at least to face up to them and do the best it could about it.

There is one characteristic about the Government which stands out to a great many Canadians, simply that it does not

appear to have a real agenda. It seems to go around like a ping-pong ball. It is battered this way and that. If it could ever establish a real agenda and follow, then people would have confidence in it and it would not have to take political advantage in the area of refugees and immigration.

When the Government was elected it said that it would husband the financial resources of the public. It said that it would be very careful with the way that it would spend money. In the last few days we have seen the Government throwing money around like proverbial drunken sailors. If we could have by-elections in every region of the country, then maybe all Canadians could benefit from this behaviour. What this demonstrates is the fact that the Government has no consistent direction. It just seeks political favour. What we need from the Government is a commitment to govern, to develop the policies that Canadians need and, most particularly, we need a policy with respect to refugee determination.

The hard work that it takes to meet with groups of people and to consult with them in regard to refugee determination legislation and to go through public debate is naturally a part of developing policy in a democratic society. That is what we need from the Government. We need a process that will work, that will be effective and efficient, and that will have compassion.

• (1340)

In light of the fact that so many groups with experience in refugee determination have condemned this legislation, I would ask the Government to withdraw the legislation and start over. It should with a White or Green Paper, throw out some ideas, consult, and start the long, hard work that is necessary to come up with a law that will work.

Mr. Epp (Thunder Bay—Nipigon): In his comments the Hon. Member suggested that the Government should have done the work of refining Canada's immigration laws dealing with refugees far more carefully. It should not have pandered to whatever prejudices there might be in the country, at least as we see it, but there should have been a careful inquiry. A Green Paper would have encouraged that process. A White Paper would already spell out government policy. In both cases there is abundant opportunity for debate, as we are seeing these days with regard to the White Paper on Defence.

In the 1970s the Liberal Government followed that course with a Green Paper on immigration, eventually proposals in a Bill, and changes in law. Changes on the side of the refugee determination process were attacked at that time as carrying within them the seeds of their own destruction. The process was likely to become cumbersome in practice, and it would require a good deal of personnel. It was quite legalistic and with these characteristics it had the potential to bog down. At that time there was much criticism of it.

Could the Hon. Member comment on that aspect? The Hon. Member is the long-time encumbent of the riding of Winnipeg North Centre. Another Member who represented that riding is at the Table now. We have all joined in recognizing his eightieth birthday, in wishing him well in celebrating that, and in wishing him many more years of service to the Canadian people. Living in that constituency are refugees who have fled from one country or another in order to find refuge in Canada.

Could the Hon. Member tell us something about the potential of persons for adding to our nation? There have been reflections by the Parliamentary Secretary on the ideas that these people might have. My colleague, the Hon. Member for Essex—Windsor has suggested that if the Parliamentary Secretary's ideas were to be followed we would need to have thought police at the border. Perhaps some of the persons in Winnipeg might be regarded as doubtful from the perspective of the Parliamentary Secretary. Yet, I imagine those persons make their own contribution to the City of Winnipeg and will become, or are already, good Canadian citizens who will strengthen our commitment to democracy and our devotion to the freedoms stated in the Charter of Rights and Freedoms. Could the Hon. Member provide some comments along those lines?

Mr. Keeper: It is clear that the people who come here as refugees, whether they are from Chile, the Philippines, or another country, are like Canadians. They are good people and like all of us they are unique individuals. Each of us is like a snowflake. We are unique. There are no two people alike. A person's fingerprint is his or her own, no one else's, even though there are now four or five billion people on this planet. Each of the people who come here is unique and has a unique contribution to make to Canada.

These refugees would prefer to stay in their own country and to have made their contribution there, but they did not have that option. Many of the people from Chile live in my riding. Even though they have been here for quite a few years now, they still think of Chile as home. They would like to see democracy return to Chile in order that they could return there.

In the meantime while they are here they are contributing together with other groups to the vitality of our community. We appreciate the uniqueness of each of them and the contribution they make. The fact that each is different and unique provides us with the challenge of understanding. We can appreciate differences in another person, celebrate and enjoy them. At the same time we understand that there is a demand, a requirement that Canadians understand someone who may be different. Of course we are all different and we are all unique.

People from the Philippines have a passionate commitment to democracy. I am sure all Canadians are aware of this fact; they can easily remember the bloodless revolution that took place in the Philippines. The people rose up against a dictatorship and were able to overthrow it and replace it with an electoral democracy. It is incredible witness to the power of the human spirit that, without guns, they were able to overthrow a brutal dictatorship that was abusing their country. Those

people who are here in this country, and people from other parts of the world, have a tremendous contribution to make. Each and every one has a unique contribution to make and much to teach us about the democratic process. We enjoy the democratic process. It is worth while to have people here who have experienced dilatory dictatorships and great poverty in other counties. They bring an experience to our society that we do not have first hand. Therefore they enrich our life and at the same time challenge us to understand the differences among the people. In balance, we ought to come down upon the fact that these people make a unique and important contribution to our society, to our politics, and to our culture.

Mr. Heap: I have listened to the Hon. Member's remarks, and I would like him to enlarge on one aspect. He has shown that he has a great variety of people in his constituency in Winnipeg. He probably has had acquaintance with some people who might be considered not the most popular with the powers that be, but nevertheless perhaps are not in fact a danger. The amendment before us would replace the idea of excluding somebody from a chance to make a refugee claim because he or she is considered to be such that to allow a refugee claim would be contrary to the public interest, or to narrow that down to say that he or she would only be excluded if he or she were a danger to the public.

Would the Member comment on whether from his acquaintance with people in his constituency, and not of course to identify individuals, he can see some who might have been acceptable if they were being examined only as to whether they would be a danger to the public, but perhaps might have been unacceptable if they were being examined as to whether their entry into Canada or into refugee status would be contrary to the public interest? Can the Hon. Member reflect on that?

The Acting Speaker (Mrs. Champagne): The time for questions and comments has expired, but I will allow the Hon. Member one minute to comment briefly.

Mr. Keeper: I must say that the phrase "contrary to the public interest" as a criterion for refusing or admitting a person to refugee status sounds to me like as very vague concept. If we are to have a refugee determination policy that is effective, that can draw the distinctions between someone who is in genuine need of refuge and haven those who are simply trying to come in the back-door, trying to take advantage of our refugee determination policy, we must have clear and effective criteria. The notion that a broad phrase like that could be abused is of great concern to many Canadians.

• (1350)

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, I want to commence my remarks this afternoon by indicating to the Speaker and to the House that the essence of this Bill is as a result of a problem that commenced one year ago when boat loads of refugees landed on our shores in Atlantic Canada. At that time there was considerable public debate in the nation with respect to our existing refugee laws. As a result, last summer the Government recalled Parliament to deal with what it termed to be an emergency situation.

What has led us to debate the immigration laws and what has led us to begin the debate today in the final stages of a new refugee law? Perhaps one should go back to our roots as a nation and find ourselves in terms of an historical perspective with respect to the immigration policy Canada has developed since its birth 121 years ago.

I think most Canadians acknowledge that Canada has developed a reputation in the international community as a haven for refugees. Many people have immigrated to this country to build a new life consistent with the values we hold dear to ourselves. From a personal standpoint, I happen to believe that perhaps the reason Canada has such an enviable reputation in the international community is our tolerance for minorities.

I personally believe that our roots in terms of our treatment of minorities go back to the great battle of the Plains of Abraham. For the first time in history, the conqueror allowed the conquered to keep their own language, culture, and system of laws which was quite different from the British system. The French Canadians in Canada at that time accepted the Napoleonic Code of Laws, as they do today.

It was the beginning of Canada as a nation showing much tolerance for minorities. It was the beginning of the development of a reputation that Canada has justly acquired over the years as a country that is very tolerant toward minorities.

If we examine our immigration policy since 1867, we find that there were cycles or waves of immigration beginning in the late 1800s when a number of refugees and immigrants came from the Ukraine. That led to the expansion of Canada, particularly western Canada. In post war years Canada has been very open in terms of its immigration policy to immigrants from Europe and the Third World. I recall the way in which Canadians opened their doors to the people of Hungary during the revolution of 1956 when thousands of Hungarians fled that country because of suppression by a totalitarian regime. They largely fled—and I will elaborate on this with respect to our concerns about this Bill—to a so-called safe country. Most of them fled to Vienna and to Austria, and from Austria they immigrated to other parts of the world. Canada accepted a great many of those Hungarian refugees.

If one looks at the 1960s when we had the Russian invasion of Czechoslovakia, we find that Canada again led the way in the international community by accepting a large number of refugees from Czechoslovakia. One has only to look at the 1970s when we had a similarly grave situation in the Far East. We again opened our hearts and our arms to the boat people.

I think there is a recognition by Canadians that our tolerance toward these refugees has developed our reputation in the international community. The difficulty that has arisen in the last 12 months is that, to some extent, Canadians' faith

in the immigration system has been tested. Most Canadians have indicated to Members of Parliament that what they want in terms of a bona fide refugee and immigration law is to ensure that our basic sense of fairness as a nation is being applied and that the integrity of the immigration system is intact. I think that is the prime focus of the review of the existing immigration law. That is the reason we are having this debate in the House of Commons today.

Most Canadians expect their Members of Parliament to ensure when a new immigration law is passed that the sense of integrity of the system and the degree to which Canadians adhere to it, the basic fairness of the Bill, will be addressed by Parliament. This is where the Liberal Party has such difficulties with the legislation presently before the House. We have concerns in three particular areas, namely, the pre-screening section of the Bill, the concept of a safe third country, and the appeal process itself.

It is fundamental that all three political parties acknowledge the need for changes to the existing immigration laws. To some extent, Canadians' faith in the system has been undermined by refugees. I am not talking about bona fide refugees but about refugees with very weak claims who are using the weaknesses in the existing laws to circumvent the system of immigration to this country. Many Canadians feel that, provided genuine refugees are addressed, the rest who are questionable in terms of their bona fide refugee status go through the same process that all other immigrants are expected to follow.

I can go back to the Diefenbaker Government years when the Prime Minister at that time, John Diefenbaker, introduced the Bill of Rights. Subsequently, in the 1981 Constitutional Amendment Prime Minister Trudeau introduced, for the first time in a British parliamentary system, the Charter of Rights. The Charter of Rights, in essence, allows for the supremacy of the individual to take precedence over government. Therefore, it is very important to remember that in the process of passing immigration laws whatever laws we pass ought to be subjected to a test of the principles of the Charter of Rights.

All of us as Members of Parliament should listen to the eminently qualified organizations which have testified not only before the House of Commons committee but before the committee in the other place that dealt in a very compassionate and creative way with the immigration Bill in terms of the amendments it put. To some extent I am very disappointed the Government has chosen to deal with only four of the eighteen amendments recommended by the Senate, but that is the prerogative of the Government.

Surely we must have a great deal of concern when qualified organizations such as the B'nai Brith and the Coalition for a Just Refugee Program indicate to the committees that significant segments of the Bill will contravene the Charter of Rights and Bill of Rights. I believe the test for this Bill should be the application of the Charter of Rights to each and every part of the Bill.

• (1400)

Let me now deal with the three major concerns of the Liberal Party with respect to the Bill. I indicated previously that the Senate advocated 18 amendments. Four have been addressed by the Minister and I will deal with three of them in my remarks this afternoon.

First, there is a great deal of concern about the pre-screening process itself. In terms of the legislation it is a step forward in the creation of a new refugee board that will act at arm's length from the Government to deal with the question of what constitutes a bona fide refugee case and what constitutes a bogus case. However, it seems to me in the process of creating a positive step, namely, the refugee board, we have taken away from the refugee board part of its responsibility by allowing a pre-screening process to take place with an adjudicator and a member of the board. This is ostensibly to cut down on the number of cases that go before the board. That is a major flaw in the Bill. From the standpoint of fairness and equity in the system, it leaves a lot to be desired when at the very beginning of the process two people will be able to determine—and I am sure they will not ask for a long history of the refugee's claim—whether or not a person can then proceed to the refugee board for clarification.

When we talk about a pre-screening process or the application that will come before the refugee board, it is important to realize that in a world in which we have a number of undemocratic regimes large numbers of organizations are seeking autonomy in their own home countries. In effect, we have as we witnessed in the Central American region, death squads of far right and far left ideologies that have terrorized many people and created a large number of people seeking refugee status throughout the world.

Canada has taken a leadership role in immigration, witnessed by the awarding of the Nansen Medal by the United Nations. To some extent this Bill is an abandonment of the principles upon which the Canadian immigration policy and leadership role assumed by Governments, Conservative and Liberal alike over the years, has been founded. By introducing a pre-screening process we have subjected ourselves and are open to the accusation that we say one thing in assuming a leadership role in the international community, but when it comes to this Bill dealing with refugees we are taking away from our advocacy of a just and fair immigration and refugee policy.

With respect to the safe third country concept, the Liberal Party recommended that an arm's length advisory board to Cabinet be established. It would be solely the prerogative and responsibility of the organization at arm's length from the Minister that would be in a position to determine what constitutes a safe third country list. Others have spoken in this House today and previously about the politicization of the process when we allow Cabinet to be the sole arbitrator of what constitutes a safe third country in dealing with a refugee claim.

Let us put this in perspective. People and Members of Parliament have spoken earlier about the United States. All of us assume—and I believe we accept the fact—that the United States will also be a haven for a number of refugee claimants, but even in the United States refugees from El Salvador and from Central America are regularly turned away. Having declared the U.S. to be a safe third country, does it mean that a refugee from El Salvador who claims refugee status in Canada and who commenced his journey to this nation from the U.S. would be deported to El Salvador from the U.S.?

Similarly, in the United Kingdom there has been indiscriminate turning back of Tamil refugees. Would it mean a Tamil who claims refugee status in Canada would be turned back to Britain? Would Britain be considered to be a safe third country?

These questions ought to be clarified before passage of the legislation. The whole concept of a safe third country is an integral part of this legislation. In the international community the concept of a third country list is now accepted. It probably will be the focus of international co-operation in the years to come.

It seems to me that in developing the idea and following through the legislative process it would be much more effective and perceived to be fair and accepted by Canadians, if the decision to determine what constitutes a safe third country were made by a body of experts at arm's length from Cabinet. That is the second point that gives a great deal of concern to us who have been opposed to many parts of the immigration Bill since the Government introduced the draft legislation a year ago.

Much has been made of the fact that in one individual's case the Secretary of State for External Affairs (Mr. Clark) intervened and asked that the refugee in question not be granted refugee status. Concern was voiced here in the House of Commons, and it is legitimate. For that very reason the Government ought to accept the amendment to allow the establishment of a body of experts at arm's length from the Government to determine what constitutes a safe third country.

The last area of great concern is the appeal process itself. The appeal process presently in place allows an appeal to take place by a refugee. The appeal goes to the Federal Court of Canada, but the Federal Court can only determine whether the laws of this nation are being applied. The Federal Court is not, in my opinion, the proper place for an appeal process on a refugee claim.

We are not simply talking about questions of law. They are questions of life and death to many refugees. If one looks at history, over the last 10 years those in Iran who practice B'hai have been persecuted. They face death. It is not a question of a point of law. The question is life or death. If a person of the B'hai faith were refused to be considered a bona fide refugee under this legislation, the only point of appeal for that person would be to the Federal Court of Canada, which would only be able to determine whether or not Canada's laws have been fairly applied. The court would have absolutely nothing to do with the political part of the equation, namely, what constitutes a bona fide refugee claim.

It is important that there be established in the immigration law an appeal process where political points of reference can be applied and tested, and not just simply points of law. Canada has established itself in the international community and has an enviable reputation of being a leader on how to come up with a solution to the refugee problem. This problem gets worse by the day. We have more and more conflicts in various regions of the world that have added to the number of people who will be seeking refugee status. It is important that we have faith in a system that will apply the criteria fairly so that bona fide refugees will be allowed refuge in Canada.

• (1410)

At the same time, at the end of the process of legislative change we also have to ensure that Canadians have faith in the immigration system. I share with all Members of Parliament the concern that to some extent there has been a deterioration in the faith Canadians place in the existing system because people without bona fide refugee status have circumvented the law and have queue jumped. In our haste to solve that problem, we still want to ensure that at the heart of the new law that comes into place, we adhere to the Charter of Rights so that all refugee claimants are dealt with in a fair, just, and compassionate way.

The Acting Speaker (Mrs. Champagne): Questions or comments? Resuming debate.

Mr. Howard McCurdy (Windsor—Walkerville): Madam Speaker, no one questions the fact that the problem of refugees internationally is a daunting problem demanding an international solution. It is complex. It deals with the lives of thousands, indeed millions of people, who face prosecution, the threat of death, and all manner of dangers and threats to survival.

We also know that Canada has been faced with large numbers of people who have claimed refugee status. There is no doubt that there are those who are not refugees and could lay no credible claim to refugee status who have used our refugee laws to circumvent the immigration process. This is a problem that has been appreciated by all sides. It was a problem that was recognized, for example, by the Employment and Immigration Committee which proposed a new refugee Act that we on this side of the House believe would have addressed the problem adequately and fairly, consistent with international standards and consistent with the Canadian Charter of Rights and Freedoms. Instead of listening to the sound advice submitted by parliamentarians after listening to expert and concerned opinion, the Government introduced Bill C-55 and Bill C-84, Bills which on a number of grounds cause us on this side of the House and many people in Canada a great deal of concern.

We heard earlier the exchange that occurred between my colleague, the Hon. Member for Thunder Bay—Nipigon (Mr. Epp) and the Hon. Member for Hamilton East (Ms. Copps) on the issue of racism as it has arisen in this debate. I suppose that if one wanted to encapsulate the kind of exchange that went on, it was that we understand that in this country, racism is not altogether dead. On the other hand, it does not characterize the country as a whole or all of its people. Allegations of racism must be directed with a great deal of care at any portion of the population. At the same time, we must understand that there are a few of us, while not being racist, nevertheless in our efforts to find simple ways of categorizing everyone all too often resort to zenophobic tendencies.

Those of us who are concerned about racism and those of us who have from time to time experienced its ugly effects must conclude that all too often zenophobia, racism, or a kind of vague suspicion that lurks in the hearts of all too many about foreigners, is all too easily exploited for what must be considered crude political purposes.

This concern is only made greater by the fact that we understand that it was not the Portuguese who circumvented the immigration laws and claimed refugee status, nor the Turks who circumvented the immigration laws and claimed refugee status, but the Tamils and Sikhs, sharing only one thing in common apart from the fact that they came by boat, and that is that they are of a different hue, who provoked a strong reaction. There are certainly many of us in Canada who felt that that very strong reaction in those circumstances contained within it far too much zenophobia, perhaps far too much unconscious racism, and certainly a different kind of concern applied to one class of people as compared to another who appeared on our shores.

These kinds of reactions come easily. However, they are reactions that most people, upon a little reflection, hasten to correct. We would hope that a Government would not hasten to exploit such feelings.

There can be no doubt in the minds of those with whom I have talked among the Asian community, the West Indian community, or the African community that these two pieces of legislation would not have appeared under different circumstances. On the other hand, it is a hopeful and encouraging sign that these two pieces of legislation, Bill C-55 and Bill C-84, upon the reflection of the vast majority of Canadians, elicited not support but opposition, opposition to legislation not only because of what provoked it but because of its very character.

I have talked about the opportunism involved in choosing the particular time and circumstances of these two pieces of legislation. One must wonder if there really is a motive that would separate the Government and its legislation on the one hand from those involved in dealing with the refugee problem and the Committee on Employment and Immigration on the other hand.

The other day, this debate elicited remarks from the Hon. Parliamentary Secretary, the Hon. Member for Surrey—White Rock—North Delta (Mr. Friesen), who expressed real concern that we might let in too many nihilists, that we might admit too many existentialists, that we may be overburdened by Christian Marxists, that our purity of thought might be affected by dialectical materialists. One wonders if what we are really reflecting in this legislation is some basic attitude toward the kinds of refugees we ought to let in. One wonders whether there is not reflected in those remarks a basic agenda, a kind of selectivity in the minds of those who have brought forth this Bill in terms of who might appropriately be entertained as refugees.

As Hon. Members know, some events have occurred recently that give pause in that they seem to confirm the suspicions elicited by the Hon. Parliamentary Secretary. It has been reported today that one Nota Moises, the information officer of Renamo, is residing in Canada after some rather peculiar concatenation of circumstances that has not favourably affected refugees from Guatemala, El Salvador, and most particularly from India. This is a man who is easily identifiable with the right wing efforts supported by South Africa and the United States in Mozambique which have resulted in the deaths of hundreds of thousands of people, with no purpose in mind. As you know, Madam Speaker, the American State Department commissioned a study which ascertained that Renamo had no purpose other than to cause chaos in Mozambique, chaos which had the wide support of right wing factions all over the world. Somehow he found his way into Canada as a refugee, under circumstances which indicate that he circumvented all the rules, and probably, one must suspect, with considerable complicity on both sides of the Atlantic.

• (1420)

On the other hand, let us consider the case of Santokh Singh, an individual whose refugee status was established. He is a legitimate refugee denied admission to this country by virtue of the intervention of the Secretary of State for External Affairs (Mr. Clark).

On the one hand we have a legitimate refugee who had his refugee status properly determined having that refugee status determination overruled by the Secretary of State for External Affairs. Indeed, there is before us an amendment to this Bill which would make it possible for the action taken by the Secretary of State for External Affairs to be legitimized. This is an unsavoury set of circumstances which we think this legislation will only allow to continue.

We have suspicions with regard to the definition of a safe third country. What is a safe third country? Is it a country which the Secretary of State for External Affairs is concerned will in some way look upon Canada unkindly with respect to our bilateral relationships because we have chosen to act in a legal, humane, and appropriate way in terms of international standards as we did in the case of Santokh Singh? Will our refugee status determination be affected by the peculiar

decisions made by Americans with respect to refugees in the context of their agenda in Central America?

The legislation before us would deprive refugees of a proper determination and a proper basis for an appeal period. In terms of its history and its content, this legislation should be rejected as all too many have suggested it should be. We should, this afternoon, reject this piece of legislation; we should get rid of it.

This piece of legislation, along with another, required us to return here on an emergency basis. It is now a summer later.

Mr. King: Why?

Mr. McCurdy: Because the opposition to this legislation all over the country delayed its passage.

Mr. King: Not true.

Mr. McCurdy: The Member should recognize where the Government has failed.

The other interesting aspect to these two pieces of legislation is that the turning the boats back bit is going to lapse in six months, a clear concession of wrong-headedness and injustice.

This country was the winner of the Nansen Medal. It is just shameful that we have been unable to deal with the problem in the way in which so many have said we should; so many who have been concerned about refugees, so many who have been concerned about the abuses of our system, so many who are concerned about international standards for the treatment of refugees, and so many who are concerned about the meaning of the Charter of Rights and Freedoms.

I stood in this House just the other day and wondered aloud about the implications of the override clause with respect to Section 15 of the Charter of Rights and Freedoms which section, of course, deals with equality among peoples and guarantees against discrimination.

There are those of us who see that failure there is not unrelated to the suspected motivations for and the manner of introduction of these two pieces of legislation, Bill C-55 and Bill C-84. We want to clear away all the suspicions. Let us go back, regroup, and adopt the consensus legislation which was recommended by a parliamentary committee. Let us satisfy the need for this country to control immigration and refugee admissions but at the same time ensure that Canada's conscience remains clean and consistent with its historic values.

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mrs. Champagne): The first question is on the amendment standing in the name of the Hon. Member for Spadina (Mr. Heap).

Mr. Hawkes: Madam Speaker, I rise on a point of order. We have been doing a lot of things by consensus today in relation to this matter. We have a bit of a dilemma in that Members opposite or Members on this side, depending on the voice vote, may wish to stand to force a vote to be deferred to Monday night. I wonder whether we could have unanimous consent that if that happens all five questions before us would be put at the same deferral time. If the matter is dealt with one way or another by the voice vote, that is fine; but, if not, all five questions, the two main motions and three amendments, would be stood and voted on on Monday night.

I thought it might be wise to seek unanimous consent for that before we get into the voting procedure. I wonder whether that was the intent of the discussions with the opposition Parties. Unfortunately I was not party to those discussions.

The Acting Speaker (Mrs. Champagne): The House has heard the suggestion made by the Hon. Parliamentary Secretary. Is there unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Heap: Madam Speaker, we have no objection to the suggestion. However, I do not think the matter has been officially discussed among the three Parties. Therefore, perhaps we need to hear whether anyone else has any objection.

The Acting Speaker (Mrs. Champagne): The Chair is hesitant at this point. I think I heard that there was not unanimous consent. Did I hear correctly, or is there unanimous consent?

Some Hon. Members: Agreed.

The Acting Speaker (Mrs. Champagne): Therefore the question is on the amendment.

Mr. Heap moved:

That the motion of the Hon. Parliamentary Secretary to the Minister of Employment and Immigration be amended in the proposed amendment to insert a new Clause 32 into the Bill, by adding immediately after Section 123 the following new Section:

"123.1 Should Bill C-84, entitled, an Act to amend the Immigration Act, 1976 and the Criminal Code in consequence thereof, be assented to during the second session of the thirty-third Parliament and section 16 of that Act comes into force before this Act, then, on the day on which this Act comes into force the reference in section 123 of the Immigration Act, 1976 as amended by this Act, to paragraphs 19(1)(E) and (2)(A), subsections 39(2) and 40(1), subparagraph 48.01(1)(E)(iii) and subsections 82.1(2) and 83(1) shall be read as a reference to paragraphs 19(1)(E) and (2)(A), subsections 39(2) and 40(1), subparagraph 48.01(1)(E)(iii) and subsections 82.1(2), 83(1) and 9.1(1)."

The Acting Speaker (Mrs. Champagne): Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the amendment will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the nays have it.

Some Hon. Members: On division.

The Acting Speaker (Mrs. Champagne): I declare the amendment negatived on division.

Amendment (Mr. Heap) negatived.

• (1430)

The Acting Speaker (Mrs. Champagne): Is the House ready for the next question?

Some Hon. Members: Agreed.

The Acting Speaker (Mrs. Champagne): The question is as follows: Mr. Friesen moved:

That Bill C-55, an Act to amend the Immigration Act, 1976, and to amend other Acts in consequence thereof, be further amended in Clause 14

(a) by striking out line 38 at page 18 and substituting the following therefor:

"landing of that person and any member of that person's family who is in Canada at the time of the application, unless the Convention refugee is"

(b) by striking out lines 24 to 26 at page 19 and substituting the following therefor:

"cant and any member of the applicant's family for whom landing is sought if the immigration officer is satisfied that neither the applicant nor any member of the applicant's family who is in Canada is a person"

(c) by adding, immediately after line 8 at page 20, the following:

"(8) for the purposes of this section and section 48.05,

(a) a person is a member of another person's family if the person is

(i) the spouse of that other person, or

(ii) the child of that other person, or

(b) "child", with respect to a person, means

(i) a person of whom that person is the natural parent, whether the person was born within or outside marriage, and who has not been legally adopted by any other person, and

(ii) a person who was legally adopted by that person, but does not include any person who is or has been married;

(c) "spouse", with respect to a person, means a person of the opposite sex to that person who is married to that person by a marriage that is recognized by the law of the country in which it took place, other than a marriage occurring at a time when either person was already married."

(d) by striking out line 17 at page 20 and substituting the following therefor:

"mining eligibility to be grant-"

(e) by striking out line 23 at page 20 and substituting the following therefor:

"for a determination whether the person or any member of that person's family who is in Canada at the time of the application is,"

(f) by striking out line 28 at page 20 and substituting the following therefor:

"shall determine that the applicant and any member of the applicant's family for whom landing is sought is, but"

(g) by striking out line 32 at page 20 and substituting the following therefor:

"member of the applicant's family who is in Canada is a"

(h) by striking out lines 12 to 15 at page 21 and substituting the following therefor:

"(d) the person or any member of the person's family for whom landing is sought was determined not to be eligible to be granted landing for a reason other than the removal order; or

(e) the person and each member of the person's family for whom landing is sought were determined to be,"

(i) by striking out lines 25 to 29 at page 21 and the following therefor:

"(a) grant landing to the person and each member the person's family for whom landing is sought, where the person is a person described in paragraph (5)(d) or (e) and the adjudicator is satisfied that, but for the removal order, the person and each member are eligible to be grant-"

and

That the Bill be further amended in Clause 18 by striking out line 37 at page 28 and substituting the following therefor:

"hold office during good behaviour for a term not"

and

That the Bill be further amended in Clause 29 by adding immediately after line 46 at page 55 the following:

"(7) Section 115 of the said Act is further amended by adding thereto the following subsection:

"(5) The Minister may establish and appoint the members of a committee to advise the Minister with respect to the prescribing of countries under paragraph (1) (r)"

and

That the Bill be further amended by adding immediately after line 31 at page 56 the following:

"32. Section 123 of the said Act is repealed and the following substituted therefor:

"123. The Minister or the Deputy Minister, as the case may be, may authorize such persons employed in the public service of Canada as the Minister or the Deputy Minister deems proper to exercise and perform any of the powers, duties and functions that may or are required to be exercised or performed by the Minister or the Deputy Minister, as the case may be, under this Act or the regulations, other than the powers, duties and functions referred to in paragraphs 19(1)(e) and (2)(a), subsections 39(2) and 40(1), subparagraph 48.01(1) (e) (iii) and subsections 82.1(2) and 83(1), and any such power, duty or function performed or exercised by any person so authorized shall be deemed to have been performed or exercised by the Minister or Deputy Minister, as the case may be."

The Acting Speaker (Mrs. Champagne): Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Amendment (Mr. Friesen) agreed to.

The Acting Speaker (Mrs. Champagne): Is the House ready for the next question?

Some Hon. Members: Agreed.

The Acting Speaker (Mrs. Champagne): The question is the following one: Mr. Heap moved:

That the motion be amended in the proposed amendment to Senate amendment numbered 4 by deleting in subparagraph (iii) all the words after "(2)(c)" and substituting the following therefor:

"who the Minister has certified constitutes a danger to the public in Canada; or".

The Acting Speaker (Mrs. Champagne): Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the amendment please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mrs. Champagne): Pursuant to Standing Order 13(5), the recorded division stands deferred until 6 p.m. Monday, June 20, 1988.

* * *

NATIONAL TRANSPORTATION ACT, 1987

MEASURE TO AMEND

Hon. Gerry St. Germain (Minister of State (Transport)) moved that Bill C-131, an Act to amend the National Transportation Act, 1987, be read the second time and referred to the Standing Committee on Transport.

He said: Madam Speaker, first I want to thank the opposition for their co-operation in proceeding with this legislation at this time. It is truly a pleasure to rise in the House today and introduce for second reading a Bill which provides the means for ensuring that Canadians with disabilities are provided fair and dignified access to our national transportation system.

Bill C-131, an Act to amend the National Transportation Act, 1987, will give the National Transportation Agency the power to regulate accessibility for disabled persons to all transportation services and facilities under federal jurisdiction.

This will expand on a power that the agency now has to regulate accessibility for the carriage of disabled persons on airlines. The existing power for airlines resulted from an amendment proposed by the Standing Committee on Transport and concurred with by the former Minister of Transport, the Minister for International Trade (Mr. Crosbie), during hearings held on the Act when it was Bill C-18.

The committee was responding to submissions made to it by representatives of disabled persons, and the Minister of Transport was responding to recommendations from his transportation of disabled persons implementation committee. The Minister's committee included representatives of the industries affected as well as disabled persons.

As a result of the amendments, the agency will be able to prescribe regulations for the purpose of eliminating undue obstacles in transportation to the mobility of disabled persons. By regulation, the agency will be able to establish standards for the design, construction, and modification of means of transportation and related facilities, premises and equipment; respecting the use of signs, for the training of staff; respecting terms and conditions for carrying disabled persons; respecting the communication of information to disabled persons.

The amendments will also provide the enforcement provisions that will enable the agency to make a finding of undue obstacle and order corrective measures and compensation for expenses incurred. They will provide a defence where an applicable regulation has been met or has not been contravened and make the contravention of a regulation an offence which, on summary conviction, will be punishable by up to one year imprisonment and by a fine of up to $5,000 for an individual and by a fine up to $25,000 in the case of a corporation.

I would also point out that the amendments will require the National Transportation Agency and the Canadian Human Rights Commission to co-ordinate their activities in relation to the transportation of disabled persons. Both these agencies, as well as the Office of Privatization and Regulatory Affairs, have been consulted on these amendments.

Accessible transportation is a key to providing persons with disabilities the opportunity for full integration into the mainstream of Canadian life. Accessible transportation provides greater access to housing which, in turn, provides greater opportunities to education. This leads to greater employment opportunities and ultimately to greater self-sufficiency and independence, and the right to lead a full productive life with pride and dignity regardless of one's challenge or age.

The Standing Committee on the Status of Disabled also deserves mention for its tremendous efforts in having the public and private sectors report on activities undertaken to enhance accessibility for disabled persons. In the transportation field, Transport Canada has appeared before the committee and it provides periodic status report on its activities. As well, VIA Rail and Air Canada recently appeared before the committee.

The introduction of this Bill today is the culmination of the co-operation of efforts of industry, disabled persons, and government representatives in a true demonstration of how public and private sectors can work together.

The laws of a country are a reflection of the values of its people. I invite Hon. Members today to join with the Government in this co-operative effort so that this legislation can be placed alongside the other laws of Canada that reflect its tradition for protecting human rights and values in Canada.

I have kept my delivery very short so that members of the Opposition can respond. Again, I want to thank opposition Parties for their kind co-operation in dealing with this Bill expeditiously.

Some Hon. Members: Hear, hear!

Hon. Douglas C. Frith (Sudbury): Madam Speaker, in the spirit of co-operation, let me indicate to the Minister that the Official Opposition is prepared today to take this Bill to Committee of the Whole and complete third reading stage, if the Government wishes to do so this afternoon.

I want to say a few words about the provisions contained in Bill C-131. They are aimed at improving access for Canada's disabled communities to various passenger transportation services in Canada. As the House is aware, the Liberal Party has consistently supported laws that will improve access to transportation for Canada's handicapped.

In December, 1985, when the Conservative members of the standing committee were waivering to some extent on the principle of improvements for Canada's disabled, the Liberal Party at that time issued a minority report. I want to refer to some passages in the Liberal minority report dated December 18, 1985. We stated that we support all proposed legislation that would increase the accessibility, comfort, safety, and rate structure for the handicapped on all modes of transportation. In particular, we support the prompt implementation of the relevant recommendations of the *Equality for All* and *Obstacles* reports.

Our report goes on to say that we want to stress that mandatory minimum safety and access standards for the handicapped be incorporated into the National Transportation Act. The recommendation of the committee only goes as far as saying that the Government states its commitment toward the handicapped. We believe the recommendation should provide that statutory recognition be given to the right of access to transportation modes for the handicapped. Such a statement would legally bind transportation companies to modify their various carriers to ensure accessibility for the handicapped.

I am delighted to say, on behalf of the Official Opposition, that we recognize that Bill C-131 is a step forward for Canada's handicapped. For that reason we would like to have prompt passage of the Bill. I hope that the Minister will take advantage of our good mood this afternoon and proceed to Committee of the Whole and third reading of the Bill.

• (1440)

Ms. Pauline Jewett (New Westminster—Coquitlam): Madam Speaker, on behalf of the New Democratic Party and particularly on behalf of the Hon. Member for Beaches (Mr. Young) who has been very much involved in all matters relating to disabled people, I would like to say that we, too, wish to see the Bill proceed through all stages this afternoon.

I think that sometimes Canadians who have not had any disability at all fail to realize or have not yet realized that in fact, over three million Canadians are reported to have a disability, according to the Transport Canada study entitled *Transportation of Disabled Persons: A Canadian Profile.* Almost 70 per cent of all disabilities reported by Canadians 18 years of age and over are related to mobility or agility.

According to another study entitled the *Canadian Health and Disability Survey* conducted by Statistics Canada, the likelihood of having a disability rises very sharply with age as 38 per cent of Canadians aged 65 and older report a disability. It is therefore very important that we continue to take steps to improve access to those who have a disability. Bill C-131 is an important step in that direction.

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mrs. Champagne): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into committee thereon, Mrs. Champagne in the chair.

Clauses 1 to 4 inclusive agreed to.

Title agreed to.

Bill reported, read the third time and passed.

[*Translation*]

The Acting Speaker (Mrs. Champagne): It being three o'clock, this House stands ajourned until next Monday at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 2.45 p.m.

HOUSE OF COMMONS

Monday, June 20, 1988

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to Petitions Nos. 332-4510, 332-4539, 332-4559, 332-4560, 332-4564 to 332-4569 incl., 332-4591 to 332-4593 incl., 332-4595, 332-4604, 332-4607, 332-4608, 332-4612, 332-4613, 332-4617, 332-4619, 332-4624 to 332-4635 incl., 332-4640, 332-4670, 332-4747, 332-4782 and 332-4783, and, Mr. Speaker, I move:

That this House do now proceed to Orders of the Day.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Mr. Speaker: All those opposed to the motion will please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen.

Mr. Speaker: Call in the Members.

The House divided on the motion, which was agreed to on the following division:

• (1110)

(*Division No. 391*)

YEAS

Members

Andre
Belsher
Bernier
Bertrand
Blais
Blenkarn
Bourgault
Champagne
(Champlain)
Chartrand
Clark
(Brandon—Souris)
Cooper
Côté
Crofton
de Cotret
Desjardins
Desrosiers
Duplessis
Fennell
Fontaine
Fraleigh
Gottselig
Gray
(Bonaventure—Îles-de-la-Madeleine)
Guilbault
(Drummond)
Hamelin
Hamilton
Hardey
Hawkes
Hees
Hockin
Hudon
Kilgour
Ladouceur
Lanthier
Layton
Leblanc
Lewis
MacDonald
(Kingston and the Islands)
Mailly
Marin
Mazankowski
McCain
McCrossan
McDermid
McKinnon
Minaker
Mitges
Nicholson
(Niagara Falls)
Nickerson
Nowlan
Oostrom
Ricard
Schellenberg
(Nanaimo—Alberni)
Scott
(Hamilton—Wentworth)
Sparrow
Stackhouse
Stewart
Taylor
Towers
Tremblay
(Québec-Est)
Tremblay
(Lotbinière)
Turner
(Ottawa—Carleton)
Valcourt
Vincent
Wilson
(Swift Current—Maple Creek)
Winegard
Wise—66

NAYS

Members

Allmand
Althouse
Angus
Axworthy
Baker
Benjamin
Copps
Foster
Gagliano
Gauthier
Gray
(Windsor West)
Harris
Isabelle
Kaplan
Keeper
Langdon
MacLellan
Manly
McCurdy
Nystrom
Orlikow
Parry
Penner
Riis
Robichaud
Rodriguez
Rossi—27

• (1140)

Mr. Speaker: I declare the motion carried. Orders of the Day.

Mr. Lewis: Mr. Speaker, I move:

That the debate on Government Business No. 26, and on any amendments proposed thereto, shall not be further adjourned.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Speaker: Call in the Members.

The House divided on the motion, which was agreed to on the following division:

• (1150)

(Division No. 392)

YEAS

Members

Andre
Belsher
Bernier
Bertrand
Blais
Blenkarn
Bourgault
Champagne (Champlain)
Chartrand
Clark (Brandon—Souris)
Cooper
Côté
Crofton
Crouse
Daubney
de Cotret
Desjardins
Desrosiers
Duplessis
Fennell
Fontaine
Fraleigh
Gottselig
Gray (Bonaventure—Îles-de-la-Madeleine)
Greenaway
Guilbault (Drummond)
Hamelin
Hardey
Hawkes
Hees
Hockin
Hudon
Jourdenais
Kilgour
Ladouceur
Lanthier
Layton
Leblanc
Lewis
MacDonald (Kingston and the Islands)
Mailly
Marin
Mazankowski
McCain
McCrossan
McDermid
McKinnon
Minaker
Mitges
Moore
Nicholson (Niagara Falls)
Nickerson
Nowlan
Oostrom
Ricard
Schellenberg (Nanaimo—Alberni)
Scott (Hamilton—Wentworth)
Sparrow
Stackhouse
Stewart
Taylor
Towers
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Vincent
Wilson (Swift Current—Maple Creek)
Winegard
Wise—68

NAYS

Members

Allmand
Althouse
Angus
Axworthy
Baker
Benjamin
Copps
Foster
Gagliano
Gauthier
Harris
Isabelle
Keeper
Langdon
MacLellan
Manly
McCurdy
Nystrom
Parry
Penner
Riis
Robichaud
Rodriguez
Rossi—24

• (1220)

Mr. Speaker: I declare the motion carried.

GOVERNMENT ORDERS

[*Translation*]

HOUSE OF COMMONS

MOTION TO EXTEND SITTINGS

The House resumed consideration, from Tuesday June 14, consideration of the motion of Mr. Lewis:

That notwithstanding any Standing Order or practice of the House, from the day of adoption of this motion and until no later than Friday, September 9, 1988, the House will meet on the days and at the times specified in Standing Order 3, but not on August 1;

That during such period, the Speaker shall adjourn the House on Mondays, Tuesdays and Thursdays at 10.00 o'clock p.m., and on Wednesdays at 6.00 o'clock p.m., and on Fridays at 3.00 o'clock p.m., and that the provisions of Standing Order 66 relating to the adjournment proceedings shall be suspended;

That, during such period, the Standing Order respecting the daily mid-day interruption of business on Mondays, Tuesdays and Thursdays shall not be suspended;

That at 6.00 o'clock p.m. on Mondays, Tuesdays and Thursdays, or at the conclusion of Private Members' Business, the House shall proceed to "Government Orders" pursuant to Standing Order 22;

That, following the adoption of this motion, no motion under Standing Order 10(1) shall be receivable; and

That this special order shall not apply on any allotted days designated in the supply period ending June 30, 1988.

And the amendment of Mr. Guilbault (Saint-Jacques):

That the motion be amended by deleting in the first and second paragraphs the words:

"Friday, September 9, 1988, the House will meet on the days and at the times specified in Standing Order 3, but not on August 1;

That, during such period,"

and substituting the following therefor:

"Thursday, June 30, 1988".

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, we have just voted on a motion that gags the House, invokes closure and, in my opinion, reveals the extent of this government's incompetence and total inability to manage the House's time. For several weeks, it has been resorting to unparliamentary and almost undemocratic practices.

Mr. Speaker, this vote to invoke closure of the debate on motion No. 26, that is on a government motion to extend this sitting which, as we all know, began on August 11 of last year, effectively extends this sitting until Friday September 9, 1988. This means that the House will not adjourn for the summer, in accordance with the Standing Orders. Moreover, daily sittings will be extended until 10 p.m., creating, as we know, problems with families who, in many cases, are not here in Ottawa. MPs will therefore not be able to spend time with their children.

I want the government to know that I think the motion before us is shameful and goes against parliamentary practice since it invokes closure and places the Opposition in a difficult situation.

Mr. Speaker, what the Government did today when they moved to consider the orders of the day at 11 a.m, at the beginning of the proceedings, well they could have done that last week, on Wednesday, Thursday or Friday at 10 a.m., when the Government order was called. The fact is they didn't.

Why? Because it suited their purpose to prolong the debate a little, to make Canadians think that there was some resistance on the part of the Official Opposition or the NDP. But their primary intention was to attract the media's attention. There was one editorial on the subject this morning, and I have spoken to several Conservative Members who have said to me:

[*English*]

"We have an editorial in *The Globe and Mail*. Did you read it?" I did, Sir. I read it, yes. I was not very much impressed with it because the facts of it are not very impressive. The Government has been snapping its suspenders and saying, "we have an editorial, finally," after holding the House of Commons for three solid days last week, a waste of time—

Mr. Belsher: We were not holding it.

Mr. Gauthier: Yes, you were. Members of the Government held the House of Commons last week for three solid days. They now have an editorial in *The Globe and Mail*. How much begging that cost, I do not know.

I remind government Members that *The Globe and Mail* is the national newspaper—if they are going to hold this up as anything more than a piece of paper—that was found in contempt by the House on December 22, 1976. I wish to put the matter into context.

I wish to read the motion adopted unanimously pursuant to Standing Order 43. It was moved by Mr. MacEachen and seconded by Mr. Baker, the former Member for Grenville—Carleton, who is now deceased, that a statement contained in an editorial in *The Globe and Mail* was a gross libel of Mr. Speaker, and that the publication of the article was a gross breach of the privileges of this House.

That was the only time in the history of Parliament that I know of, in my 15 years here, that a newspaper was found to be guilty of contempt of the House of Commons. Members opposite are waving this morning's editorial saying, "Look at that. We have a great newspaper article saying that we were right last week". They were not right last week, and they know it. They did it intentionally. They left the House hanging because they refused to use the rules to assist their purpose, which is to order Government Business.

[*Translation*]

Mr. Speaker, I said it last week, I said it last Wednesday and again last Thursday in the House, after each vote in which only the Liberal Party Whip participated, the government could have used a provision in the Standing Orders which would have allowed it, during Routine Proceedings, to call the orders of the day. Why didn't they do this either on Wednesday, Thursday or Friday?

Ms. Copps: Because they didn't want to!

Mr. Gauthier: I don't know, but they wanted to shift the blame for the delay to the Opposition. Well, Mr. Speaker, they showed poor judgment, as usual, and in my opinion, they acted irresponsibly and displayed their incompetence and inability to manage the time of this House.

It's so obvious, Mr. Speaker, that this Government is awkward . . .

Ms. Copps: Clumsy!

Mr. Gauthier: . . . clumsy—I thank the Hon. Member for Hamilton-East (Ms. Copps)—when it comes to managing its affairs. They looked like a bunch of fools about a month ago, Mr. Speaker . . .

Mr. Rossi: They are!

Mr. Gauthier: . . . when they sent a letter to the Official Opposition House Leader dated May 30. That was barely a month ago—no, I'm sorry, it was in fact only a few weeks ago. In this letter dated May 30, they indicated their desire to see the three parties in the House reach an agreement to pass 23 bills at different stages, and said that five Bills on the Order Paper could perhaps be adopted . . .

[*English*]

I should read this because it is in English. There were 11 Bills not yet introduced, something which was contained in the letter of May 30 signed by the Minister of State for the Treasury Board (Mr. Lewis). There was everything from the Canadian Exploration and Development Incentive Program, to child care, to film and video, disabled persons, transportation, and income tax reform. We finally got the Bill on income tax reform. It was in the form of a Ways and Means motion. It is a huge package.

Members of the Government want this, plus those 11 pieces of legislation not yet introduced, plus a major debate on abortion, a major debate on Meech Lake, and a major debate on free trade. They want that, all in the space of less than 20 days. How foolish can they take us to be? How do they play the Canadian public to eat this up and to believe this nonsense?

Just to give the House an idea of the complexity of the tax reform Bill, I looked into it.

[*Translation*]

I looked into several Standing Orders to see if it was possible, in the space of a few days, to go through the entire Bill. Mr. Speaker, I will give the benefit of the doubt to the experts in this field, namely the Joint Committee on Taxation of the Canadian Bar Association—these are no fools—and the Canadian Institute of Chartered Accountants, who also are very knowledgeable in this area. Here is what they had to say about this Bill in a brief submitted in May 1988, not two years, but rather barely one month ago, and I quote: "The provisions of the draft Bill pertaining to automobile costs and related benefits are extremely complex. A total of 30 different amendments had to be made to the Act and the relevant regulations to translate into legal terms the proposed measures contained in the White Paper as amended in December 1987.

These provisions are full of technical errors, which proves that even those who wrote them have a great deal of trouble understanding the regulations". These are not my words, but rather those of Canada's accountants and lawyers who examined the bill, the voluminous, 500-page Bill that the government wanted to pass in just a few days. That makes no sense at all, Mr. Speaker. The purpose of tax reform as to simplify matters and make them less complex. That has not happened, Mr. Speaker. They have complicated matters, even for the Canadian Bar Association and for our country's accountants. And here in the House of Commons, we would like to settle this matter quickly, in a matter of days! That is our idea of democracy.

• (1230)

[*English*]

We love to have things done our way. We said: "Just a minute. The people of Canada want to hear the debate. They want to have this thing looked at sincerely and with the intent of possibly strengthening it and avoiding some of the mistakes we know the Government is prone to making".

The Government called us back on August 11, last year, for an emergency session. A boatload of Sikhs landed in Nova Scotia and an emergency was declared. Those two Bills are still before the House.

Mr. Lewis: It is the Senate's fault.

Mr. Gauthier: Those Bills have not been approved.

Mr. McDermid: Because of Allan MacEachen's stalling.

Mr. Gauthier: All right, it is the Senate. I have got someone excited over there.

Mr. McDermid: The legislation has been two hundred days in the Senate.

Mr. Gauthier: It is true we have not finished. Even today the Government is proposing amendments, amendments which are difficult and complex. These people want it their way. It is the old "mother knows best" attitude.

Ms. Copps: It is a racist move and they know it.

[*Translation*]

Mr. Speaker, the motion will . . .

Some Hon. Members: Oh! oh!

The Acting Speaker (Mr. Paproski): Order, please! The Hon. Member for Ottawa-Vanier has the floor.

Mr. Gauthier: They don't like to hear the truth, Mr. Speaker. Motion No. 26, which would suspend the Standing Orders and allow the government Order, effectively cancels the summer adjournment. We the Members of the Opposition are prepared to work diligently. If the Government wishes to call bills and to debate them seriously, then we are prepared to work with them, to deal with the legislation on the table. We are quite prepared for daily Question Period and quite willing to let journalists report what they see and rap the government on the knuckles when it deserves it. And it very often deserves it.

[*English*]

We do not mind that, Mr. Speaker. It would cost us a fortune to have that media coverage every day. "Go ahead", I say to the Government, "sit all summer; sit July and August". We will have, I think, the benefit of having Members over there down in the polls in August while we will be going up. It is an old truism that when the House sits, Governments go down in the polls and the Opposition goes up. So I say: "Go ahead. Do you think we care?" We would just as soon be here, and we will debate this.

Mr. McDermid: Sit down and let's get on with things.

Mr. Gauthier: I hear someone shouting "sit down". That is the Government's position. "Sit down, shut up", the Members say, "we will have it our way".

Mr. McDermid: You cannot have it both ways.

Mr. Gauthier: Muzzlers.

[*Translation*]

Ms. Copps: We want to see the new federal Member for Lac-Saint-Jean, Mr. Pierre Gimaïel!

Mr. Gauthier: Mr. Speaker, we, the Official Opposition, also want Pierre Gimaïel to take a seat somewhere in the back as the Hon. Member for Lac-Saint-Jean. Sometime in the next few days, we will receive confirmation once and for all that the Member for Lac-Saint-Jean is Pierre Gimaïel and we will be proud to have him take a seat with us.

Now then, the House will sit without interruption. Perfect. No problem. We will debate bills. But what does the government want to debate? We must seriously ask ourselves that question. The government passed 106 bills during the first session and 89 so far during the second session, for a total of 195. A total of five Private Members' Bills were passed during

the second session and three during the first session, for a total of eight. In all, 203 pieces of legislation have been passed by the House. That's not so bad. That's about average, when we look at past governments.

Some Hon. Members: No, no.

Mr. Gauthier: The numbers for the past four years are around 200, 210, 215. No more, but no less. I hear some nos. You weren't here at the time, so how could you know! I say to you that this is about average. We might not have worked miracles, or invented a better mousetrap, but we haven't done too badly. The reason is because the Opposition has been willing to work with the Government. When the Government is serious, we are more than willing to go along with it. However, when the Government behaves irresponsibly, like some of the hon. Members before me, we can only do so much. When the Government proposes, we dispose. However, when the Government doesn't propose anything, how can we do anything?

There is a series of Bills now before us, Mr. Speaker. A while ago, I reminded the House of the 39 or so Bills that the Government wanted to take up, in addition to two or three important debates. It's sad to say, Mr. Speaker, but the Government is being irresponsible if it thinks that the House of Commons should deal with 40 Bills in less than one month when, as I just explained, it has dealt with nearly 200 over a period of four years. It means that the Government wants us to accomplish in one month's time what normally takes us about one year to do! It's trying to push and hurry the Opposition, don't you see! It's trying to influence public opinion through an editorial in the *Globe and Mail* and trying to fend off the Opposition. Well, Mr. Speaker, it's going to take more than an article in the *Globe and Mail* to fend us off when we know that the government could, if it had had any guts and backbone, have tabled these Bills in an orderly fashion in the House.

They are asking us to spend five days on the Mulroney-Reagan Agreement, that is the free trade agreement with the United States. This agreement has the potential of altering Canada's business and economic future. They want us to spend only a few days on tax reform. I Assume that the Government was serious when it stated in its letter of May 30 that it wanted to spend a few days on this subject. The fiscal and economic future of our country is at stake here! They asked us to deal with Meech Lake quickly and we did. The Government got its way, and the first vote has taken place and the other ones will be taken on Wednesday at 3 p.m. The official languages Bill has been before the House since June 25. It was called last February 8 or 9. It was referred to a committee on March 9. The committee met in an emergency session on March 17. It's now June 20, Mr. Speaker, and the Bill has been before the committee for three months. The Government is not even scheduling meetings of the committee. Why is this? Because the Conservative caucus disagrees on the scope of the Official Languages Act. They are putting their personal interests before those of Canadians. The passage of Bill C-72 is being delayed, through no fault of the Opposition. We have told them to pass the bill as is. But they answer that they have some issues to resolve between themselves. That particular piece of legislation will also affect our country's future.

Ms. Copps: Arguments between Neanderthals.

Mr. Gauthier: Indeed. And here we are being asked to move quickly on 40 Bills, including those that I just mentioned, and some others as well. It's ridiculous! And they know it is. Can the Government be so incompetent as to suggest that the House do the impossible? If this it true, then it's sad for the country.

Mr. Speaker, the government was very pleased with its tax reform proposals.

You remember the government supported tax reform. We have seen the tax reform bill and it will take more than three days to wade through it and pass it. The government has to be reasonable. If it is prepared to refer it to a committee after a serious debate in the Commons, we have no objections to that.

The Government also claimed to support parliamentary reform. A committee chaired by Mr. McGrath considered reform for two or three years and did a good job of it. The Government couldn't say enough about how a reformed House would be a great improvement and how backbenchers on both sides would finally have more power to change things. But, we know that nothing has changed. They have even trampled the Standing Orders with motion no. 26. And why have they done this? To impose their will and their ideas on the House.

It's a shame, Mr. Speaker, but democracy will only be better served when this Government is defeated and replaced by another.

Mr. Speaker, we are dealing with incompetent people. Bourinot speaks of "evidence of the lack of foresight and the tyranny of the majority". The Government is using its overwhelming majority to push its agenda through the House, something it is unable to do by acting in a democratic, proper and parliamentary way. They have thrown out the Standing Orders to achieve their objective.

The Government tells us that the situation is urgent and that passage of these Bills cannot be delayed. It brings up the issues of tax reform, free trade, abortion—there's an issue of great importance to the country, Mr. Speaker! We would like to resolve that issue, but the Government has neither the heart nor the courage nor the expertise to table a Bill. What does it want? It would like to table a motion, something lukewarm. We don't quite know what the government's intention is because it is incapable of leading the country or of proposing something concrete to the House. It would prefer to poll Members and when it has a clearer picture, to ask some legal experts to draft a Bill.

In the Globe and Mail,

• (1240)

[*English*]

It is quoted. *The Globe and Mail* says that the Liberal Deputy Whip, the Hon. Member for Saint-Jacques (Mr. Guilbault), thunders that the Government is trying to do an opinion poll of Members of Parliament, an awful precedent. That is true. Government Members are. They are unable to make up their minds. They are unable to come forth with legislation. I believe they should be replaced. I believe this is wrong. This Government has absolutely lost control. It does not know what it is doing. It is now in a situation where it wants to push through everything in the hope that Canadians will buy that. Canadians will not buy that nonsense.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I rise in opposition to Motion No. 26 that will extend the sittings of this House into the summer with extended sitting on Mondays, Tuesdays, and Thursdays. We see that this motion is being pushed through the House by closure. We can be sure that this is only the first of many attempts by the Government to ram things through the House in violation of the tenets of democracy.

I oppose this motion first of all personally. I oppose it because it interferes with my own personal agenda as a human being, and I think that is important.

Mr. Lewis: It interferes with your vacation, 10 weeks.

Mr. Manly: That is important because it disrupts my plans. It disrupts my plans for life with my family and it disrupts my plans to do things in my constituency. I might say that in my case my children are grown up, so it is not as important to me as it is to many other Members. The disruption of family life is very serious.

Second, unless the Government has enough guts to call an election in the next two or three weeks, I will not be running again. I have said quite plainly that I will not be running after redistribution, so I am not as involved as other Members are in election work.

This is a violation of the rights of Members to be able to plan their lives, their constituency work, and their family and vacation time so that there is a degree of rationality introduced into all this.

A few years ago we brought in parliamentary reform, putting an end to this whole business of vacation roulette, with both the Opposition and the Government playing games with vacations. This whole process—

Mr. McDermid: It's like voting on first reading. Tell us what your constituents think about that.

Mr. Manly: You will get a chance to speak later. You had a chance to speak earlier after the Liberal Member. Why don't you shut up now and listen? You are not only trying to push this through on closure; you are not prepared to listen.

The Acting Speaker (Mr. Paproski): The Hon. Member for Cowichan—Malahat—The Islands.

Mr. Manly: Thank you, Mr. Speaker. I was trying to speak with some degree of rationality about parliamentary reform, and I will be addressing the Chair. You yourself, Mr. Speaker, know how important it was when parliamentary reform was introduced a few years ago. It meant that Members, both on the government side and the opposition side, could plan their lives with some degree of certainty. The Government has now tossed that out the window. It did it first last August by calling us back on a spurious refugee crisis. A boatload of Sikhs had arrived off the coast of Newfoundland.

It is interesting that just a week ago the Hon. Member for Surrey—White Rock—North Delta (Mr. Friesen) indicated that the refugees he is really concerned about are existentialists. He is concerned about having a boatload of existentialists arrive off the coast of Vancouver Island. He is afraid that some nihilists or some people who believe in situational ethics will arrive. Those are the people the Hon. Member for Surrey—White Rock—North Delta indicated Canada had to protect itself against when he spoke a week ago Friday. Perhaps you were here for that memorable event, Mr. Speaker.

In any event, we were all called back last August to deal with this so-called crisis. As you know, Mr. Speaker, there was no real crisis at all. Now, once again, we are throwing the parliamentary calendar out the window. We are throwing out any vestige of parliamentary reform that would let Members of Parliament plan their lives with any degree of certainty.

The Government is planning to use a platoon system. Government Members are not all planning to be here during summer sittings. In committee last week we were talking about a report, and the chairperson was very insistent that this report be tabled by June 28. I said: "Well, since the Government plans on having us here into July and August, why the rush?"

He said: "Well, I'm not going to be here; I'm not planning on being here". This is an abuse of the Government's majority. It has 208 Members to 72 opposition Members, though there will probably be 73 after today. The Government wants to abuse this system because government Members outnumber opposition Members by three to one, more or less. They think they can have one platoon here and another platoon out campaigning.

Of course, there are some pretty good candidates who are not Members of Parliament out there campaigning. They will do a number on those people for the abuse of democracy that this represents.

The Opposition has not been obstructionist in the House. The Hon. Member who spoke previously pointed out that we have passed a good number of Bills on a wide range of issues over the past number of months. Just this past Friday, the Opposition co-operated for speedy passage of Bill C-131 dealing with transportation for disabled people. Two weeks earlier, we co-operated by pushing through five different Bills

dealing with Indian affairs. We have co-operated on such things as tobacco legislation.

Whenever there is some issue with which we agree, we will give every bit of co-operation to the Government that we possibly can, even to the extent of forgoing making speeches on issues about which we feel very strongly. On issues to which we are opposed, we do not obstruct. We have degrees of opposition, as the Government knows. Sometimes we will put up only two or three speakers when we are opposed to a Bill. At other times we will put up more.

• (1250)

The one area in which we are quite firm and have said we are not going to let the Government push through is the Mulroney-Reagan trade deal. We oppose this with everything we have and every method at our disposal under the rules of Parliament because we see it as a sell-out of the Canadian people and a sell-out of Canadian sovereignty.

That is what this motion is all about. Motion No. 26 is really the attempt of the Government to push through Bill C-130 dealing with the trade deal. The Government has mismanaged its agenda which is so important to the Prime Minister and now wants to bring in extended days of sitting in order to push through Bill C-130 which was only introduced in this House on May 24. Everything about this trade deal illustrates an abuse of democratic process, and the motion to have extended sittings of this House is only the latest chapter in this abusive process.

You yourself, Mr. Speaker, were a delegate at the convention in 1983 at which the present Prime Minister (Mr. Mulroney) indicated that he was opposed to any trade deal with the United States. He said that the people of Canada opposed it in 1911 and would oppose it in 1983. In our Party we believe that the people of Canada will oppose this particular deal very strongly in 1988 when they finally get around to having an election.

In 1984, when the Prime Minister was campaigning across Canada, he campaigned on a program of opposing patronage, on honesty in government and things like that, but he did not campaign on having a trade deal with the United States. Far from it; he indicated that he was opposed.

Mr. Lewis: You just didn't listen.

Mr. Manly: The Hon. Parliamentary Secretary said that I did not listen. Perhaps he could get up after me and tell the people of Canada when in 1984 the Prime Minister said that there was to be a trade agreement. He knows very well that the people of Canada were listening to the Prime Minister. The Prime Minister was talking about an end to patronage and an end to pork barrel politics, and we have not seen an end to that. However, he did not talk about a trade agreement.

Ms. Copps: That's a Minister saying that too, not just a Parliamentary Secretary.

Mr. Manly: Yes, he is a Minister. Suddenly in 1985 we had an initiative to discuss this trade deal with the United States. For the next year and a half secret discussions were going on. The people of Canada were told very little of what was happening. The provinces were given only minimal information. The House of Commons was kept in the dark and when we were told anything we were not told the whole story.

I remember an opposition day debate on the trade agreement a year and some months ago. We wanted to know what was in that agreement. The then Minister for International Trade stood and said that she would tell us what was in the agreement, but she did not mention such things as the energy sell-out, which is such an important part of this deal. She never mentioned that although she was a former Minister of Energy and knew how important it was to the Canadian economy and the Canadian people.

Last fall over some Kentucky Fried Chicken there was a last minute agreement on the deal. The deal was cut as though by a used car salesman trying anything just to get a deal: "I'll throw in this, I'll throw in that; you give me this, I'll give you that". What a way to negotiate Canadian sovereignty.

Following that agreement we did not have the final text but only the elements of the agreement. There was a farce of committee hearings across Canada, one day in British Columbia and one day in each of the other provinces. We were not able to hear all the concerns of people about this matter. The people did not have the final text. It only arrived in the last couple of days before the committee had to report. The committee was under the gun. It was supposed to report before Christmas so that everything would be in order for the Prime Minister and President Reagan to sign on January 2. It was rushed through committee without giving the people of Canada an adequate chance to hear, to study, and to make their views known.

In Question Period we have seen the stonewalling of the Government on the questions which we have asked to try to get answers on what this deal is really all about. Instead of the Government coming forth and telling us what this is all about, we have a multimillion dollar deal to advertise it to the people of Canada, to try to sell it like soap. At the same time we have the refusal of a great many Tory Members of Parliament to debate the issue at the local level in local forums, to stand up with opponents of the deal and say what is right and what is wrong about it.

On May 24 the Government finally tabled Bill C-130, and now it wants to push it through. It is using Motion No. 26 to have extended hours and extended days of sitting to push through this ill-advised Bill which will spell the end of Canada's right to manage its own economy. It is a form of legislation by exhaustion.

When we agreed a number of years ago to parliamentary reform and a set parliamentary calendar, there was an element in the agreement which allowed for extended sittings in the last two weeks of June. That allows the Government to get a

lot of its business done and, at the same time, allows Members of Parliament to plan their schedules. The Government is now violating that agreement.

We will still have extended sittings during the last two weeks of June, and this creates some difficulty for the New Democrats with only 32 Members and the Liberals with only 40 Members trying to cover all bases. However, we are prepared to accept that kind of limitation. We are not, however, prepared to accept this kind of legislation by exhaustion into July and August. This is reminiscent of the 1956 pipeline debate when C. D. Howe and Louis St. Laurent pushed the pipeline Bill through this House of Commons.

In four years the Conservative Government has grown as arrogant and as uncaring as the Liberals did in 1956 and 1957 after 22 years in power. I can assure them that when the Canadian people finally get a chance to vote on this issue the results will be exactly the same. Tory Ministers are as abusive of the rights of Parliament as were the Liberals in 1956.

Perhaps I could refer very briefly to the record of the Tories when they were in opposition in 1981 and to how strongly they opposed Liberal motions of closure. The Hon. Member for St. John's West (Mr. Crosbie), the Minister who was going to be pushing this legislation through, said:

> This comes from a closure-crazed government, a government which suffers from the crime of parliamentary bestiality. It cannot wait to force these kinds of things through the House.

Further he said:

> The same little group comes in here on every closure motion. The same little group of parliamentary eunuchs—

I have some trouble with this mixed metaphor. On the one hand he talks about parliamentary bestiality and on the other he refers to a group of parliamentary eunuchs. Apart from that, he said:

> —the same group of parliamentary assassins—are in here all the time, assassinating this House and removing the good from the House. That is why I call them the parliamentary eunuchs. The good has already been removed from them.

Perhaps I could call it one o'clock, Mr. Speaker, and finish my remarks after Question Period.

The Acting Speaker (Mr. Paproski): Yes, the Hon. Member will have two minutes left for debate. It being one o'clock p.m., I do now leave the chair until two o'clock this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

RAILWAYS

NEWFOUNDLAND RAILWAY DISBANDMENT

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, in 1978 the Member for St. John's West (Mr. Crosbie) attacked the then Minister of Transport, Mr. Lang, as an ogre, the most untrustworthy and most heartless Minister he had ever met. Yet today, the same Member, the Member for St. John's West, has sold out the Newfoundland Railway for a mere $6 million. The $6 million man.

The Sullivan Royal Commission recommended twinning the Trans-Canada Highway in Newfoundland, recommended a compensation package, and recommended a highway across Labrador. None of that has been lived up today. This is a complete and absolute sell-out of the worst kind as far as Newfoundland is concerned.

The Government of Canada should have lived up to the terms and recommendations of the Sullivan Royal Commission, twinned the Trans-Canada Highway, put in a compensation package for the workers, and built a road across Labrador.

The $12 million allocated to the Trans-Labrador Highway is crumbs from the master's table, and the people of Labrador will not forget that they have been forgotten again and been treated as second-class citizens.

* * *

EMPLOYMENT

SHORTAGE OF QUALIFIED LABOUR

Mr. Gordon Taylor (Bow River): Mr. Speaker, the Canadian Federation of Independent Business advises that 42 per cent of its 80,000 member firms report a shortage of qualified labour and that in about half of these the cause was a lack of qualified skills. The irony is that at the same time a million Canadians are unemployed. The newspapers of the nation carry pages of advertisements of jobs available while Governments spend billions of dollars on discretionary grants to businesses and organizations.

Why all these apparent contradictions? Is it because Governments and business are asking for unnecessary qualifications such as bilingualism when only one language is required, or is it a lack of basics in the three R's? Whatever the reasons, it is high time that a review as recommended by the Standing Committee on Labour, Employment and Immigration is carried out. Surely such a review will recommend that some of the government grants be allocated to

upgrading basics under the job development and re-entry programs.

* * *

TAX REFORM

NEED FOR SIMPLIFIED FORMS

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, the *Concise Oxford Dictionary* defines "simplify" as meaning to "make simple, make easy or easier to do or understand".

When the Minister of Finance (Mr. Wilson) talked about tax reform he said it would also include tax simplification, that is, he would make it easier for Canadians to understand and fill out their tax forms.

Earlier this year he brought out the new TD1 form that every Canadian who receives an income must fill out. In my riding of Thunder Bay—Atikokan I was recently told of a pensioner who receives a tiny sum each month by way of a private pension. We are talking about $10 a month, hardly enough to pay for bus fare let alone pay tax. However, under the Minister of Finance's new tax reform, this pensioner is still required to fill out this new form consisting of no fewer than 16 questions. This is tax reform? This is a simplified tax form?

I suggest that the Hon. Minister, if he wants to make taxes easier to do, apply a little commonsense to the process. Either that or he should read the dictionary before he uses words that have more than two syllables.

* * *

MULTICULTURALISM

OPENING OF MOOSE JAW MULTICULTURAL COUNCIL'S PARK PROJECT

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, it was my pleasure to participate in the opening of a park in Moose Jaw yesterday afternoon. Happy Valley is a new picnic ground in an area of the city that was once residential but was abandoned because of occasional flooding during spring run-off.

This project was unusual because it was arranged and brought to its present stage with very little funding by either the federal, provincial or municipal level of government.

The sponsoring body of this project is the Moose Jaw Multicultural Council. At the opening ceremonies, flags from the homelands of the various ethnic groups that are members were proudly flying in the breeze.

I salute the hardworking president, Mr. Rudy Namtu, and all members of the council for this very worth-while project. I would also like to recognize the students of Ross School who assisted in the planting of hundreds of trees this past spring.

I am sure this example could be followed in many communities across Canada.

* * *

ATOMIC ENERGY OF CANADA LIMITED

DISTRIBUTION OF COOKIES MADE WITH IRRADIATED FLOUR

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, Atomic Energy of Canada has become the cookie monster. But unlike its *Sesame Street* counterpart, AECL does not hoard cookies, it gives them out freely.

This publicly funded body is distributing chocolate chip cookies made with irradiated flour. Why chocolate chip cookies you may ask? Think about it. How much irradiated liver could one give away?

Some recipients of these treats have discovered that if the cookies are not eaten right away, and left in the light for a week, they turn bone coloured. If they are stored in the darkness, the cookies still become a light tan colour. Some were afraid that irradiated products would glow in the dark. Now it appears they are whitening with daylight.

The reason for irradiation is allegedly to enhance the food's longevity in storage. Grandma's chocolate chip cookies never lasted beyond a few hours before they were eaten. Perhaps irradiation does overcome that problem.

• (1405)

* * *

[*Translation*]

YOUTH

BENEFITS PROVIDED BY FONDATION-FAVREAU

Mr. Marcel R. Tremblay (Québec-Est): Mr. Speaker, I would like to bring to the attention of this House a new organization that was created in November 1987. The purposes of this unique new organization are to give young people aged 8 to 18 from low-income families access to all cultural, sporting and artistic activities by offering them financial support and to provide follow-up to evaluate the positive, preventive impact that developing their talents will have on these young people.

Encouraging better cooperation and interaction among those working to help young people and their families is also one of the goals of the Favreau Foundation.

The Foundation operates through financial sponsorships from business and professional men and women and others who care about the welfare of these thousands of children in full physical and mental health who only want to fulfil themselves but who, for lack of money, are in danger of losing

the desire to pursue their own education and of falling into juvenile delinquency.

It is therefore up to all of us to ensure that these thousands of Canadians, tomorrow's adults, can help build for all Canadians a future to match their achievements.

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[*English*]

TAX REFORM

STUDY'S FUNDINGS OF EFFECT ON DISPOSABLE INCOME

Ms. Sheila Copps (Hamilton East): Mr. Speaker, we have seen once again today that the Tory idea of tax reform is to let the rich pay less and the poor pay more. As a result of Tory tax reform, the average family in Canada earning between $29,000 and $35,000 a year, is actually losing about $680 in disposable income. On top of that, the average family earning between $35,000 and $43,000 is losing $840 in disposal income.

An amount of $840 may not mean a lot to people in this Parliament or to the thousands of rich taxpayers who will not pay a penny in tax, but for a family of four in the community of Hamilton it means no possibility of buying a new refrigerator or any new appliance, creating jobs in our own community.

For a Prime Minister (Mr. Mulroney), who was elected on a platform of no tax increases, this Prime Minister has stuck it to the people of Canada in a worse way than any Prime Minister in the history of this country. It is another broken promise. It is another "*une trahison de la population*". All I can say is Tory times are tax times.

* * *

ECONOMIC SUMMIT

OPENING VENUE IN TORONTO

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, the seven Heads of Government at the Economic Summit held their first working session last night at the historic Toronto Hunt. They could not have chosen a more inspiring place to begin their deliberations, with its location at the crest of the imcomparable Scarborough bluffs and, I add, in the heart of the federal constituency of Scarborough West.

The Leaders may not yet know where the Summit is going, but the people of Scarborough West certainly know where it started. I add, in all parts of Metro it is clear that, traffic inconveniences aside, this great conferences recognizes how Metro has become a great world centre.

WORKERS MEMORIAL DAY

COMMEMORATION OF WORKERS KILLED AND INJURED

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, today, June 20, has been declared Workers Memorial Day by the Mine Mill Union Local 598 in Sudbury. This day was established by this union after the tragedy of June 20, 1984, when four men lost their lives in one fell swoop at the No. 5 mine shaft at Falconbridge.

We take this opportunity to commemorate those brothers and sisters who were killed, injured, or disabled on the job over the past years in Canada and throughout the world. Fortunately, great strides have been made in mine safety. Even so, 10 miners lost their lives in northern Ontario so far this year.

Across Canada, 744 workers lost their lives in industrial accidents in 1986, the most recent year for which we have statistics.

We are constantly exposed to rhetoric from business and government about the great contribution capital is making to developing Canada. All too often we forget that it is the working people who have done the most to help build our country, often at the cost of their own lives and health. We must recommit ourselves to a safe and healthy work environment, and fight to ensure that the Government show leadership on this issue.

• (1410)

I most sincerely hope that on June 20, 1989, we can stand up and say that Canadian workplaces are healthier and safer than they ever have been.

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[*Translation*]

BUSINESS OF THE HOUSE

THE OPPOSITION

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, we read an excellent editorial in this morning's *Globe and Mail*. The Liberal and socialist opposition has run out of arguments to use against our proposed legislation. By common agreement, they are now opposing the democratic system itself. It is a sorry triple alliance of unelected Liberal senators, a federal Liberal Party turned against itself, worn out and penniless, and the socialists, whose ideas change and vary.

[*English*]

AIRPORTS

PEARSON INTERNATIONAL AIRPORT—LICENSING OF LIMOUSINE SERVICES

Hon. Bob Kaplan (York Centre): Mr. Speaker, the Economic Summit leaders are lucky that they did not have to take limousines from Pearson International Airport into our city. If they had, they would have discovered a virtually disastrous situation in which more and more of my constituents and people from the Toronto area are missing airplanes, are being forced to go to one terminal, and walk to another terminal because of the poor system and the deterioration of the system that has been allowed to take place.

The federal Government is responsible for this. It issues limousine permits. A decision was made months back to issue an additional 70 permits. To our astonishment, these licences were all issued to the corporations that presently control the entry and access of limousines into the airport. No licences were made available to the operators, the people who know the traffic system, the people who were looking forward to the opportunity to break through what is a very small club of four companies that control, and should not be allowed to continue to control, the entire federal limousine service into Pearson International Airport.

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ABORTION

SACREDNESS OF LIFE

Mr. John Oostrom (Willowdale): Mr. Speaker, according to the United Nations, abortions outnumber deaths among the world's population. For every two pregnancies brought to term at least one is aborted. Abortion has become a tool to control population growth, and this is outrageous. Abortion is nothing but cold- blooded murder.

Consider that right now in Canada it is legal to kill a baby up to birth, but illegal to kill the same baby once it is born. Even humans found guilty of committing the most heinous crimes are allowed by law to continue to live. In fact, our tax dollars pay these murderers to abort innocent lives. There should be no right to choose once life is created, for life is the only thing that is sacred in this universe.

* * *

POLITICAL PARTIES

POSITION OF NEW DEMOCRATIC PARTY ON CONDUCTING BUSINESS OF THE HOUSE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, there have been some accusations that the New Democratic Party is holding up the business of the House of Commons. I wish to clarify what it is that we are doing.

On Friday a request came to consider amendments to the National Transportation Act to assist the disabled in terms of travel. You will recall, Mr. Speaker, that with the co-operation of the New Democratic Party and the Official Opposition, the Government passed that legislation expeditiously. As a matter of fact, it was passed in less than one hour.

I wish to make it clear that, if it is good legislation the Government brings forward and in the best interests of the people of Canada, we will co-operate 100 per cent. We will work with the Government and we will work with the Opposition.

But when the Government brings in a motion to pass the trade legislation, that is where we differ. That is why we will use whatever procedurally acceptable opportunity we have to frustrate the Government in order that an election can occur to allow the people of Canada to indicate how they feel about this sell-out to the United States.

* * *

FINANCIAL INSTITUTIONS

MATHEMATICS USED IN CALCULATING SERVICE FEES

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, service fee charges continue to multiply. However, it is now the banks and trust companies charging each other with having the highest service fees.

It is obvious that over the past few years both banks and trust companies have become very proficient at subtraction as they take money out of customers' accounts more and more frequently. However, the question raised last week is whether they can add. A real division now exists over which institution is subtracting the most from customer accounts.

My initial reaction was that they needed a higher form of mathematics, for example, differential calculus, to settle the dispute by calculating the velocity at which money is leaving customers' accounts. However, even differential calculus appears inadequate to settle this issue.

Only the most advanced calculus, residue theory, is adequate to settle this issue once and for all. For those not familiar with residue theory it is also used in calculations involving material close to an unlimited black hole in space.

• (1415)

Perhaps the banks and trust companies will cancel their charges at least against each other if not against consumers, and refer the dispute to the universities.

Oral Questions

HOUSE OF COMMONS

EMPLOYEES' SUMMER HOLIDAYS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, later today, or perhaps tomorrow, Parliament could adopt a motion calling for us to sit throughout the summer months. In as much as I am not in favour of that particular proposition, I rise today to speak on behalf of the employees who work for us here on Parliament Hill.

Some of the 3,000 or so employees on Parliament Hill have already received notices stating that they will not be able to take any holidays this summer and therefore will be unable to be with their families. I trust, Mr. Speaker, that you will make at least some time available for the staff of Parliament Hill so that they can have at least one week off, or something in that order, so that they can be with their families. Unlike the Conservative caucus the staff cannot work on a roster, with one week on the Hill and three weeks off.

* * *

TRADE

UNITED STATES SUPREME COURT RULING ON IMPORTED URANIUM

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, last week in a decision of major importance to Canada the United States Supreme Court reversed the finding of a lower court and ruled that the United States Government does not have to place restrictions on imported uranium to help to protect domestic producers. Canadian uranium producers and American users will no doubt greet the news with jubilation.

In more general terms this decision helps cement the spirit of free trade. It demonstrates that the dispute resolution mechanism contained in the free trade agreement is viable and will work to the advantage of both nations.

ORAL QUESTION PERIOD

[*English*]

RAILWAYS

NEWFOUNDLAND RAILWAY—ANNOUNCEMENT OF DISBANDMENT

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, this morning Newfoundland and Labrador witnessed the abandonment of the Newfoundland Railway. An announcement authored by the Hon. Member for St. John's West and by the Premier of Newfoundland was an announcement that represents nothing less than a supreme act of hypocrisy and betrayal of the people of Newfoundland and Labrador by the Government of Canada, and by the Government of Newfoundland.

Some Hon. Members: Shame!

Mr. Tobin: While this Government was dishing out many millions of dollars like candy in a by-election in Quebec to try to elect the Prime Minister's friend, Mr. Lucien Bouchard, today in Newfoundland and Labrador a railway over 100 years old was being buried by the Newfoundland Government and by the Government of Canada for an inadequate amount of compensation spread over a period of 15 years.

In 1978, the Conservative Party, and specifically the Hon. Member for St. John's West, took the position that the abandonment of the Newfoundland Railway was unconstitutional, and could not be done under the 1949 Terms of Union between Canada and Newfoundland. Indeed, a Royal Commission of Inquiry, the Sullivan Royal Commission, stated: "If the Province refused to co-operate in the required constitutional change, then, in the opinion of the Commission, there would be no choice but to continue full rail service".

Given that constitutional guarantee I ask the Deputy Prime Minister why was the Hon. Member for St. John's West in St. John's, Newfoundland, this morning announcing the abandonment of the Newfoundland Railway? Why was the Hon. Member on behalf of the Government of Canada unilaterally revoking the Terms of Union between Newfoundland and Canada, refusing to recognize the constitutional requirement to provide a railway service and future transportation services in the Province of Newfoundland and Labrador?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, when the Hon. Member talked about the support that this initiative had, he failed to include that this initiative has the support of the workers and many communities in the Province of Newfoundland.

Ms. Copps: Call an election; we'll find out.

Mr. Mazankowski: I quote from the press release where the Hon. Member for St. John's West has made the following statement. It says:

> This agreement is a reflection of our common desire to work toward the provision of a safe, efficient, productive transportation system to meet the present and future needs of the people of Newfoundland and Labrador.

It goes on to say that this initiative will firmly establish a transportation system that will allow Newfoundland and Labrador to meet transportation obligations into the 21st century.

• (1420)

This is an initiative that has been worked out with the province in consultation with the various communities and with the workers. I think it is a good solution and one that will allow a proper transportation system to develop in the province so it can take advantage of the tremendous economic opportunities in the future.

Mr. Tobin: Mr. Speaker, "We are not losing the rail service. I do not care what any Royal Commission recommends. There will be a rail service in Newfoundland. It will not be taken away from us. Unless the rail service is totally abandoned in Canada, it will not be abandoned in Newfoundland". Those are the words of the Member for St. John's West in 1978. What hypocrisy, Mr. Speaker.

FEDERAL GOVERNMENT POSITION

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, if the Newfoundland Railway service were to continue to operate, it would cost the federal Government, according to its own estimates this morning in its announcement in St. John's, $40 million a year to operate. That is $600 million over the next 15 years.

In closing the railway, the federal Government proposes to spend in transportation upgrading, in exchange for abandoning the railway, a little over $700 million in the next 15 years. In other words, the reality is that Newfoundlanders are being asked to abandon the railway for an additional $6 million a year in federal government spending over 15 years. Newfoundlanders have been stabbed in the back for $6 million a year and the hand on the knife is the Member for St. John's West and the Premier of Newfoundland, traitors to their province.

Mr. Speaker: I am sure the Hon. Member probably on reflection knows he has gone a little further than he would wish. I would like him to take back the word "traitors" because he referred specifically to one of the Members of this place, and then he can put his question.

Mr. Tobin: Mr. Speaker, in the interests of abiding by the Speaker's advice, let me say that there has been a somewhat miraculous, miraculous transformation of the Member for St. John's West from 1978 to 1988. It is amazing what a few years in Cabinet at the knee of the Prime Minister can do to what once was a proud Newfoundlander fighting for his province.

An Hon. Member: Where is he today?

Ms. Copps: He is hiding.

Mr. Tobin: Mr. Speaker, I ask the Deputy Prime Minister how can the Government of Canada justify the action being taken today, this insult today, to the people of Newfoundland and, in particular, justify shutting down the railway in two months time, September 1, 1988, shutting down that railway years before any additional highway capacity can be built in order to accommodate the extra freight traffic that will be moved from rails on to the highways? How can that be justified? Why the bloody big rush?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Member talks about hypocrisy. It would be rather interesting to know what his privately held views are because I think there would be some variance to what his public views are—

Ms. Copps: He doesn't have two views.

Mr. Mazankowski: —because I have had many discussions with him about the future of the Newfoundland Railway. I find his private views somewhat at variance with his public views, Mr. Speaker.

Ms. Copps: He doesn't have two views.

Mr. Mazankowski: What is important is the fact that—

Ms. Copps: Table your face.

Mr. Mazankowski: —the package includes some $405 million for improvements to the Trans-Canada Highway, something that Newfoundlanders want; another $235 million for regional trunk roads, something that Newfoundlanders want; $75 million for labour adjustment and related expenditures on the closure of the railway, which the workers want; $15 million for community adjustment, which the communities want; $8.1 million for ports development, and a federal contribution of $62 million to enrich the existing economic regional development or ERDA program which will be supplemented as well by the province.

All of these initiatives have been discussed with the Government of Newfoundland and with the people affected. This is a package supported by the province, the provincial Government of Newfoundland, by the workers, and by the vast majority of the communities.

ROYAL COMMISSION RECOMMENDATIONS

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my private views on the railway are the same as my public views which have been known for months. They are that any question of abandoning the railway ought to involve, first, recognition of our rights under the Terms of Union and proper compensation, not accounted for today. It ought to recognize the need for a maintenance agreement continuing in perpetuity to maintain those highways after they are built, not accounted for today. It ought to recognize the need for a meaningful retraining program for these hundreds of employees about to be laid off, not accounted for today. Those are my private views and those are my public views.

• (1425)

The Royal Commission of Inquiry into transportation of 1978 said that the federal Government should be required to ensure that sufficient funds are available to maintain the entire Trans-Canada Highway in the province and also to increase port facilities. It recommended as well that this maintenance money ought to be provided in perpetuity, as it is now provided in the case of the railway. In fact, we will have $6.6 million per year for 15 years and then we are on our own.

The Deputy Prime Minister knows my private views. He now knows my public views. Why have those reasonable conditions which this Party adheres to, and which the Leader of this Party publicly endorsed in St. John's, Newfoundland,

not been met in the agreement signed today? What kind of chicanery is the Government involved in in trying to rip off the poorest of all the provinces of Canada with this agreement signed today in Newfoundland?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, this is not a rip-off and the Hon. Member knows it. If the Hon. Member reads Article 31 and Article 32 of the Terms of Union, he will find that the undertakings that were made at that time are being in fact fulfilled in this announcement by the Government of Canada. Furthermore, there was also a provision to guarantee some protection with respect to freight rates. That too has been included in this package.

We are getting a lot of rhetoric here, and a bit of fanfare coming from the Hon. Member. I think that on reflection, when he studies the package thoroughly, he will find out that this is done in the best interests of Newfoundland.

FUNDING OF TRANS-LABRADOR HIGHWAY

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, my question is also directed to the Deputy Prime Minister. In 1978 the Hon. Member for St. John's West called Otto Lang an ogre, untrustworthy and heartless. However, Otto Lang built the airstrips along the Labrador coast and started the Trans-Labrador Highway.

Why is it that only $16 million has been allocated to that Trans-Labrador Highway in spite of the fact that the Sullivan Royal Commission recommended, if the railway was closed down, that a highway be built across Labrador? Why is it that Labrador is being treated as second class in this compensation package? Why is Labrador being sold out?

Judas Iscariot got 30 pieces of silver, and adding inflation that is more than we got today.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, under this agreement Labrador is not being sold out, neither is Newfoundland being sold out. The people of Labrador and of Newfoundland are not being sold out. Transportation services will be provided in the future.

As a matter of fact, the steps that are being taken here will build for the future and will provide the kind of competitive transportation system that will in fact enhance the economic opportunities for Newfoundland and Labrador. I think the Hon. Member recognizes that. The fact is that the road network will be improved. That is something that the Newfoundland Government believes is desirable and that is something that the people of Newfoundland believe is desirable. The Hon. Member will have an excellent transportation system that will handle people and goods.

OBSERVANCE OF CONSTITUTIONAL OBLIGATIONS

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, last week I asked the Deputy Prime Minister if the Government of Canada would live up to its constitutional obligations, and he said yes, it would, as reported in *Hansard*. Today we have seen that the Government of Canada has failed to live up to those constitutional obligations.

Those obligations require the Government of Canada to maintain a transportation system at national standards across the province, not just Newfoundland but across the province. That has failed to be done. Why did the Deputy Prime Minister say in the House a week ago that he would live up to the constitutional obligations of 1949 but today the Government has sold out the province so cheaply? Why?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Member, on reflection, may want to restudy that point because the fact is that Article 31 and Article 32 of the Terms of Union have been lived up to and fulfilled, as has the commitment to provide some protection for freight rates. That, too, has been incorporated in the agreement. I would invite the Hon. Member to re-examine the agreement. He will find that that is the case.

• (1430)

PROVINCIAL CONSTITUTIONAL RIGHTS

Mr. Jack Harris (St. John's East): Mr. Speaker, my question is for the Deputy Prime Minister. In view of the well known policies of the Government to privatize, deregulate, close down, and abandon the public services of Canada, it should come as no surprise to Newfoundlanders today to hear that the Government is going to close down the Newfoundland Railway.

The people of Newfoundland want to know today why their province alone has to put up with the abandonment of constitutional rights as spelled out in the agreement, that is, that this agreement and the funds are offered in full satisfaction of all Canada's constitutional obligations related to railways on the island of Newfoundland.

Why is Newfoundland, of all provinces in Canada, required to give up its constitutional rights in order to get a decent road system?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, as I said earlier, the Terms of Union are being lived up to.

Mr. Tobin: You bought them for a few baubles.

An Hon. Member: Shut up.

Mr. Tobin: I won't shut up. Try and shut me up.

Mr. Speaker: Order. The Hon. Minister has the floor.

Mr. Mazankowski: As I said, Mr. Speaker, Articles 31 and 32 are in fact being lived up to as is the commitment to provide some guarantee and protection for freight rates.

The objective of the Government has been, is, and will continue to be to provide better transportation services to more Canadians from coast to coast. I think the record clearly speaks for itself in terms of the overhaul of the National Transportation Act, improved air services, and the more competitive nature of our transportation system.

Doing this will provide a better opportunity for more Canadians from coast to coast to take advantage of the economic opportunities available through an enhanced transportation system. That is the objective and the reasoning behind this agreement which is supported by the Government of the Province of Newfoundland, by workers, and by many people who live in the affected communities of Newfoundland.

I invite the Hon. Member to re-examine the arrangement in order to see the positive benefits which will flow from this very good agreement which has been negotiated by the two levels of government.

AMOUNT OF FEDERAL FUNDING

Mr. Jack Harris (St. John's East): Mr. Speaker, the 1987 Newfoundland Royal Commission on Employment and Unemployment concluded that it would require $64 million a year, $40 million of which ought to be indexed to inflation, in perpetuity in order to compensate the people of Newfoundland for the loss of the railway. That is in addition to the requirements of compensating the 500 Newfoundlanders who will lose their jobs as a result of this.

This agreement provides for about $700 million over 15 years for transportation, only about $50 million a year, and nothing after that. Why are the people of Newfoundland being ripped off by the Government?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the people of Newfoundland are not being ripped off by the Government. We are putting in place a program for an improved transportation service which will allow Newfoundlanders and the people of Labrador to take better advantage of the economic opportunities available to them. The Hon. Member should be applauding that rather than ridiculing it.

GOVERNMENT POSITION

Mr. Jack Harris (St. John's East): Mr. Speaker, the Deputy Prime Minister said that this agreement is supported by the workers. Well, all the workers are getting under this agreement is what they are already entitled to under agreements they themselves have negotiated over the last number of years. They are getting nothing from the Government over and above that. The railway is being closed down September 1, 1988, but there will be no money spent on the TransCanada highway until 1992.

Why is the Government taking advantage of the unfortunate economic situation of the Government of Newfoundland and forcing it to accept this agreement and give up its rights for inadequate compensation? Why does the Government not deal fairly with the people of Newfoundland?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Member is wrong when he suggests that the federal Government is taking advantage of the people of Newfoundland. This agreement has been negotiated—

Mr. Tobin: The Government is looking for a few bucks to try to win an election.

Mr. Speaker: Order. The Hon. Minister.

Mr. Mazankowski: This agreement was negotiated with the Government of Newfoundland after extensive consultation. Such consultations have been going on for years. The agreement is put forth in the best interests of Newfoundland with the best opportunities for it to enhance its economic opportunities and have a first-class, up-to-date, efficient, safe, and competitive transportation system for the future.

EFFECT ON NORTH SYDNEY, N. S.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is likewise for the Deputy Prime Minister. If this is a stab in the back of the Province of Newfoundland, it is a stab in the heart of the Town of North Sydney. The Government has at least made a pretence of compensating the Province of Newfoundland and Newfoundlanders, but it has not given one cent to Cape Bretoners who will be losing their jobs as a result of this railway closure.

Why does the Government not admit that it is going to be devastating the economy of the town of North Sydney and costing the people of North Sydney jobs? Why does the Government not at least have the courage to admit that this is only the first step in the closure of the railway in Nova Scotia between Truro and Sydney?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Member is categorically wrong in that assumption. The fact of the matter is that CN will continue to maintain rail service to North Sydney. At the moment trains between Truro and Sydney have an average of 80 to 90 cars per day. The fact is that we will still have a multi-modal transportation service in this area.

As the Hon. Member knows, CN has probably one of the most generous and comprehensive adjustment, retirement, and retraining programs of any corporation in Canada. I am sure that he will be most helpful to his constituents in ensuring that if there is any adjustment he will be there to assist them, as will I.

CANADIAN NATIONAL LAY-OFFS

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, what the Deputy Prime Minister is saying is the most insidious thing I have heard in this House of Commons in a

long, long time. If there is to be no problem in Cape Breton why are four CN workers being laid off as of July 21? Why are two more being laid off as of the middle of September?

Why does the Deputy Prime Minister not then commit right now that there will be no rail closure of the line between Truro and Sydney? Will he guarantee right now that that line will remain open and that there will be no job losses in industrial Cape Breton?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Member is talking about adjustment and protection for the workers. There is a $75 million labour adjustment and related expenditure program as a result of this announcement. There is a $15 million community adjustment program and an $8.2 million development program for ports.

Mr. MacLellan: The ports are in Newfoundland.

Mr. Mazankowski: There is a $62 million ERDA agreement.

Mr. MacLellan: There is nothing for Cape Breton.

Mr. Mazankowski: This is in addition to the very generous employee benefits of the CNR.

Mr. MacLellan: Your nose is growing.

Mr. Mazankowski: The Member knows that. The fact of the matter, which the Member conveniently overlooks, is that the massive lay-offs which took place before 1984 make the adjustment which may occur now very miniscule by nature. He sat there and did absolutely nothing about them.

WORKERS' SEVERANCE PAY—EFFECT ON ELIGIBILITY FOR UNEMPLOYMENT INSURANCE

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister responsible for the unemployment insurance program. It was announced today that the Newfoundland Railway will be closed on September 1, 1988. The workers were never involved in the negotiations and were, in fact, informed at eight o'clock this morning of the deal. They will all be out of jobs on September 1, 1988, and their severance packages will not allow them to collect unemployment insurance. Because the unemployment insurance program was changed by this Government severance pay and all other remuneration they will receive will be applied to benefits.

Can the Minister stand up and tell me whether we are going to punish Newfoundland railway workers three times?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration)): Mr. Speaker, unemployment insurance exists to help workers who become entitled to unemployment insurance benefits. This Government has created programs to assist the social reintegration of the unemployed. Under the specific programs like the one mentioned by the Hon. Member, we have allocated special funding on a shared-cost basis with industry, and we intend to do everything we can to ensure that the dignity of the Canadian worker is respected.

• (1440)

[*English*]

REQUEST THAT MINISTER CHANGE ELIGIBILITY REGULATIONS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, prior to September, 1984, severance pay and any other emoluments paid to workers when they lost their jobs through no fault of their own were never considered income for unemployment insurance purposes. It was the present Government that made that change and discriminated against unemployed workers.

There are no provisions in the unemployment insurance program to give benefits to workers. It will be mostly older workers who will be affected. They will never be able to get a job as quickly as when they were younger.

Will the Minister tell the House if she is prepared at least to go back and change the regulations so that any unfairness of this sort will be eliminated?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration)): Mr. Speaker, I repeat that unemployment insurance exists for people who are looking for a job, for people who are laid off, and that is why this Government has created programs to assist social reintegration, and we intend to continue creating jobs at the same rate we have maintained since 1984.

[*English*]

EFFECT OF FEDERAL-PROVINCIAL AGREEMENT ON NEWFOUNDLAND

Mr. George Baker (Gander—Twillingate): Mr. Speaker, today will go down in the books as a dark day for Newfoundland because Newfoundland becomes the only province in Canada without a railway. I am wondering why.

Why is Newfoundland the only province in Canada that is forced to give up its railway, with hundreds of permanent employees, in exchange for some money to upgrade its roads? Québec did not have to give up its railway when the Prime Minister announced $900 million two weeks ago to upgrade its roads. Why is Newfoundland the only province in Canada that is forced to trade rails for roads?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, this agreement was not forced upon the people of Newfoundland or the Government of Newfoundland. It was negotiated with the Government of Newfoundland which speaks on behalf of the people of Newfoundland. It was negotiated very simply because it was considered to be in the best long term interests of the people of Newfoundland, with economic development and a good transportation system so that Newfoundlanders

can have the same opportunities as people in every other part of Canada. That is why the deal was negotiated.

EFFECT ON FREIGHT TRANSPORTATION

Mr. George Baker (Gander—Twillingate): Mr. Speaker, this is not the closure of a branch of a railway or a portion of a railway, this is the closure of the entire 960 kilometres of the railway in exchange for 166 kilometres of pavement. That is only 18 per cent of the entire Trans-Canada Highway in Newfoundland.

Does the Minister really believe that Newfoundlanders will believe this is a fair deal? Does the Minister not realize that as a result of this deal every single bit of freight that crosses Newfoundland will have to go on that road? This includes all the dangerous substances, explosives, dangerous chemicals, the whole shebang will have to go over that one road with only 166 kilometres of new pavement.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, if the Hon. Member is such an advocate of the railway why did he not get out and campaign with the shippers and the producers of Newfoundland to get them to utilize the railway? Quite frankly, the fact of the matter is that traffic volumes have declined to such an extent that it is totally non economic to continue the operation. Rather than pouring more money into the support of that operation it was considered to be more effective to build a better transportation infrastructure which would allow Newfoundlanders to take full advantage of the economic opportunities that are available to them.

* * *

[*Translation*]

EXTERNAL AFFAIRS

MILITARY COUP D'ÉTAT IN HAITI—GOVERNMENT POSITION

M. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is directed to the Parliamentary Secretary to the Secretary of State for External Affairs. Our hopes and the hopes of Haitians that democracy would come to Haiti have been dashed by a military coup and by statements made by General Namphy, to the effect that he will establish a non-democratic, military junta. Four of Haiti's major donor countries are at the Summit in Toronto. Has the Canadian Government raised this issue so that these governments can prepare an effective response?

Mr. Jean-Guy Hudon (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, it is a pleasure to answer on behalf of the Secretary of State for External Affairs and to inform the Hon. Member that we are monitoring the situation very closely. The issue was indeed raised at the Summit in Toronto, and we will have news about the discussions on the present situation in Haiti very shortly.

QUERY WHETHER CANADA WILL RECEIVE PRESIDENT MANIGAT AS REFUGEE

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, there were some rumours to the effect that Mr. Manigat plans to come to Canada to seek asylum. Is this true? What would the Canadian Government's response be to his request?

Mr. Jean-Guy Hudon (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, this is a very hypothetical question. Of course, when we have a situation like the present one in Haiti, Canada is always mentioned as a possibility. At the present time, however, we cannot assume that the deposed president is now actually on his way to Canada. We will have to follow the same immigration rules that all other people have to follow when they want to come here. However, it is all very hypothetical at this time.

REQUEST THAT GOVERNMENT JUSTIFY POLICY OF PRECEDING 10 MONTHS

Hon. André Ouellet (Papineau): Mr. Speaker, my question is also directed to the Parliamentary Secretary to the Secretary of State for External Affairs. After the coup, it was obvious that General Namphy would once again proclaim himself to be Haiti's Head of State. This is the same gentleman for whom the Canadian Conservative Government had high hopes, the same gentleman the Canadian ambassador trusted so implicitly. The Parliamentary Secretary must be pretty embarrassed on behalf of his Government today! I want to ask him how, in the light of recent events, he can justify the Conservative Government's lack of coherence in its policy vis-à-vis Haiti during the past year or so.

Mr. Jean-Guy Hudon (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I am very much surprised to hear the Hon. Member qualify a situation we are analysing as events unfold as being perfectly obvious. I find it even more surprising since Canada's policy will be affected, especially by the unanimous report we tabled, a report to which the Hon. Member was a party. As far as the assistance program is concerned, what is now happening in Haiti merely reinforces our position, and we have no reason to be embarrassed. I would refer the Hon. Member to statements made by the Secretary of State for External Affairs in the House in which he expressed considerable reservations about the electoral process. We did not say we recognized this or that president. We recognized a State. In fact, this was made clear in our initial recommendation that Canada should maintain the present level of its diplomatic representation in Haiti. I signed that report, Mr. Speaker, and the Hon. Member opposite signed as well, and I believe our report remains relevant. The people of Haiti need help.

SAFETY OF CANADIANS IN HAITI—GOVERNMENT POSITION

Hon. André Ouellet (Papineau): Mr. Speaker, what the Haitian people need above all is democracy, real democracy. I want to ask the Parliamentary Secretary what kind of concrete

measures the Canadian Government will consider to support the upright citizens who wish to create a democracy in Haiti. And especially, I would like to ask the Parliamentary Secretary whether he can give the House the assurance today that the safety of Canadians working in Haiti, and I am thinking especially of missionaries, is assured at this time. Are the people who had the courage to ask publicly for democracy in Haiti threatened today by this dictator who has just come back to power, and what will the Conservative Government do to help Canadian nationals who may be at risk today in Haiti?

Mr. Jean-Guy Hudon (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, reports received from Port-au-Prince, from our ambassador who is still posted there, indicate there is no danger to Canadians at the present time. Of course, since it is an emergency situation, we must always analyse events as they unfold, and the Department of External Affairs is constantly in touch with our ambassador in Haiti. We are analysing the situation, and as in other instances when difficult situations arise, we will be able to take steps as required to protect the lives of Canadians who are in Haiti and who are doing humanitarian work and a magnificent job.

* * *

• (1450)

[*English*]

NATIONAL DEFENCE

ACQUISITION OF NUCLEAR POWERED SUBMARINES—TOTAL COST

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is directed to the Minister of National Defence. Today we learned that Rear Admiral John Anderson, who heads the Minister's own nuclear submarine acquisition program, has indicated that the Minister's $8 billion price tag for the nuclear attack submarines fails to include a number of critical components, including ship-to-shore communication systems, the missiles that will be used on the ships, the cost of making nuclear fuel and a whole range of items.

As the Deputy Prime Minister well knows, when a Canadian goes in to buy a car, that individual wants to know what the full cost will be before he signs on the dotted line. Before the Minister of National Defence signs on the dotted line and locks Canadian taxpayers into a multibillion dollar package, would it not be appropriate to know what the actual total cost is before he makes that commitment?

Hon. Perrin Beatty (Minister of National Defence): Indeed it would, Mr. Speaker, and indeed we do. There are a number of elements in the Hon. Member's question that are simply false. For example, it is not our intention to acquire anti-ship missiles. Were we to do so, however, they would replace the Mark 48 torpedo we are buying for the submarines and an anti-ship torpedo would cost less money than a Mark 48 torpedo. Is the Hon. Member suggesting we should do that? If he is, we would actually be saving money.

Second, with respect to fuel fabrication, we do not intend to fabricate it in Canada although we will have the ability to load the fuel in Canada—

Mr. Riis: You are going to buy it?

Mr. Beatty: —and that is included in the $8 billion figure. Third, with respect to the VLF communications with the submarines, these submarines will be capable, as are our three Oberon Class submarines today, of receiving these messages. At the present time we use allied communications systems. We have taken no decision on whether to build our own or to continue to use allied communications systems. If we do, we would take that into consideration and it would come off the $8 billion figure.

Mr. Riis: Perhaps what the Minister of National Defence should do is sit down with Rear Admiral John Anderson and explain to him that, although he heads the Minister's own nuclear submarine Hunter Attack Submarine Task Force, he obviously does not know what he is talking about. One or the other is not being straight with the people of Canada.

PRICE QUERY

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I want to direct my supplementary question to the Minister of National Defence. In terms of the acquisition of nuclear fuel, can the Minister tell us what the actual price tag will be, the price tag for the actual purchase of the updated communications system, the price tag for the missiles that will be used, the price tag for the new port facilities, which are not included, and the price tag for the training of the crews, which have not been factored in? Will the Minister now simply be honest and straightforward with the people of Canada and tell them precisely what the price tag per sub will be?

Hon. Perrin Beatty (Minister of National Defence): Mr. Speaker, the Hon. Member is simply wrong again. The fact is that upgrading of port facilities is included. The fact is that a range of other items mentioned by the Hon. Member are included in the cost. To carry on the Member's analogy with respect to a car, with respect to the total program cost of $8 billion, we are including not only the cost of the car but the cost of the garage, the driveway, of drivers' ed, of licensing, of a driver's licence and of insurance. That is a pretty good start.

HOUSING

SALES TAX ON HOUSING MATERIALS—REQUEST FOR RE-EXAMINATION

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, my question is directed to the Minister of State for Finance. An objective of tax reform is to help people of modest means. In the past some of us in this House have advocated the removal of the federal sales tax on housing materials as a way of doing that. So I ask the Minister, in light of the critical shortage of affordable housing, especially in our large metro areas, will the Minister take a fresh look at this dimension of the tax system and seek ways of reforming it to help people who now despair of ever realizing a home of their own?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I would like to thank my hon. friend for the concerns he has expressed about affordable housing in Toronto. Clearly, the issue of housing prices in tight markets is a very important one. I have to tell my hon. friend, however, that tax reform is premised on the basis of not increasing preferences and deductions but in fact removing them, broadening the base and lowering the tax rate. As a result of that, we will not be in a position to do precisely what he has asked. However, I have to tell him that we will have, as he knows, a refundable sales tax credit. That will be put in place to allow middle-income Canadians and lower-income Canadians, after tax reform, to be better looked after.

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NATIONAL DEFENCE

ACQUISITION OF NUCLEAR POWERED SUBMARINES—COST OF INFRASTRUCTURE

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, my question is directed to the Minister of National Defence. In answer to one of my questions last week, the Associate Minister of National Defence stated it would cost $3 billion for infrastructure and $5 billion for the submarines, but the Assistant Deputy Minister in charge of *materiel*, Mr. Eldon Healey, stated it would cost $4 billion for the submarines and $4 billion for the infrastructure. Obviously, there is only a $1 billion differential between the Associate Minister and the Assistant Deputy Minister—

Mr. Boudria: What's a billion?

Mr. Hopkins: —and this begs the question, who knows what is going on in the Department of National Defence? Who is right? Is the Assistant Deputy Minister right or is the Associate Minister right? Surely the Conservative Party today is coming out and saying "what is another billion?" That is exactly what they are saying, and what is another billion to them?

Hon. Perrin Beatty (Minister of National Defence): Mr. Speaker, it may be that the Liberals are not very good at mathematics, as is evident from the financial shape of their political Party. Whether it is $3 billion and $5 billion or $4 billion and $4 billion, it adds up to $8 billion, which is equal. The exact ratio will depend on the exact model of submarine which is chosen.

All of this does beg a question, though. It begs the question, what is the policy of the Liberal Party of Canada? Canadians know what our policy is. They know what the cost would be. We know what the Liberals are against. When are they going to state with some honesty what they are for?

Mr. Hopkins: Mr. Speaker, if it was not for the budget put together by the Liberal Party here in this House of Commons, the Conservatives would not have anything to go on today—

Some Hon. Members: Oh, oh!

Mr. Hopkins: —because they have not put enough in to buy ammunition.

COMMUNICATIONS SYSTEM

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, Admiral Anderson mentioned other items besides the very low frequency radio system that was required on the submarines. After he finished his shopping list, he said that the moneys would have to be found somewhere else in the Department of National Defence. This was precisely the reason for my questions last week when I said this massive expenditure could be a detriment to other areas of the Defence Department.

Will the Minister tell us where these additional moneys are going to come from for the submarine program? And why is the Minister so enthusiastic about purchasing a fleet of nuclear submarines at a cost of $8 billion when he cannot even talk to them when they are under the Arctic ice? Is he going to wait for them to come up to get a report?

Hon. Perrin Beatty (Minister of National Defence): Mr. Speaker, while we are talking figures here, we are dealing with a political Party on the other side that is bankrupt in terms of its finances and in terms of its policies.

I made it abundantly clear earlier today during Question Period that, for example, if the Hon. Member is proposing that we should purchase anti-ship missiles, we would have to remove some of the Mark 48 torpedoes which we plan to have in our weapons load. An anti-ship missile actually costs less money than a Mark 48 torpedo. If the Hon. Member is proposing we do that, we would be saving money. Additionally, I have already indicated to the Hon. Member, and it has been done before committee as well, that while we will have the ability to load fuel in Canada, it is not our intention at the present time to fabricate the fuel in Canada. I indicated that to him already.

Third, as I indicated previously, both the Oberon Class submarines we have today and our new submarines will have the capacity to receive very low frequency communications. At the present time what we do is rely upon allied networks for transmission. And if we take a decision to do otherwise, this money would be taken out of the $8 billion figure. Now, perhaps the Hon. Member will make clear what the Liberal policy is? My friend talks about the Arctic. How would the Liberals defend the Arctic?

* * *

TRADE

SOFTWOOD LUMBER TAX—LEGAL PROCEEDINGS LAUNCHED BY MANUFACTURERS

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, my question is directed to the Deputy Prime Minister who will be aware that 25 independent softwood lumber manufacturers and re-manufacturers are suing the Government because of the tax they had to pay under the softwood lumber export tax while 20 other companies in very similar circumstances received an exemption.

• (1500)

Can the Deputy Prime Minister tell Canadians why the Government forces an industry group into court in order to obtain fair treatment when surely that should be a direct objective of the Government and of the tax system?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, it would not be appropriate for me to comment further on this matter because it is before the Federal Court.

I will say that examinations for discovery are to take place this summer to allow counsel for both sides to establish the facts. The case will then be heard by the British Columbia division of the Federal Court. It is not open to us to discuss it at the moment.

DETERMINATION OF TAX POLICIES

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, my supplementary question is the following. The Government is aware of the degree to which this type of different treatment has eroded confidence in the Government's willingness to defend Canadian plywood standards against representations from the United States.

Can the Government assure the House that taxation policies will be set in Canada rather than in the United States?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I find that comment rather amazing coming from the New Democratic Party which criticized the Government for taxation policies in Canada. The New Democratic Party wanted us to let it stay in the United States and let the tax go to the United States. I find it interesting that the New Democratic Party would say that.

Yes, we can give the assurance that taxation policies will be established here and will be carried out here in Canada.

* * *

AGRICULTURE

WESTERN DROUGHT—HERD MAINTENANCE PROGRAM—REQUEST FOR ANNOUNCEMENT

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Agriculture. It concerns the western drought situation. Although there has been rain in some areas of the West, most areas are still desperately short of feed for cattle, and pastures.

When will the Minister and the Government announce a herd maintenance program in order that livestock owners will be able to keep their herds and provide feed for them during this drought period?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the fact that the Hon. Member's Leader took time on one of his western trips to visit the drought area of western Canada, as did the Leader of the New Democratic Party.

I have received questions from both Parties on this subject. I indicated that the work of the federal-provincial drought co-ordinating committee continues to go forward. In fact, they are meeting today in Winnipeg.

The Hon. Member should know that the Canadian Cattlemen's Association put forth another option prior to the weekend and over the weekend in place of a per head payment. The federal-provincial committee has invited the Canadian Cattlemen's Association to make a presentation to their meeting today in Winnipeg.

Mr. Speaker: The Hon. Member for Algoma, and this will be the last question.

REQUEST THAT GOVERNMENT INTRODUCE TAX DEFERRAL SCHEME

Mr. Maurice Foster (Algoma): Mr. Speaker, my supplementary question is the following. Since the Minister is not prepared to announce a herd maintenance program today, is the Minister prepared to recommend to the Government, and get the Government to put in place, a special tax arrangement in order that farmers who do have to disperse their herds will be able to put receipts from that sale into a special reserve fund which, if used for the purchase of replacement herds within three years, would not be liable for taxation?

Is the Government prepared to provide such a program to assist those farmers who have to disperse their herds this year due to the drought circumstances?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, this is not the first time that this question has been raised. I indicated some 10 days ago that this was one of the many options that the federal-provincial committee was studying.

As far as the timing of an announcement is concerned, there is a timetable of the media, there is a timetable of the Opposition, and our timetable will be that established by the industry people themselves.

The Acting Speaker (Mr. Paproski): On a point of order the Hon. Parliamentary Secretary.

* * *

POINT OF ORDER

INTERJECTION OF HON. MEMBER FOR HAMILTON EAST

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, this morning in the heat of debate while we were discussing the motion presently before the House, in checking the "blues", the Hon. Member for Hamilton East (Ms. Copps), in referring to Bill C-84 and Bill C-55, the immigration Bills presently before the House, stated that it is a racist move and they know it. I believe that those comments are totally unfounded, totally untrue, and are unworthy of the Hon. Member accusing the Government of such a thing. I would ask that she unequivocally withdraw those remarks.

Ms. Copps: No way.

The Acting Speaker (Mr. Paproski): I will have a look at the "blues" myself and rule on it later today or tomorrow.

Mr. Gauthier: You can't have that.

The Acting Speaker (Mr. Paproski): The Hon. Member for Hamilton East on a point of order.

Ms. Copps: Mr. Speaker, if the "blues" are referred to—

Mr. Guilbault (Saint-Jacques): Why don't you listen to the other side for a change—

The Acting Speaker (Mr. Paproski): I beg your pardon. Would the Hon. Member for Saint-Jacques like to repeat what he said?

Mr. Guilbault (Saint-Jacques): —to hear the other side?

The Acting Speaker (Mr. Paproski): When the Hon. Member rises I will hear the other side, otherwise there is not very much I can do. Now that the Hon. Member has risen I will listen to her. The Hon. Member for Hamilton East.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I think you will realize that two Members on the opposition side have risen. Indeed, I referred to a racist move by the Government. Perhaps you could refer to Beauchesne's, Mr. Speaker. First, I did not state an individual. I did not say the Hon. Member for Brampton—Georgetown (Mr. McDermid) was racist, although he could very well fight the deal. I said that it was a racist move on the part of the Government, and I stand by that. There is absolutely nothing unparliamentary about that comment.

The Acting Speaker (Mr. Paproski): I have no problem with those remarks. I will check the "blues" tomorrow, and if there is a problem I will naturally rule.

GOVERNMENT ORDERS

[*English*]

HOUSE OF COMMONS

MOTION TO EXTEND HOURS OF SITTING

The House resumed consideration of the motion of Mr. Lewis (p. 16379) and the amendment of Mr. Guilbault, Saint-Jacques (p. 16387).

The Acting Speaker (Mr. Paproski): When the House rose at one o'clock p.m., the Hon. Member for Cowichan—Malahat—The Islands had the floor, and he has three minutes left to complete his debate.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I was speaking to Motion No. 26 which will extend the sitting of the House into the summer with extended hours. Our contention, of course, is that the Government wants this motion in order that it can force through Bill C-130 which puts into place the Mulroney—Reagan trade deal. The Government is using this legislation by exhaustion to force upon the people of Canada a piece of legislation for which the Government has no mandate. Instead of pushing this legislation through the Government should call an election.

I urge the Government to reconsider its whole approach to this legislation. The Progressive Conservatives have a proud record in opposition of opposing this type of imposition of law through closure. They are trying to push through Motion No. 26 today by closure. In 1956 the Progressive Conservatives stood very strongly against the imposition of closure by the Liberal Government of Louis St. Laurent. In the Trudeau years the Conservatives were very strong against the Government's use of closure. As I quoted earlier in my speech, the Progressive Conservatives used inflammatory language, speaking of jackboot democracy and so on. Now, when they are on the other side of the House, they are using exactly the same tactics.

I ask government Members to reconsider their approach. They will be in opposition soon enough themselves. They will regret the fact that they have thrown the whole parliamentary calendar, the whole business of parliamentary reform, into the ashcan for the sake of a very short-term advantage in the

House where they can use their parliamentary majority to push through legislation on which, that by rights, the people of Canada should have an election before it comes to the House.

I urge the Government to reconsider the importance of the parliamentary calendar to individual Members, to Members who have families, from the point of view of democracy as a whole. We want intelligent people to be able to stand for office. When intelligent people look at the manner in which this Government is demeaning the process of democracy, having a process of legislation by exhaustion, having a process by which individual Members of Parliament are denied the right to be with their families during the summer, they will simply say: "This is not for me".

I urge the Government to consider the fact that it will be in opposition itself and will not want this type of precedent to be forced back on it, to consider its own history of opposition to this type of jackboot tactics, and to consider the basic process of democracy. If it does that, I am sure it will withdraw this motion.

• (1510)

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I had not intended to speak because I had made a speech in proposing the motion. However, I have been moved by the "Government is bungling everything" speech of the Hon. Member for Ottawa—Vanier (Mr. Gauthier) and the "I want to get to the swimming pool" speech of the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly).

I want to say that we did not bring in closure without a great deal of thought. In fact, we regret the necessity to close this debate, but here is the situation with which we were faced, and I wish to refer you, Mr. Speaker, to the *Debates* of last week.

On Monday of last week from 11 a.m. until 1 p.m. the House was delayed by the delaying tactics of the NDP. When one of their Members moved to introduce a Bill, half the Party said "yea" and the other half said "nay" and thus forced a vote. They did the same thing with respect to the question on whether or not the Bill should be printed. Unfortunately, that was a Bill to confer on Raoul Wallenberg honorary Canadian citizenship. We objected at the time, as did the Liberal Party, to the NDP playing politics with that very important matter.

On Wednesday of last week from 3 p.m. until 6 p.m. the House Leader of the New Democratic Party introduced two Private Members' Bills, forcing votes on the introduction and forcing votes on first reading, thus delaying away the entire day.

On Thursday of last week it was a short day because of the speech by Helmut Kohl, Chancellor of West Germany. The NDP did the same thing and delayed so that the whole day was wasted.

Thus Members of the New Democratic Party wasted two full days and one-half day last week. They now come in here and talk about legislation by exhaustion. They cannot have it both ways. If they delay and delay and do not allow for debate, then one cannot say: "Well, we are not getting our opportunity to debate".

My hon. friend from Ottawa—Vanier said that we should have moved earlier last week to do today what we did. I want to refer my friend to the precedent in this matter which occurred back in April of 1987. I want to refer my hon. friend from Ottawa—Vanier to some of the comments of the Speaker when he made his ruling that it was within the rules to move, during Routine Proceedings, that the House move to Orders of the Day.

The Speaker made reference to the fact that the fundamental rights of Members can be violated by the tactics of obstruction as well as by unreasonable restriction of debate. He said that sooner or later every issue must be decided, and that the decision will be taken by a majority. The point to remember from the Speaker's decision is this. He said that he did not make the decision with a great deal of joy, and that the decision was made in such a way that if Member's wished to refer to it in the future, and if it was to be resorted to as a precedent, then the Chair will interpret it in the light of prevailing circumstances with a view to maintaining the essential balance to which the Chair referred earlier in its decision.

The reason we did not do this last week was to give members of the Opposition an opportunity to see if they had made their point by delay and delay and delay, by not allowing the House to do anything. Obviously, they had not made their point. We just did not feel that it was appropriate to waste any more time of the House. They wasted two and a half days last week. We felt that the circumstances were there to bring into effect what the Speaker said was a precedent that cannot be abused.

We allowed for the delay last week. When the time of the House was being abused, that is when we brought in the motion to move to Orders of the Day.

My friend from Ottawa—Vanier quoted at length from the first letter of a series, that is, the letter of May 31, which I wrote to the two Opposition House Leaders. He took great glee in referring to the large number of pieces of legislation that were referred to in that letter, some of which—and this is admitted—had not even been introduced on the Order Paper. What my hon. friend forgot to talk about, which I will do for him now, is the letter of June 9 from myself to the Opposition House Leader.

Ms. Copps: I have that one right here.

Mr. Lewis: Have you got that one?

Ms. Copps: Right here.

Mr. Lewis: That is fine.

I want to point out that in that letter we referred to 11 Bills on which there is a great deal of agreement between the

Liberal Party and ourselves and which we feel can go forward. These are Bills that are either at third reading stage or report stage. There are also some four other Bills which, as was pointed out by my hon. friend, the House Leader of the Liberal Party, would not take a great deal of debate. We added five Bills which we felt we had to have before the House rose for the summer. I think it is fair to say that we have had a great deal of progress to this point.

My hon. friend from Ottawa—Vanier then went on to talk about the delay in passing Bill C-55 and Bill C-84. We have had those Bills out of this House for some time. Yes, we came back last August because of the emergency situation created by the arrival of a boatload of so-called refugees who did not want to go through the normal procedures. We moved to correct that abuse.

The abuse has shifted from the boat landing on the shore of Nova Scotia to the Senate of Canada. Bill C-84 has been delayed and delayed and delayed by the Senate. Bill C-55 has been delayed and delayed and delayed by the Senate. That is from where the delay is coming. We have acted to correct those problems, but the delay is coming from the Senate. If my hon. friend from Ottawa—Vanier wonders why those Bills have not passed, he need only raise on Wednesday that matter in the Liberal caucus, which after all is controlled by Senators, to see if he cannot try to free up the log-jam.

I want to review briefly some of the reasons we are bringing this motion to extend the sittings, so that we can put them in the perspective of what has happened since we originally brought in the motion and discussed this matter with Opposition House Leaders. I pointed out in my original remarks that we were on track with our agenda despite comments to the contrary by the Opposition. I pointed out that we were well ahead in our plans—

Mr. Manly: This is the way you planned it?

Mr. Lewis: —and that we had produced more legislation in the last two long Parliaments but that we had recently run into a great deal of delay from the Opposition—not delay by way of debate but delay by way of delay.

We put that on record. We pointed out, as I have just now, that there were several Bills at report stage and third reading stage which could be finished off. There is a great deal of agreement that these can be finished off quickly.

We pointed out that our agenda had been disrupted somewhat by the need to revisit the Meech Lake debate. We extended hours last week, with the consent of all Parties, to finalize that debate. The vote on the Meech Lake response by the Government will take place on Wednesday of this week.

I know that this is something we have out of the way. I do not know how many Liberals will be here to vote. We do not know which way they are going to vote. The topic of the week just after the summit will probably be just how badly the Liberal Party is going to split on the Meech Lake Accord.

I will refer to the abortion motion in a minute.

Next, we come to the importance of our free trade initiative. Members of the Opposition have made no bones about the fact that they do not want to debate this item. They want to delay it. They cannot win the debate.

Mr. Manly: Call an election on it.

• (1520)

Mr. Lewis: We will take the 48 per cent in favour of free trade, and the Liberals and the NDP can split the 34 per cent. Not bad. I do not know where my friend learned his sums but that does not work out to a win. We are saving opposition Members from that election if they want to play it on free trade. Opposition Members will split 34 per cent between them.

I have made reference to the delay in the Senate. As I suggested earlier, from 1980 to 1984 the Senate never had a sober second thought. Suddenly the Senate is having all sorts of sober second thoughts.

Ms. Copps: I wouldn't say that if I were in your shoes.

Mr. Lewis: The Senate has discontinued the practice of pre-studying Bills. All these things brought us to the point where we had to put this motion on the Order Paper.

I want to deal now with where we are headed. We intend to call the free trade debate for tomorrow. That will be day one of the debate and it will be the day when we will see just whether or not the Opposition is ready to debate free trade or ready to delay it. Tomorrow is the day of decision for the Opposition. Opposition Members have to decide whether to put their case to the people by way of debate—

Ms. Copps: Call an election.

Mr. Lewis: —or by way of delay. Let us see tomorrow, because that will be day one. It will be a long day. We should be able to knock off quite a bit of debate from 11 a.m. to 1 p.m. and from 3 p.m. to 10 p.m. unless my hon. friends want to delay. If they want to delay, it will be an abdication of their responsibilities as Members of Parliament.

Wednesday will be an Opposition Day and Thursday will be another Opposition Day. We will then call free trade the following week in an effort to complete the debate on that very important matter. I say to my hon. friends who suggested we are going to go right through the summer that at that point we will have discussions with the House Leaders of the Opposition Parties. Discussions are teed up for tomorrow afternoon with respect to legislation about which we are basically in agreement about and on which there might be some movement. I suggest that that legislation could take most of the week of July 4 to July 8. With a bit of co-operation we can knock that legislation off and send it to the Senate that week. That will leave us to begin on July 11th debate on the abortion motion.

I want to dwell on that for a moment. The abortion motion was put on the books some time in May, and it was met with a great deal of initial "oh, my goodness, you are usurping the rules of democracy" talk from the Opposition. There was great wailing and gnashing of teeth because we were forcing the Opposition to be part of a free vote. Yet here was a reasonable way to get a sense of the House which could guide the Government in drafting the legislation, in the general framework for it, and in whether Members voting their conscience or the wishes of their constituents.

Mr. Manly: Bring in a Bill.

Mr. Lewis: We could then draft a Bill. My hon. friend objects to that. I appreciate why he objects. My hon. friend objects because his Party will vote the party line on a very sensitive and emotional issue.

Mr. Manly: Bring in a Bill for a free vote.

Mr. Lewis: We do not intend to play politics with this particular motion, not at all. It is too important and too sensitive to do that. We feel we have a very fair way of dealing with it. My hon. friend says: "Bring in a Bill". Let me tell my hon. friend the basic difference between the opportunity to debate this motion and the opportunity to debate a Bill. On a motion every Member of the House has 20 minutes to put his or her case. On a Bill speeches are restricted to a maximum of 10 minutes after eight hours of debate.

Mr. Manly: Unanimous consent can change those rules. We could have 20 minutes for everybody on a Bill.

Mr. Lewis: My hon. friend is now talking about unanimous consent. He now has a different idea. The Opposition objects mostly to the free vote.

Ms. Copps: It has nothing to do with the free vote.

Mr. Lewis: We intend to proceed with that motion after the legislation is out of the way, and we will have a free vote. I understand why my hon. friend does not want a free vote on this matter. Unfortunately it will cut into his swimming pool time. I do feel badly about that.

Mr. Keeper: You are all wet.

Ms. Copps: He is still able to swim in Canadian waters.

Mr. Lewis: The rest of us were sent to work on behalf of the people. My hon. friend resents anything cutting into his 10-week vacation. Is it in the manifesto that he gets 10 weeks' vacation? Is it in the first paragraph of the manifesto that thou shalt have 10 weeks' vacation? My hon. friend better go back to his riding. He will find that most people who work in his riding do not get 10 weeks' vacation.

That is where we are, Mr. Speaker. This motion would never have had to occur if the opposition Parties had not delayed. The question of closure would never have had to come up if the opposition Parties had not delayed. We intend to allow this debate to progress and then we will have a vote.

As I indicated to the House, tomorrow we will start with the very important issue of the free trade Bill, Bill C-130.

Mr. Riis: That is the sell-out Bill.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have a proposition—

Some Hon. Members: Oh, oh!

Ms. Copps: I can give the Hon. Member an offer he cannot refuse.

Some Hon. Members: Oh, oh!

Ms. Copps: I want to smoke out these Tories who are saying, "Let's sit all summer". I do not know what the Hon. Member for Simcoe North (Mr. Lewis) does when he is not in the House of Commons, but there are some Members who work outside this place in their constituencies. Maybe that is why he squeaked through by the skin of his teeth in 1979 by 66 votes. I do not want to be that close.

Mr. Lewis: I don't blame you.

Ms. Copps: I want to do a little better preparation. But I have a proposition, Mr. Speaker.

I come from a steel working town where people work on shifts. I know what the Tories have up their sleeves. They have already developed a roster system. At any given time in the House one-third of the Tory Members are here and two-thirds are off travelling the country and on vacation. I will move a proposition that, sure, we will sit for extended hours. We will sit all summer. We will work as hard as anybody, but the Tories who are not here should not pick up a paycheque. The 70 people here will be holding the can for 140 others who will be off playing and on vacation.

An Hon. Member: Where is Axworthy? Where is Turner?

Ms. Copps: The Minister claims that the Government is ready to work. The Government is merely trying to beat the Opposition into the ground. The Tories know that for the last four years 40 Liberals and 30 New Democrats have had to hold up the work of the House,—

Mr. Angus: Thirty-two New Democrats. Get the number right.

Ms. Copps: —the work of 28 committees, the work across the country of political Parties. In the meantime we have tried to create make-work projects for tired Conservatives who have had nothing to do. Right now I have been making quorum for the Standing Committee on National Health and Welfare because there is not a Tory in the list of Tory members of the committee who is interested in coming on a consistent basis to

the standing committee. We in the Opposition have been making quorum for one of the most important committees.

We are certainly prepared to work and do our share, but we are sick and tired of watching 140 Tories running around the country on vacation, leaving only 70 people here at a given point in time. Let us call a spade a spade and let us call a Tory a Tory. Let us start looking at the voting and attendance records of Members. There are Conservative Members from the Hamilton area, Conservative Members who were elected in the last election, who will be "de-elected" in the next election and who have never spoken in the House or, if they have, it has been once or twice.

Mr. Nicholson (Niagara Falls): No, that is not right.

Ms. Copps: The Hon. Member for Niagara Falls (Mr. Nicholson) can stand up and speak. I can talk about the people in the Hamilton—Wentworth area. Frankly, most of them have never spoken out in the House on a single issue of substance.

Mr. Nicholson (Niagara Falls): That is not true.

Ms. Copps: The Member for Niagara Falls will have a chance to have his say. He better take it quickly because he will be replaced after the next election.

Mr. Gottselig: The voice of doom from Hamilton East.

Ms. Copps: There have been members of the Opposition who have been working day and night on committee, in the House, and with respect to other commitments to their political Parties and to to the people of Canada across the country. It is very easy for the Conservatives to say that they want to sit all summer because they have a roster system. At any given time two-thirds of the Tories are not in the House of Commons. Let us call a spade a spade and say that those two-thirds of Tories who are out of the Commons at any given point in time will have their paycheques cut by two-thirds. Why should we be paying Tories who are off gallivanting in swimming pools in their areas? Let us move a motion to cut their paycheques by two-thirds. I will support it. I am prepared to sit here and do the work of the House of Commons. I cannot stand the hypocrisy of the Government which claims that the Opposition does not want to work. We want to debate substantive issues. All the Government wants to do is ram through legislation.

• (1530)

Let us look at the so-called tax reform document that the Government wants to put through immediately. With one sweep of the hand, we are supposed to pass this legislation. Let me read just one little passage from the 500-page document to which the Parliament of Canada has not had an opportunity to give its full attention. This is the definition of an individual:

> For the purposes of subsection (5), an *individual* shall be deemed to have supported a *person* in a particular month of a taxation year if
>
> (a) the person is a child of, or is dependent for support in the particular month on, the individual or the individual's spouse; and
>
> (b) where the individual is married at the end of the particular month,
>
> (i) the individual's income for the year (computed without reference to subsection (5) and section 63) exceeds that of the individual's spouse; and
>
> (ii) the individual's spouse was not, by reason of a breakdown of the marriage, living separate and apart from the individual at the end of the particular month and for a period of at least 90 days commencing in the year.
>
> (7) For the purposes of subsection (5), where an allowance referred to in that subsection is paid in respect of a person for a particular month of a taxation year and no amount in respect of the allowance would, but for this subsection, be included in computing the income for the year of any individual, the individual to whom the allowance is paid shall be deemed to have supported the person in the particular month."

That is the simplified tax Bill. This is page 94 of the English version of this 500-page document. Yet the Government has introduced a package of legislation including the trade Bill, the abortion legislation, and the tax reform legislation. It says that Parliament should pass it, or the Government will try to hammer us by sitting day and night.

Government Members are not interested in quality debate. They are not interested in a real examination of the substance of tax reform. They are interested in ramming through a bunch of Bills because they intend to break the Opposition down through fatigue.

Let us consider the tax reform Bill alone. I believe that the Hon. Member for Saint-Léonard—Anjou (Mr. Gagliano) has done a tremendous job in mobilizing the small business community to point out some of the loopholes and inadequacies of this particular legislation.

[*Translation*]

Mr. Speaker, we can say about automobile expenses alone . . .

[*English*]

Small business people in Canada are extremely concerned about changes which relate to automobile expenses. In fact, a number of groups has come before the Finance Committee to point out the inconsistencies in the legislation that is supposed to be rammed through by the end of this month.

[*Translation*]

And we can say, for example, that the groups that appeared before the Finance Committee all found these new rules very complex. The so-called simplification of the tax system is not really that, Mr. Speaker. Even the experts cannot understand it. Not just the factory worker in my riding, but even lawyers and chartered accountants cannot understand the "simplified" tax system proposed by the Minister of Finance (Mr. Wilson).

Mr. Speaker, I believe that the best illustration of this complexity was provided by the Joint Committee on Taxation of the Canadian Bar Association and the Canadian Institute of Chartered Accountants. Here is what they said about the May 1988 tax reform: "As regards automobile expenses and related benefits, the draft legislation is terribly complex. It required 30

different amendments to the Act and Regulations to translate into legal terms the measures proposed in the White Paper as later amended in December 1987. These provisions are full of technical errors, which proves that the writers themselves had great difficulty understanding the rules."

[*English*]

We are not simply talking about the false proposition of the Minister of Finance (Mr. Wilson) that this is a simpler process. We are also talking about the technical errors which exist because the Government is intending to ram through this legislation with about 20 or 30 other pieces of legislation in the next couple of weeks. The Government is threatening that if we do not buckle under, if we do not cave in, it will pull the plug and we will sit day and night. Government Members do not care about the quality of tax reform legislation. All they want to do is stick it to the taxpayers.

The Institute for Research on Public Policy makes it very clear that as a a result of so-called Tory tax reform average taxpayers will be paying more, depending upon their income levels. If they are earning between $29,000 and $35,000, they will be losing, over the course of the Tory mandate, almost $700 in purchasing power. If their income is in the neighbourhood of $35,000 to $40,000 per year, they will actually be losing close to $900.

The only people who gain and gain substantially as a result of the so-called tax reform are the big buck earners who earn over $117,000 a year. How can the Minister claim that we should pass this legislation without giving a fair shake to the ordinary steelworking men and women of my riding who want to know why they are now paying more in taxes?

Some of these Members have been silent for four years. I was very happy to hear the Member from Toronto rise today to talk about the tax on building materials. Where was that Hon. Member when the first Tory Budget introduced a tax on building materials at the federal level? Where was that Hon. Member when this Minister introduced a plan to cut out the Registered Home Ownership Savings Plan? Where was that Hon. Member when the same Government doubled insurance fees for CMHC from 1.5 per cent to 3 per cent on average adding hundreds, if not more than $1,000, to the cost of purchasing a home? I did not hear that Hon. Member complaining about a tax on building materials. He sat silently. Now he and his colleagues are involved in a conspiracy to try to convince Canadian taxpayers that we do not want to do the work of the House of Commons.

What we want is fair tax reform. We do not want to have the kind of tax reform that will tell ordinary taxpayers that they will have to pay an extra $1,200 as a result of the tax reforms of the Conservative Government. With tax policy friends like that, I would hate to be on the receiving end of the Government's enmity. The Government has hit, right between the eyes, middle class working men and women of Canada who try to keep the economy alive.

The Minister of Finance himself called sales tax the silent killer of jobs. Yet, since he has come to power along with his cohorts, individual Canadian families are paying an extra $500 a year, simply as a result of increased sales taxes and excise taxes on gas. That has to be coupled with $600, $700, or $800 extra in taxes as a result of the Government's so-called tax reform.

How can the Minister have any credibility? How can he try, with a straight face, to convince the people of Canada that it is the Opposition that is somehow preventing the work of Parliament from being done? Considering the complexity of the trade Bill, I daresay that we could use all the time between now and the beginning of July to detail our very specific opposition to it. It is such a bad Bill, that we are convinced the people of Canada will realize that once they have time to read the fine print.

Commercial blood banks are included in the free trade deal. The Minister from St. John's West sold out Newfoundlanders today. Obviously he does not care about selling out the national health care system. It is right in the annex of the trade deal that blood banks of a commercial nature will be allowed, and that will result in the destruction of the Canadian medicare system as we now know it.

I am not saying that next year we will have to pay for blood, but we will soon, if a private market captures 5 per cent to 10 per cent of the Canadian market for the sale of blood. If I set up an office in downtown Toronto and offer people fifty bucks for a pint of blood, how long do you think, Mr. Speaker, the voluntary sector of the Red Cross will be able to continue the well developed national network of voluntary blood clinics which has become a hallmark of this country?

• (1540)

Yes, we would like time to debate the substantive issues. The Deputy House Leader for the Government said that the Opposition was obstructing real debate. Since last week we have been wanting to have a real debate on this issue, and the Government itself has determined that it would rather be faced with the ringing of the bells on procedural matters. I am one of those who thinks the public wants to hear a debate of substance, and we would like to debate the substance.

In the space of two weeks I cannot represent the people of Hamilton East on the tax package alone. How can I be expected to stand silent while I watch this rip-off and the padding of the rich? According to the Government's own figures we know that even after this so-called tax reform more than 60,000 profitable corporations will still be paying no tax, even though the Government promised a minimum tax on the rich. We also know that 5,220 rich individuals will be paying no tax, even though the Prime Minister (Mr. Mulroney) promised a minimum tax on the rich.

Yes, there are points we would like to raise on tax reform and literally dozens of other Bills on which would wish to have a chance to articulate.

How does the Government expect us to deal with the trade Bill, the abortion resolution, the tax reform legislation, the national parks legislation, the mutual legal assistance legislation, the proceeds of crime legislation, the official languages legislation, the Canada-Nova Scotia offshore petroleum resources legislation, the registration of lobbyists legislation, the Canadian Wheat Board legislation, the Canadian National Trade Tribunal legislation, the divestiture of Eldorado Nuclear Limited legislation, the Canada Labour Code legislation, the Bretton Woods Agreement legislation, the National Housing and CMHC Acts, the Canadian Grain Act, the conflict of interest Senate and House of Commons Act, the Department of Industry, Science and Technology Act, the Multiculturalism Act, the Immigration Refugee Act, the Immigration Refugee Illegal Act, Air Canada privatization, *pari mutuel* betting—the Government is moving into *pari mutuel* betting through a new Bill which has come forward—the National Transportation Act, and amendments for disabled persons?

That only includes the Government's list of demands for the next two weeks of legislation already on the Order Paper. The Minister of National Health and Welfare (Mr. Epp) promised that he was going to come forward with a child care Act, but we have not seen it yet. We have also been waiting to hear about a number of other Acts which have not yet come forward. The Government is demanding that they be passed before we even see them.

If we as Members are to take our responsibilities seriously, surely we owe it to the taxpayers who are going to be footing the bill for this monstrosity to examine every clause in a detailed way and to ensure that whatever legislation is passed is good legislation, or at least that the arguments on both sides will have been well aired.

The Government is not interested in real debate. It was already talking closure when we had had six speakers, I believe, and it had had six or seven speakers on one Bill. The Government is really interested in muzzling the Opposition and ramming through a rather poor quality of debate.

I heard government Members laughing during Question Period when the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) spoke about the work of the employees of the House of Commons. They laughed because most of them sit in their offices and do not have to do anything anyway. I have spoken to a number of employees of the House of Commons. Those sitting right in this room who work in translation are not even covered by the Canada Labour Code. They do not even have the basic conditions of their workplace guaranteed, which is the minimum basic right given to every other Canadian worker. When the Government introduced the legislation on unionization of employees on the Hill, unfortunately it forgot to proclaim the part which dealt with working conditions.

Translators work at a very high stress job. God forbid that the Hon. Member for Brampton—Georgetown (Mr. McDermid) should get his "blues" with the wrong phrase or he will be on his feet on another false point of order. These individuals work extremely hard and deserve support rather than the cackles and guffaws which we heard from Members of the Conservative Party who seem to think that no one else in Parliament knows the meaning of work. If the debate continues until ten, eleven, twelve, or one o'clock in the morning and the quality of it continues to decline, the employees have to continue to take the notes and translate the *Debates*.

I think they and the taxpayers of Canada are at least entitled to a quality of debate which is being denied by this legislation. This is in fact a false way for the 140 Conservative Members of Parliament who know they will not be back in the House of Commons after the next election to enjoy an extended vacation.

While my colleagues are here in the House to continue the debate and maintain quorum as we have done over the last four years, this is a make-holiday program for tired Tories who know that they have no hope and might as well live out their last days in their swimming pools.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, keeping in mind what the last speaker said, as I look around I see that the Government cannot even muster up a quorum in the House to hear what I have to say.

The Acting Speaker (Mr. Paproski): The Hon. Member has been around here a long time and knows that he should not indicate who is and who is not in the House. There are Members in the lobby watching the Hon. Member on television, and they are liable to come in here and express their views on this. I hope the Member will extend courtesy to the House.

Mr. Rodriguez: I know the rules, Mr. Speaker, and I see they have all come crawling out from under the chesterfields in the lobby. There is only a small fraction of them here. I am surprised that their consciences allow them to collect a paycheque. They believe that it is all right to keep employees here on Parliament Hill all summer long while the Tory hacks and flacks fly off to their ridings and collect their paycheques and expense allowances.

Some Hon. Members: Oh, oh!

The Acting Speaker (Mr. Paproski): Order. Courtesy is the code of the House. I would like to hear the Hon. Member. I cannot seem to hear him very well.

Mr. Rodriguez: Thank you very much, Mr. Speaker. I am sure that we will keep them here.

The question in my mind is: Why are we debating a motion to extend the sitting of this House until September 9? What is the justification for this? The Government says that it has run such a successful Parliament that 197 Bills received Royal Assent as well as some Private Members' Bills, perhaps 203 or 204 altogether. It boasts about how successful this Parliament has been. There was no question that the Opposition was

blocking the work of Parliament. It was obviously a very hard working Parliament which passed so many Bills.

What is the justification for this? We know the justification. It is that the Government now wants to pass the free trade Bill, Bill C-130, and we have said: "They shall not pass". We have said that quite clearly, because the people of Canada have not had an opportunity to participate in the discussion about the free trade agreement. Was it raised in 1984? Not on your bippy, Mr. Speaker, it was not raised at all.

• (1550)

When the Prime Minister (Mr. Mulroney) was running for Leader of the Conservative Party in 1983—and I do not know why anyone would want to run for the leadership of that Party—he said: "free trade with the United States is like getting into bed with an elephant. If the elephant rolls over you are dead". That is all he was on record as saying with regard to free trade. It is clear and unequivocal opposition to free trade.

Now that he is the Prime Minister we are being told that we have to sit through the summer so that he can ram Bill C-130 through Parliament. We all know now why he cannot be trusted. He speaks out of both sides of his mouth. Someone said that one can always tell when the Prime Minister is not being straight with the folks, because he moves his lips.

The Prime Minister is trying to put free trade through the House of Commons at the last moment before it breaks on June 30. The Government is extending the sitting of the House so he can ram through Bill C-130. We are saying that that is not fair to the people of Canada. Canadians have a right to participate in a deal which will be so important to the future of our country.

We have challenged the Prime Minister to call an election and make this an issue, but he will not touch it. Here we have this phalanx of Tories gathered here to try to extend the sitting. We have opposed it.

The Government has even brought in closure in order to get the motion through. It is the tyranny of the majority on 70 members in the Opposition. Those 200-odd Members on the government side should be ashamed of themselves for picking on so small an opposition. One would think that their conscience would at least bother them, but Tories do not have consciences.

This is what the Hon. Member for St. John's West (Mr. Crosbie) had to say about closure in 1981, with regard to the Excise Tax Act introduced by the Liberal Government. As reported at page 10409 of *Hansard* on June 9, 1981, the Hon. Member for St. John's West, the present Minister for International Trade, said:

> This comes from a closure-crazed government, a government which suffers from the crime of parliamentary bestiality. It cannot wait to force these kinds of things through the House.

He went on to say:

> The same little group comes in here on every closure motion. The same little group of parliamentary eunuchs, the same group of parliamentary assassins—the House leader, the assistant House leader, the hon. member for Ottawa Centre (Mr. Evans), the Minister of State for Finance (Mr. Bussieres)—are in here all the time, assassinating this House and removing the good from the House. That is why I call them the parliamentary eunuchs. The good has already been removed from them.

Then he says:

> This is an illustration of what has happened to Canada. Today we have a parliamentary system of government without any checks and balances and without the separation of powers. The Prime Minister has a group of docile sheep in his caucus who keep him in power, no matter what he is doing. They just say "Baaa, sir, baaa, sir, pass it through the House, sir". As long as they do that, he has absolute power. This Prime Minister has absolute power as long as the majority in his caucus give him that unlimited power. They are so busy with their noses in the patronage trough and the power trough that they neither know nor care what happens to this Parliament, and we can expect nothing from them.

Can you believe that, Mr. Speaker? That was stated by one of the power brokers in the Tory caucus when he was in opposition. Now he is in government and the eunuchs have moved over from the Opposition. Look at all the eunuchs on the back-benches. "Baa, baa".

The Prime Minister had to go to Paris to get the ambassador to run in Lac-Saint-Jean to save the Government's skin in Quebec. What message is he giving to the eunuchs in the back-benches who have been elected from that part of the country? He is telling them that they are a bunch of eunuchs who he cannot trust to save his skin. He went to Paris for Lucien Bouchard.

An Hon. Member: He is going to win tonight and you are going to finish third.

Mr. Rodriguez: You fellows will never make it to Cabinet. You were overlooked. I suppose they are fulfilling the function for which they were elected, which is to flip their flippers like trained seals.

The Government is only extending the sitting of this Parliament in order to pass its trade deal. It is not interested in what Canadians think. Otherwise it would provide an appropriate time to debate the Bill properly throughout the land. The parliamentary committee should be travelling throughout the country to receive briefs from Canadians, to listen to their concerns, and to inform them.

The Government has put millions of dollars in the trough while the Minister for International Trade hires his best friend to spread the propaganda to Canadians before the Bill has even passed second reading. The Government is only interested in the propaganda. It is following all the same practices which brought down the Liberal Government and for which the Conservatives condemned the previous Liberal Government. It has introduced time allocation numerous times in this Parliament and has brought in closure many times in the exact same fashion as have the Liberals. The Conservatives promised a new era but they have not done anything different.

The Conservatives promised that there would be no more patronage. Canadians still remember when the Prime Minister said to the Leader of the Opposition (Mr. Turner): "You had an option, sir". Lo and behold, the patronage machines are still operating.

The Prime Minister said that it was reprehensible to buy Canadian voters with their own money.

• (1600)

Yet we have the spectacle of the Prime Minister on a sojourn to Lac-Saint-Jean trying to buy the by-election for his friend. It seems the only people who can get anywhere in this country are classmates or room-mates of the Prime Minister. The treasury doors have been opened. Where is restraint? Out the window. We do not hear too much talk now about the deficit. The Conservatives are on a spending splurge, trying to buy a friend a seat in the House of Commons, all because the Prime Minister could not trust Members of Parliament who were elected under the Tory banner from the Province of Quebec.

What he is really saying to them is: "You can't be trusted". What the Prime Minister is attempting to do is to buy the voters of Lac-Saint-Jean with their own money. I do not think the people of Lac-Saint-Jean are going to fall for that. The Conservatives tried to buy St. John's East and that did not work. But did the people of St. John's East get the $30 million? They sure did. So the people of Lac-Saint-Jean could boot Lucien Bouchard out and still get the money because the other Bouchard has to come across because he is in a nearby riding. How can the Conservatives turn off the tap? They promised it, and if the people do not vote for their candidate, they still have to be given the money.

Today we heard about the Newfoundland railway. It is gone. They are going to replace it with highways. Just imagine, we can have a new highway built all the way from Alma to Labrador, and then we can put a causeway over to Newfoundland and we can make it the Trans-Canada. That is the spectacle. We have to extend this sitting because the Government wants to pass Bill C-130, which will put the free trade arrangement between the Prime Minister of this country and Ronald Reagan into effect. It is a giveaway of this country to the United States. It is a sell-out.

Canadians have many questions. First, they are not aware of all the details of this agreement and what they have been hearing, they do not like. They do not believe, for example, that a foreign government ought to dictate to a Canadian Government, which was elected by the people, as to how our energy should be priced. That ought not to be a prerogative of any foreign government. Second, what Canadians do not like is the virtual elimination of all review of American investments in this country. At a time when the Americans are becoming very concerned about Asian investment in the United States, the Canadian Government is turning over the country to the United States. I think Canadians are very concerned that we will become the fifty-first State.

This deal should not be proceeded with until the Canadian people have been consulted. There are enough Bills on the Order Paper that our caucus is prepared to support. For example, we said we were prepared to support the lobbying Bill. The Prime Minister committed himself to that two years ago on an urgent basis. He said: "We will bring in a lobbying Bill, a Bill to register lobbyists", because he was concerned. He wanted to establish a Mr. Clean image and his friends, Doucette and Ouellet the card-player, all of them wanted to create a clean image, so he promised the Lobbying Registry, Bill C-82. It is called the Frank Moores Bill. We are all set to pass Bill C-82. So why does the Government not bring forward the Frank Moores Bill? We are ready for it.

We had a report on bank service charges. The Government has promised us a Bill. Bring it on and if it is patterned along the lines of our report, we will pass it. The Government does not have to extend the House in order for us to pass it. We will pass it because we recognize that there are some Bills on the Order Paper about which we agree. We can pass those Bills.

I just mentioned Bill C-82. We are prepared to pass that. We passed Bill C-31, the Railway Act, on Friday. We passed it through all stages. We can do that with Bill C-82 and with the amendment to the Bank Act, along the lines of the committee report. After all, we even drafted the report and entered it as a Private Member's Bill. All the Government has to do is present it. We will pass it. In fact, if the Government does not want to do that, it can go the private Member's route and we will pass it that way. But the Government will not do that because the banks are its friends. They are the government's bankers. I see the Hon. Member for Mississauga South (Mr. Blenkarn), here. He is very useful to have in the Tory caucus because he can walk both sides of the street. He is the enemy of the banks but he is a Tory at the same time. It is a nice game, but it will not wash.

The Acting Speaker (Mr. Paproski): I regret the Hon. Member's time has expired. Debate.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the Hon. Member for Nickel Belt (Mr. Rodriguez) prompted me to rise and say that there has been some co-operation on some matters that have come out of committees and elsewhere, and I take his co-operation with respect to the Bill drafted by the Standing Committee on Finance and Economic Affairs and presented in the name of the Hon. Member for York—Scarborough (Mr. McCrossan). I know he and I would be most pleased to see that Bill through, or a Bill equal to it.

Mr. Rodriguez: Bring it on.

Mr. Blenkarn: I suspect that before there are too many moons through the sky, a Bill of that nature might be before us. However, the issue today is in connection with what amounts to unrealistic delays in the basic program of the

Government. Every time we have tried to move ahead with that basic program, the coalition represented by the Liberal New Dinosaur Party has done everything it can to make sure that this House is hijacked to the effect that the thrust of the government's move on privatization, the thrust of the government's move with respect to a trade agreement, the thrust of the government's move with respect to cleaning up the problem of illegal immigration and the thrust of the government's work on a free vote on abortion, has been stymied, held up and delayed unrealistically. The Opposition knows that. It has made a point of declaring that it would use every conceivable delaying method possible to prevent debate, discussion, committee meetings, that it would do everything to force those Bills and those government initiatives to be stopped.

Clearly, a Government which intends to run the country has to ensure that Parliament works and that it has a chance to debate the issues before it, particularly the issues brought to the attention of Parliament by the Government. I do not think we had one sensible debate all last week. We had one motion after another as to whether a private Member should be entitled to introduce a Bill and one vote after another as to whether that Bill should be printed and circulated. That is an unrealistic waste of time for which the taxpayers paid in hiring us to be their representatives in this House of Commons. There is no justification for it. That time has to be made up. Unfortunately, that time is going to have to be made up in July. None of us like that. None of us want that. That make-up of time is totally unnecessary.

In other Parliaments in this Commonwealth serious matters that are in complete debate between one side or the other, where both sides have their own firm position, are handled in one day, perhaps a day and a half with perhaps two speakers from each side, perhaps not even that, and a vote is called. That is what happens in Great Britain. Here we have one filibuster after another, one delaying tactic after another. There may be a point in that, but the point is that we have to sit longer than we should have to sit, because we do have to come to grips with the issues. We do not solve the problem of Parliament by delaying techniques that prevent us from coming to grips with issues. We are paid to come to grips with issues. We are paid to make decisions. We are paid to show leadership. We are not paid to vote on whether or not a Member should be able to introduce a Bill.

• (1610)

The coalition has brought us to this. We have been forced by the coalition to extend the hours of the House, to extend the sittings of the House in order that the Government-needed legislation can be dealt with. The coalition says: "Call an election". There are signs out that state: "Trade Mulroney and call an election". Sir, they will have an election. But they want an election before the fourteenth of July, because they want to have a Parliament elected improperly. They want a Parliament that is not representative of the people. They want to force on Canada a Parliament based on a 1971 census. That is the extent of their idea of democracy.

This coalition has nothing to offer Canada other than delay, other than harping criticism. They have no program, no philosophy other than socialism, state ownership, as the means of production and distribution. This is a coalition of those who believe in big government. This is a coalition of those who believe in big brother. They will have an opportunity to present their ideas of big brother, probably before the snow flies, but not before we have redistribution. They know that, and this hollow call for an election is exactly that, a hollow call from hollow minds. The issues in the election, Sir, will be the trade issue, whether Canada is going to offer opportunities for young people, or whether those opportunities will only be available in the United States.

We are a nation of 25 million people. There is presently a meeting of the G-7 in Toronto. Our trading partners all have markets in excess of 100 billion people at home. We have a market of 25 million. How do we ever expect to be world competitive without at least a basic home market? Yet, the coalition says: "Don't worry about that. Put a big fence around Canada and make sure we have a little Canada." We will have an opportunity to discuss that with the people of Canada. The people of Canada will vote for a big Canada, a future for their kids. That is the type of Canada we want, and that is the type of Canada that the people will have a chance to vote for. But, they will get a chance after redistribution, not before. They will get a chance after the trade Bill is passed at least the House of Commons.

In this Bill we will be able to show exactly what we intend to do, and we will be able to have the people vote on this Bill and the trade issues. The coalition will have to say that they do not want to deal with the United States. One of them is going to tear it up, the other is going to tear it down. I do not know how the tearing is going. But I can tell you, Sir, the tearing is going to be the tearing of the Liberal-New Democratic coalition, the tweedle-dum and the tweedle-dee of the House.

The Government has a program of privatization. We have been moving the Government out of the affairs of individuals. In the last three and a half years we have privatized more Crown corporations than all of the Governments put together, both federal and provincial, in the history of Canada. Before the House we have a major privatization Bill involving Air Canada. That Bill is demanded by over 80 per cent of the employees of Air Canada. It will enable our national airline to compete in the world without having its hands tied behind its back as an agent of the Crown. It is important to the people of Canada that that Bill goes through. We can have a vote on it and the coalition can renationalize it, if they want to, if the people of Canada direct them that way. But the airline employees will not vote for them when they have an opportunity to buy stock in their company.

I come now to the immigration matter. This House was called back in emergency session on August 10, 1987. It was

recalled to deal with the flagrant abuses of our immigration laws whereby people would come across our border and say: "I am a refugee", because they knew that under the present system, a system formulated by the Liberal Party, they could stay in Canada for five years and work anyway, because they could go from one appeal and one delaying process to another. As a result, our immigration system is now clogged with more than 50,000 people claiming refugee status, most of them improperly.

It is not that they do not want to come to Canada, and not that most of them might make good immigrants, but they are trying to jump the queue. We have Bills that have been delayed in the Senate for more than 200 days that would deal with that problem. The issue in the election will be the Senate, directed by Allan MacEachen, which believes that it does not need to be elected in order to stymie the will of the elected people and be responsive to the electorate. They will get their election all right, and the election will be on the Senate that has done its darndest to hamper and prevent democracy from working, since 1984 only.

Sir, we have to have an extension of hours. I do not like to have an extension of hours. It is unfortunate. But when there is continual blocking of the activity of the House by a coalition on the other side, determined to prevent matters from coming to a vote, determined to prevent open and free debate, and determined to make sure that an agenda reasonably put to it by the House Leaders is negotiated and worked out, then the Government has no choice except to move to set aside the rules on a temporary basis to give that opportunity demanded for debate.

They do not want debate. They only want to play blunderlog, a game we used to play with cub scouts. They want to destroy things. They do not want to build a Canada. They do not want to get at the problems of Canada.

We have an abortion resolution on which they state: "Don't give us a free vote on it." That would be undemocratic to vote freely! That is a mark of the Liberal-New Democratic Party coalition: no freedom. In the New Democratic Party they say: "There can be no free vote. We will control our Members. They will march to one drum only". On issues of moral conscience we always believe that the will of the Members ought to prevail. Surely, on this matter or any matter it ought to be brought forward for an open discussion in this House in a realistic time frame and a vote should be taken, a vote which would give every Member of Parliament the opportunity to take one or the other propositions put to him or to her.

• (1620)

The point of the whole matter is that we need to have the opportunity as a Government to govern. We cannot have that opportunity to govern stymied by misuse and abuse of the rules. What we have had to do today is to move a closure motion to temporarily change the rules, something which will enable us to come to grips with the problems that affect this country.

Mr. Manly: You should be ashamed of yourselves.

Mr. Blenkarn: My friend says that we should be ashamed of ourselves. He is saying, as Liberals or New Democrats say, that we should be ashamed of ourselves for governing the country. Sir, I say that we have an obligation to govern the country. We have demonstrated our ability and our will to do that. My friend has demonstrated absolutely no policy, no thrust or no leadership.

Members opposite will have an opportunity in the debates in the weeks ahead if they want to continue to talk. But this motion gives them a lot of opportunity to talk. Let us hear what they have to say. If they are sensible, let us get the matters that are before the House dealt with so that we can get on to more important issues, and perhaps an election.

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, Motion No. 26 in the name of the Government is a motion which seeks to set aside a certain number of our Standing Orders so that the House may sit as late as September 9, and with extended hours. This motion has been justified by the Government on several grounds. These Government arguments for Motion No. 26 may be quickly summarized as follows.

First, we need Motion No. 26, these extra days and these extended hours, because there has been considerable Opposition obstruction; and this obstruction has come in this Parliament not only from the two Opposition Parties but it has come as well from the Senate.

The second argument is that extra days and hours are needed in order to clear the Order Paper.

Third, the Government says that it has had foisted upon it some unanticipated measures. It refers to the ghost of Meech Lake which has returned from the Senate, let us call it Meech Lake II, which has now been partly demystified and shown, I think, by the other place to be a bad piece of constitutional amending. Second, the Supreme Court of Canada has struck down the abortion law and made it necessary for this Parliament to decide what must be done with this political, this social, this moral issue.

Fourth, it is said that we must sit through the summer and late into each night because it is in the public interest so to do.

Finally, the Minister of State said that Parliament must deal with the free trade question.

I intend to look at those arguments and test their validity to the best of my ability. First, I will deal with obstruction.

I would like to ask you, Mr. Speaker, whether this Parliament has really been characterized by excessive, by unusual, by unwarranted obstruction tactics by the two Opposition Parties. We know for a fact that the Government has vigorously used time allocation and closure, plus a variety of new

methods not frequently used in the past which have allowed it to push ahead with its plans and its schedule.

In 44 months of this Parliament, 204 Bills have been passed.

An Hon. Member: Hear, hear!

Mr. Penner: The Minister of State bragged about that accomplishment. He pointed out to Hon. Members that in the Parliament of 1974-79 and in the Parliament of 1980-84 only 177 Bills were passed in each case, and those two Parliaments sat longer than has the current Parliament.

I want to ask this question. Where is the Government's case for obstruction? It cannot be proven because there has been no obstruction, unless the Government argues that the legitimate role of the Opposition is in itself obstruction.

Perhaps the huge majority that it acquired in 1984 has whetted its appetite to have a one-party state. I want to say that if that is the case it is not going to happen by any decision made in this Parliament. It will only happen when the Canadian people decide that every constituency should be represented by a Progressive Conservative and not by the representative of any other Party. You know and I know, Mr. Speaker, that that is highly unlikely to happen. It is far more likely that this Government will be ejected from office.

The Minister of State also referred to his problems with the Senate. He says that the Senate has used its constitutional powers in this Parliament, and quite legitimate powers, I would say. They have been used, and I would say, generally speaking, they have been used effectively and responsibly. I am now absolutely convinced that in a federal state we need a bicameral system. We need two Chambers in order to check more effectively a powerful administration, an excessively strong executive branch of government which exists in the Canadian system. If two Opposition Parties cannot do it, then we may have to alter our system so that it can be done regularly and systematically. We have to check power because we have seen in this Parliament the abuse of power.

However, the second House, the Senate, I believe must have legitimacy. I believe that can only be acquired by means of election.

I have no sympathy with the Government when it claims that it is having problems with the Senate. It has had four years up until now to do something about it. It could have reformed the Senate. Yet all it did at Meech Lake was to transfer appointments from the Prime Minister to the Premiers, thereby guaranteeing that we are highly unlikely ever to see an elected Senate in this country.

When the Canadian politburo met at Meech Lake to declare Québec a constitutionally distinct society, why did it not at the same time move to abolish an appointed Senate and put into place mechanisms that would be required for an elected Senate? We all agree that an appointed Senate is an anathema to democracy. But why has the Government not moved to change it? It did not do so because it knows that it would be cutting off its own nose to spite its face. It, too, uses the Senate for its own partisan purposes. Given this situation, any ranting and raving from particular Ministers or the Government collectively about the Senate make no impression at all on this Hon. Member. Thus we can set aside the obstructionist argument. There has not been any from either the House of Commons or the Senate.

The second proposition from the Government is that we need Motion No. 26 in order to clear the Order Paper. The Minister of State has written to the Opposition House Leaders with a list of what he considers on the Order Paper that it is necessary to dispose of in this session of Parliament. Sir, there are 41 Bills and/or motions that he has put forward. It is an imposing list. But it seems to me when I looked at that list that there is plenty of room there, as the Hon. Member for Nickel Belt (Mr. Rodriguez) said, for some negotiation, for some bargaining, for some compromise, in order to achieve a workable schedule.

The only requirement in order to do that, Sir, would be to have some skill, some openness, some flexibility, some common sense and some reason displayed by the three Government House Leaders.

• (1630)

On top of this we have had these two unanticipated issues, Meech Lake II and the abortion question. The first of these will be disposed of Wednesday of this week when the House will divide on the Meech Lake motion. That leaves abortion, Mr. Speaker. We could have been using these June evenings to debate the abortion question. It would have been helpful to all Hon. Members if we had known what the Government's position was. The Minister of Justice (Mr. Hnatyshyn) promised he would give leadership.

This Government has a position on absolutely everything. That position that it takes is ironclad. It says: " We have to get the motion through. We will use our majority to get it through". The Government has a position on everything except when it comes to a delicate and sensitive issue like abortion. Suddenly, isn't it amazing how democratic and open the Government gets? Why isn't the Government like that on a lot more issues?

That leaves two of the Government's arguments yet to be considered, those that I outlined at the beginning. Let me deal with the public interest. The Government says it is in the public interest to keep the House in session all summer, sitting each day, late into the evening. I would say to you, Sir, that no elected Member of this House can ever play down or argue against the public interest proposition. We are here in the public interest. The public interest is paramount. It takes precedence over partisan interest. It takes precedence over personal interest. We are here in the public interest. The question is how do you judge which particular item or group of items are absolutely in the public interest? How do you decide

that? You cannot do it arbitrarily. You cannot do it unilaterally. Governments tend to run on the notion that the more they do the more efficient and effective they are. Some other day I would like to challenge that proposition.

Not everything that is proposed is in the public interest to such an extent that the House must sit day and night well beyond what the Standing Orders call for. Public interest can really only be decided by way of negotiation among the House Leaders. It can be decided by bargaining, fair bargaining, between the government and the opposition Parties, or if that fails, as it has in this case, through some kind of arbitration. Obviously, the current situation, negotiating and bargaining, has broken down. The House Leaders have failed to reach an agreement to come to a settlement.

What has the Government done? By using its muscle it has forced Motion No. 26 upon us. In retaliation, the Opposition has used obstructive methods to protest. This in turn has called for even more repressive measures from the Government. What we have done is turn this House of Commons into a kind of parliamentary Beirut or Belfast without the fire power, thank goodness. In such a situation, it is really better for all Parties concerned to back off and to seek some kind of arbitration rather than to impose on the House a kind of martial law or a War Measures Act or, as I think Motion No. 26 says, using something like the notwithstanding clause in the Constitution, setting aside rights and privileges of individual Members.

Who can arbitrate in a situation like this? Thank goodness our Standing Orders have anticipated exactly such a situation. Who can decide what is in the public interest that ought to keep Parliament sitting for additional days and hours? Standing Order 5 tells the House how it ought to proceed in such a situation.

> Whenever the House stands adjourned if the Speaker is satisfied, after consultation with the Government, that the public interest requires that the House should meet at an earlier time, the Speaker may give notice that being so satisfied the House shall meet—

Standing Order 5 is meant to prevent the kind of situation which we currently have in the House of Commons. The Government has ignored that route and instead has gone by way of Motion No. 26. I want to say to you, Mr. Speaker, that I think Motion No. 26 is really an attack upon the judgment and the discretionary power of the Speaker. It undermines his authority. The Government is really saying: "We can't trust the Speaker to make a decision about what is in the public interest requiring the House to sit longer than the Standing Orders call for. Therefore, because we do not trust the judgment of the Speaker, we will impose our own will upon the House".

I call these in plain language dirty tactics. Dirty tactics whenever they are used call for a fierce response from the opposition benches, fierce because the job of the Opposition is to keep this place honest. If Hon. Members opposite doubt that, let them listen to the words of the Right Hon. John G. Diefenbaker speaking in this House in November, 1962. The late John G. Diefenbaker said: "Oppositions clean and purify those in office and we in the Opposition are in fact the detergents of democracy".

Who would have thought of that except the Right Hon. Member for Prince Albert? How appropriate it is, the detergents of democracy. The Minister of State (Mr. Lewis) in supporting Motion No. 26 said: "We have an agenda as a Government which has been well thought out and we believe"—we believe—"it is in the interests of the country".

During the election of 1984 I failed to become aware of any carefully thought out agenda presented by the Progressive Conservative Party to the people of Canada. It is true there was a plethora of promises, most of which have not been fulfilled. But when and where was this carefully thought out agenda revealed to anybody? For example, when the question of free trade was raised during the election campaign, the Prime Minister (Mr. Mulroney) and some of his leading Ministers vigorously denounced it. It was not part of any agenda. You know, Mr. Speaker, and I know that free trade does not possess a national consensus. It is highly, highly controversial. Many Canadians are strongly opposed to it. Why then is the Minister of State calling for only a five day debate in this House?

When the British decided that they were going to join the European Common Market, the Bill in 1972 was preceded by an election. Then a few years later they had a referendum to decide whether they wanted to stay in Europe or pull out. Our free trade Bill must involve the whole nation. Before we proceed with it, there must be a general election. My hon. friend opposite who suggested that the Opposition is trying to have an election before redistribution was simply making a lot of noise and he knows it.

Canadians must first be consulted before we proceed with a Bill that will fundamentally change the structure and the foundation of this nation. What I am saying about the free trade Bill would apply equally to the question of Meech Lake.

• (1640)

It is really regrettable that at times the Canadian Parliament functions as poorly as it does. It is too bad that we so often have to choose between the repressive force of a Government with a big majority and Opposition tactics which can be destructive of this institution itself. I ask, where is the middle way, where is the golden mean?

Governments, I believe, should seek mandates for major items which will alter the very nature of the country itself. When we run up against a situation such as the one we are in now, we should seek arbitration through the Speaker of the House by using Standing Order 5. So I conclude by saying simply that what has happened to Parliament in the last several weeks is deeply regrettable. It is an institution of which I am proud, and I hate to see what is happening to it. However, I think you can see why it has happened, Sir, and I have tried to outline that in my speech.

When negotiations break down, when common sense and good reason does not work, then we can only do what is left open to us and that is to seek arbitration, first through the Speaker, and then, on the very big items, we have to go to the people of the country to get their opinion on whether they want to proceed with matters so vital as free trade with the United States of America and a Meech Lake Accord which is changing the basic law of this country.

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, it was not my intention, when I entered the House earlier today, to get involved in this debate. I think it is advantageous for government Members not to speak because opposition Members are making quite a spectacle of themselves. I think it is good for Canadians from coast to coast to see the two opposition Parties, side by side, hand-in-hand, telling the people of Canada that they do not want to work this summer. They all want to be up at their cottages, beside their swimming pools, out at the lake. They do not want to be here working. I should point out to them that that is why they were elected. They were elected to come to Ottawa and to be in the House of Commons to promote the legislation that will help Canada.

Mr. Manly: Do you have a family?

Mr. Nicholson (Niagara Falls): I could say that to them, but I will not. They are making a spectacle of themselves. The longer this debate goes on, the more advantageous it is to me as a government Member and to other government Members. However, that is not why I entered this debate.

Mr. Manly: Will you be sitting here all the time when the House is sitting?

The Acting Speaker (Mr. Paproski): There is such a thing as courtesy when it comes to debate. The Hon. Member for Niagara Falls (Mr. Nicholson) has the floor.

Mr. Nicholson (Niagara Falls): That is good for Canadians to see and hear as well. That kind of behaviour is helpful to the Government.

I decided to enter this debate because of comments made a little earlier by the Hon. Member for Hamilton East (Ms. Copps). Those of us who were sitting in the House will recall that she said something to the effect that there had been no contribution made by the Hamilton-area Members of Parliament. She went so far as to say that there were Hamilton-area Members who had not said anything of substance on some of the major issues. When I hear nonsense like that, it behoves me and everyone who is present in the House on a day-to-day basis and is involved with committee work and constituency work to challenge statements like the one made by the Hon. Member for Hamilton East.

As the Hon. Member was saying that, I had to think of my four colleagues from the Hamilton area and of some of the contributions I know they have made. You are well acquainted with the Hon. Member for Burlington (Mr. Kempling), Mr. Speaker. I do not have to remind you of the contributions of the Hon. Member for Burlington as chief government Whip in the Cabinet in which you served in the Thirty-first Parliament. He is presently the Chairman of the private Members' committee.

The whole idea of parliamentary reform may be out of fashion. We have seen on a day-to-day basis the actions of the New Democratic Party and the Liberal Party and how they are trying to thwart parliamentary reform, but Members like the Hon. Member for Burlington, who is the chairman of the private Members' committee, are spearheading reform and are true to the spirit of reform for private Members. That Hon. Member should be congratulated on that account by all Members of Parliament.

I thought as well of my good friend and colleague, a good friend of this House and, I would suggest, a good friend of Canadians, the Hon. Member for Hamilton West (Mr. Peterson). We are aware that he is Vice-Chairman of the Standing Committee on Consumer and Corporate Affairs. We know of his contributions on that committee and of his contributions in the House. One of the things that has always struck me about him, and I met him just shortly after being elected, is that he is one of those individuals who works day and night on behalf of his constituents in the Hamilton area. Not a day goes by that he is not involved in some way in trying to solve problems. I ask the Hon. Member for Hamilton East and other members of the New Democratic and Liberal Parties, is that not the kind of Member that Canada wants? Is that not the kind of Member that Canada should have in the House of Commons? I know that the people of his riding are very pleased and honoured to have the Hon. Member for Hamilton West represent them in this House.

I thought as well of my colleague, the Hon. Member for Hamilton—Wentworth (Mr. Scott). I am aware, of course, that he is Chairman of the Standing Committee on Secretary of State. I know how involved he is in the day-to-day operations of this House and of his many valuable interventions on behalf of all Canadians and particularly on behalf of the people of Hamilton—Wentworth. As someone who does not come from the Hamilton area, I think of all he has done and said on behalf of the Hamilton airport in order to improve service there. I am sure that the people of the Hamilton area and indeed the people of the Niagara area from which I come appreciate the very valuable service he has done for that area and for many other areas over the past 10 years.

Finally, I come to the Hon. Member for Lincoln (Mrs. Martin). I would guess that I know her the best of those four Members of Parliament, having served with her on the special committee on child care. I know as well that she is the Chairman of the National Progressive Conservative Party and I know of the valuable work she does there.

I do know as well that long after the Hon. Member for Hamilton East is but a footnote in the Thirty-third Parliament, the contributions of the Hon. Member for Lincoln in the area of child care will not be forgotten. The report of the committee

of which she was chairman is something that will be of lasting contribution to the well-being of Canadian children and something that will live on far beyond the life of this Parliament.

What Canada needs is more people like the Hon. Member for Lincoln and more people like the Conservative Members from Hamilton. If we had more Members from the Hamilton area as effective as the four Progressive Conservative Members, it would be better for the Hamilton area and certainly better for Canada.

The Hon. Member for Hamilton East says that the Progressive Conservative Members from the Hamilton area do not speak enough. I just wonder if it has ever occurred to her even once that perhaps she speaks too much, that she speaks too much for the good that she does.

Members of the Opposition are saying that we should call the election right now, dissolve the House. That is their solution to the problems that face Canada. The Hon. Member from Mississauga made a very good point. If we called an election now, redistribution would not be in effect. There are presently two Members of Parliament from the Mississauga area. In the Brampton area, and in Mississauga as well, there are as many as four times the national population average for one riding. It is easy to say that the Hon. Member for Brampton—Georgetown (Mr. McDermid) and the two Members from Mississauga are four times as effective as Members from the New Democratic Party or the Liberal Party, but I do not think that is an answer. I do not think it is fair to the people from those areas to have the opposition Parties call for an immediate dissolution of Parliament.

I think of the abortion question as well. For a number of my colleagues, this is a very important issue. There is no abortion law on the books of Canada right now. That means that unborn children are being killed because there is no protection for them. On whose conscience would it be if this Parliament fails to act on that?

I am aware that the very reasonable approach of the Government, one that was alluded to in the editorial in today's *Globe and Mail*, is being fought in the name of democracy by the members of the New Democratic and Liberal Parties. I think it is a shame that they are opposing bringing forward that resolution that can and will do so much to protect unborn children.

• (1650)

I think as well of the refugee Bills. We would be much further ahead if we did not have this stalling. Who is to blame for the fact that Canada does not have a rational, working refugee determination system? It is the Members of the Liberal Party, the Party of the Member for Hamilton East How many thousands of people have come into this country and abused the system because Bills C-55 and C-84 have not long since been passed?

With regard to the complaints of the Liberal Party, they should tell their colleagues in the Senate that they should be sitting every day, they should be spending 24 hours a day down the hall in order to get this legislation through Parliament because that is what Canadians are demanding.

Mr. Kilgour: They don't sit Mondays.

Mr. Nicholson (Niagara Falls): I am informed that they do not sit Mondays. They should be sitting Mondays, Saturdays, and around the clock to clean up the backlog of legislation which has been sent to them by this House.

Members of the Opposition do not want to be here and it is good for Canadians to hear that. Members of the Opposition want to be in their ridings across the country. The nonsense that you hear on a day-to-day basis in the House of Commons, Mr. Speaker, is only equalled by the nonsense, misinformation, and fear they are spreading across the country.

My own riding of Niagara Falls is no exception. Recently the Right Hon. Leader of the Opposition (Mr. Turner) was in town. I do not know how often he has been to the Niagara Peninsula. He is like some of those self-proclaimed experts on the Niagara Peninsula. They blow in for a cup of coffee, stay for an hour, and say: "I'm an expert on the Niagara Peninsula, I'll tell you that free trade is no good for the area". Every time they open their mouths in that way they show just how little they know about the Niagara Peninsula.

They make comments about the grape and wine industry. I see the Minister of Agriculture (Mr. Wise) in the House. He is going to bring forward a proposal which will assist that industry. It will be one of the most constructive things that has happened to that industry in years.

The Leader of the Opposition and other Members come to the Niagara Peninsula and say that the free trade agreement is no good, it should be torn up, it is bad for the Niagara area. That is nonsense. They only say that because they never talk to anyone on the Niagara Peninsula. They pretend that the Niagara Peninsula is a one-industry area and base their comments on that single industry.

That is absolutely wrong. The Niagara Peninsula is as diverse as is any other area in Canada. If they spent two hours on the Niagara Peninsula instead of one they could drop by the Ford Motor Corporation. The Ford Motor Corporation has approached me and told me that as their representative I must support the free trade agreement because everything they make in Niagara Falls is shipped across the border into the United States. That is why they need open access to the borders and that is why they support the free trade agreement.

The general manager of General Motors has sent a letter to every single employee of General Motors Canada saying that this agreement is good for General Motors, good for the auto industry, good for Oshawa, good for St. Catharines, and good for Canada. Members of the Liberal and New Democratic Parties never refer to that. They forget about that.

If they spent a little more time in my area they might drop by the TRW plant. I was there and at the Hayes Dana plant. I asked the managers and people who work there whether they can compete in an open market. They said that they will not only compete but will do very well. They do not compete only on a North American basis. The auto parts made on the Niagara Peninsula are world competitive. They tell me that my job is to ensure that the border remains open and they will do very well. That is never referred to by the NDP or the Liberals.

They never stopped in at Brunner Manufacturing, another company with huge exports to the United States. I was at Edsha Corporation two weeks ago. That company is only one year old and at that moment was hiring its one hundred and forty-first and one hundred and forty second employee in the auto parts industry. Their message to me was the same, keep the border open. They are there in order to export into the United States.

Members of the New Democratic Party and Members of the Liberal Party are interested only in spreading fear and misinformation in the Niagara Peninsula. I will not stand by while misinformation and fear is spread by socialists and Members of the Liberal Party. I will not stand by while those who do not know a thing about the Niagara Peninsula blow in and proclaim themselves experts. I will fight that, here in the House of Commons, in my riding, and across Canada.

Mr. Simon de Jong (Regina East): Mr. Speaker, I, too, wish to enter into this debate. I would like to explain to the Canadian people watching the proceedings of the House on television this afternoon what this debate is really all about. The Government has requested, through a motion, to extend the sitting hours of Parliament in order that Parliament can deal with pieces of legislation which the Government insists it needs.

One of the chief pieces of legislation is the legislation which would put into law the agreement signed between the President of the United States and the Prime Minister of this country, the Reagan-Mulroney trade deal. The Opposition, both the Liberal and New Democratic Parties, are quite opposed to this piece of legislation, mainly because we believe that the Government has no mandate to proceed with this.

We believe that by extending the hours of Parliament and the number of days that Parliament will sit in the summer, the Government has torn up the rule books by which Parliament governs itself. As opposition Members it is our duty, in the parliamentary system, to try to prevent the Government from proceeding with its plans. We have heard government Members state that the Government needs this legislation to extend the sitting hours because the Government was elected to govern and needs this extended sitting in order to do so.

There is so much in Canadian parliamentary democracy which depends upon consensus. It is true that there are fundamental differences between political Parties in terms of our outlook on how the country should be governed. However, there is also a general agreement—and that is why Parliament can work—that the Government should be able to govern, that the Opposition does have a role, and that Parliament should be able to function.

Very often this consensus is unstated. We will rise in our place in Parliament and object to particular pieces of legislation, but at some stage we recognize that it is the Government's right to proceed with its legislation and allow the vote to occur. Thus, legislation becomes law.

The Acting Speaker (Mr. Paproski): The Hon. Member will have 14 minutes for debate after the division is called this evening.

• (1700)

[*Translation*]

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

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*Translation*]

PUBLIC SERVICE EMPLOYMENT ACT

PARTICIPATION OF PUBLIC SERVANTS IN ELECTORAL ACTIVITIES

Mr. Jean-Robert Gauthier (Ottawa—Vanier) moved:

That, in the opinion of this House, the government should keep its promise to permit public servants to participate in electoral activities by amending the *Public Service Employment Act* in order to implement recommendations numbered 11.1 through 11.7 of the Special Committee on the Review of Personnel Management and the Merit Principle.

He said: Mr. Speaker, I thank my colleague for Hull—Aylmer (Mr. Isabelle) for seconding my motion M-149 dealing with the political rights of public servants.

Mr. Speaker, I do not need to tell you that this question has been the subject of many Private Members' Bills in the last few years.

The purpose of all these bills was to broaden the political rights of federal public servants and to seek a fair balance between the political rights and freedoms granted by our Charter of Rights and Freedoms and the political neutrality of public servants, i.e. their impartiality and ability to serve the state without political bias.

Many Private Members' Bills and motions over the last ten years at least have always been to the point. It is simply a matter of clarifying Section 32 of the Public Service Employment Act, a section that is restrictive and open to interpretation and which in every election causes us problems, in the National Capital anyway, because we are never sure whether or not public servants can participate in politics. I am one of

those who think that it is time for this House, this Parliament, to take an unequivocal position on this issue. First of all, we would settle an important matter once and for all. Second, some 200,000 public servants would know exactly what their rights are in future and to what extent they can take part in the democratic electoral process.

Mr. Speaker, the main reason I am speaking today to debate a motion presented to the House last October 2 is to report where matters stand. We all know in this House that the Hon. Member for Ottawa West (Mr. Daubney) has a Bill, C-273, now before a committee and it has been thoroughly studied. I think that it will come back to the House in a few days—at least, I hope so—because the last time we met, we agreed to adopt a somewhat amended Bill, but one which I think represents serious work by Members of the House and their professional advisors, including many witnesses who came to speak to us about this political Bill.

The federal Government has, from time to time, been made aware of the need to expand and clarify political rights. The D'Avignon Report ordered by the previous government followed a thorough study by parliamentarians on labour relations in the Public Service of Canada. It took nearly a year to examine problems relating to the need for changing, and especially updating, regulations and legislation governing employee-employer relations.

The Report of the Special Committee on the Review of Personnel Management and the Merit Principle was published in 1979. The report contained a complete chapter on political participation—Chapter 11. In the introduction to the Special Committee's report, we see on page 9 one of the issues examined by the Committee, and I am referring to political participation. I quote, from page 9:

> Employees should generally enjoy greater freedom to participate actively in the political process, unless an indication of an employee's partisan political interests would compromise the reputation of the public service for impartiality or would place the individual in a conflict of interest with effective job performance.

That is very clear and succinct. In his report, d'Avignon makes seven recommendations which I refer to in my motion and which I would like to see Parliament incorporate in a new bill.

I think that with Bill C-273 introduced by the Hon. Member for Ottawa West, the Government now has a Private Member's Bill that has been properly tested and proven in committee and which will come back to us in its amended form. I would like to ask the Government to examine this Bill, after which it could perhaps take the essential part and submit it to the House as a Government Bill. I am asking the Government to do so because I know that as Private Members we only have one hour from time to time, and it is not always easy for backbenchers to get their bills passed.

Luck is of course a factor, because items of Private Member's Business are selected by random draw. That is in fact how my own motion No. 149 was selected, and Bill C-273, which is a full-fledged Bill, will have to go through the same process. In other words, it will be a matter of luck, not of necessity. Earlier, on my way here, one of my assistants, Pierre Tremblay, reminded me of an expression used by a famous biologist, Jacques Monod, who says in his book "*Le hasard et la nécessité*" that sometimes chance decides but it is not always easy.

In the case of Bill C-273, the Government should eliminate the chance factor and let necessity cast the deciding vote. It should say: We will make the Bill our responsibility. We will introduce it under Government Orders and Members will be able to consider this Bill in the House very shortly. Otherwise, it will be a matter of luck, and we may not be lucky enough between now and the next election to consider Bill C-273 on third reading, Mr. Speaker. I may remind the House that when the Bill is next called for consideration in the House, it will be for the report stage and third reading.

In fact, the Bill is almost home free. That is why I don't think we should leave the future of this item of Private Members' Business to chance.

As I said earlier, the purpose of my motion is to increase the awareness of Hon. Members and the public listening to us of the political rights of public servants. There are many myths and misconceptions about the rights of federal public servants. In my final comments, I will try to summarize what the situation is to date with respect to the rights of federal public servants.

Mr. Speaker, I will not read to you from the D'Avignon Report. Basically, D'Avignon was in favour of the British system. Public servants are divided into three groups, and the senior group, consisting of those persons who advise the Government, is excluded.

Intermediate groups are allowed to exercise their political rights, subject to approval by the Public Service Commission. The third category, which includes the vast majority of public servants who do not give advice on matters of Government policy, would be entirely free to participate in partisan political activity.

Bill C-273 in the name of the Hon. Member for Ottawa West reflected the same concept, to a certain extent, but I think it will be amended. In fact, I know it will because the Committee, after hearing a number of important witnesses, intends to simplify the process.

Mr. Speaker, if we look at how this matter has evolved, there have been many items of Private Members' Business here in the House, as I said before. In fact, there was Bill C-231, introduced by the Hon. Member for Ottawa Centre (Mr. Cassidy) for first reading on October 20, 1986; Bill C-247 was introduced for first reading by the Hon. Member for Churchill (Mr. Murphy) on January 26, 1987; and finally, Bill C-273, introduced by the Hon. Member for Ottawa West for first reading on November 26, 1987 and for second reading on February 9, 1988.

There are now before the House four bills dealing with the same subject matter, plus several motions including mine, which was intended to provide firm and sustained support for the expansion of political rights.

Mr. Speaker, I think this proves people's is interest in this matter. Actually, Bill C-273 has passed the second reading stage in this House. This is a plus, because as we all know, these Bills are often literally killed by anyone who wants to talk the Bill out, which means the debate ends without a vote and the Bill is dropped.

I am therefore pleased the House agreed to adopt the second reading stage of Bill C-273 and that we have finished consideration of the Bill in committee.

There have also been public servants who appealed to the courts. We remember the decision handed down by Judge Walsh this spring, I believe, in a case where Section 32 of the Public Service Employment Act was challenged. Very briefly, I would like to recall that Judge Walsh of the Federal Court said that he did not question the constitutionality of Section 32 but would expand, in his interpretation, the political rights of public servants.

So, as I said earlier, we have had several items of Private Members' Business, as well as representations by the unions and by individuals who went as far as the Federal Court.

I mention Judge Walsh's decision because it compelled the Public Service Commission to clarify its position by issuing a series of instructions to public servants on May 11, a little over a month ago. In a letter which I suppose it sent to all Members— in any case I received one—the Commission indicated that it was essential at this time to inform public servants about the kind of political activities in which they could be involved under the present legislation. Consequently, the Commission was sending a document containing general guidelines that would help to define the limits to political participation by public servants.

Mr. Speaker, the aim of the Public Service Commission, Bill C-273 and my fellow Members of this House is to maintain public trust in the federal Government and also to ensure the freedom of expression and participation that all Canadians have under the Charter of Rights and Freedoms.

The Public Service Employment Act already authorizes political rights, as we know. I bring it up briefly here, because it seems important to me. Public servants are not deprived of rights; rather, they are limited. Among the acceptable rights, which I think it is worth reminding everyone of, are the right: (1) to sign a candidate's official nomination papers; (2) to express their personal opinions openly, without making partisan public statements that would openly show support for a political Party. Mr. Speaker, I took them from the Commission guidelines that are as recent as May 11.

(3) to speak as a member of the public at meetings where representatives of the political Parties take part and to question the candidates and assist them; (4) to attend political meetings; (5) to make contributions to a party's election fund; (6) to hold membership in a political Party; (7) to participate in policy-making discussions of a Party; (8) to be a delegate to a political Party's leadership convention; (9) to help a candidate or a Party without attracting attention to themselves, as for example, by addressing correspondence; and (10) to run for nomination or election, provided that unpaid leave has been sought from the Public Service Commission for this purpose.

Mr. Speaker, those are the rights that exist today. They are in fact quite broad, but for some of us, they are still too restrictive. I am one of those who think that they could be broadened some more and that is what we here in this region, anyway, who are most affected, wish to do with the help of our colleagues from all parties: to pass Bill C-273, which in our opinion would be much more generous and clearer in the application of political rights. That is why, Mr. Speaker, I shall support Bill C-273 when it comes up for debate in the House soon. With the support of the Government Members, I suppose, we may together be able to convince the Government that it is a necessity and that this most important question should not be left to the luck of the draw.

Mr. Speaker, I received some telephone calls recently on Bill C-273 as amended. I know that it is not customary or proper procedure to speak to Bill C-273 at this stage. But I would just like to point out to the House that some public servants have told me how important it is for the law to protect "whistleblowers."

• (1710)

[*English*]

I would like to end my remarks by saying that I have participated in debate in this House this year, I think twice in January, trying to explain about whistleblowers, those who report publicly on an employer who does things which, in their mind, could threaten the security and safety and health of the country. There may be a need for us to look attentively at this amendment to protect public servants who may report on wrongdoing by the employer.

I would like to just go back to a debate we had in this House in January of this year and state that, indeed, I believe there should be a disposition in the Bill to look after and protect those public servants who honestly believe the employer is asking them to perform duties which would not be, in their view, in the best interest of the country.

[*Translation*]

I think some way has to be provided. In my speech in January, I spoke of an ombudsman, someone to whom public servants could go to talk about their fears, their concerns, with no danger to themselves. A public servant who in good faith thinks that his employer is asking him to do something contrary to the public interest would at least have somewhere to go and report the actions or instructions or directions that he thinks contrary to public security and therefore the national

interest. I do not think that this is in Bill C-273. I would be happy if there were some way to include it and I think that some public servants would feel much easier.

Mr. Speaker, in conclusion, I wish to say that this issue is of the utmost importance for me. It is a basic question. This is a matter that requires a continuing interest, as Members in this House have found over the last few years, and I believe we are all agreed to proceed. I would ask the Government once more to accept the recommendations made by the Committee of the House that examined Bill C-273, to make it its own and to put it before the House for consideration at the current stage, in other words. I can assure them that the Liberal caucus, for whom I am speaking in my capacity as Public Service critic, will support prompt and quick passage of the measure.

• (1720)

[*English*]

Mr. David Daubney (Ottawa West): Mr. Speaker, I am happy to speak on the motion of my friend, the Hon. Member for Ottawa—Vanier (Mr. Gauthier), a motion which states:

> That, in the opinion of this House the Government should keep its promise to permit public servants to participate in electoral activities by amending the Public Service Employment Act . . .

As you know, Mr. Speaker, the Government does keep its promises. It has kept more than 80 per cent of them so far, with a significant amount of time left in our mandate. With a little more co-operation from the opposition Parties, particularly the Chief Opposition Whip perhaps the rest of those promises could be fulfilled before we go back to the people.

What was our promise in 1984 on the issue before us this afternoon? Let me read briefly from our campaign statement on this important issue:

> The Progressive Conservative Party favours a general removal of the restrictions on political activity, especially for those public servants covered by collective agreements. These restrictions are unnecessary and may not be justifiable under the terms of our Charter of Rights and Freedoms.
>
> There are some senior public servants whose job responsibilities are very political in nature, and whose rights should be somewhat restricted to prevent conflict of interest, but we are confident that these people could be covered separately, without disenfranchising over 200,000 public servants in the process.

That was our Party's position in the 1984 general election, and I would submit to you, Mr. Speaker, and in particular to my colleagues on the government side that our Party and the House is on the threshold of fulfilling that commitment, thanks to the second reading and all-Party committee support for Bill C-273, a Bill that I introduced on November 26, 1987, and which received approval in principle on February 9, 1988. I particularly urge members of my own Party to give this Bill their support when it comes back to the House, hopefully at the earliest possible date.

You are aware, Mr. Speaker, that I have spoken on this issue a number of times in this Chamber. The first time was in my maiden speech in November, 1984. I have since spoken on a number of occasions both inside and outside the House. I wish to congratulate the Hon. Member for Ottawa—Vanier who, long before I arrived here, spoke on this issue and did his best to ensure a change in the law to improve the situation for his constituents and mine. I congratulate him for introducing the motion today and for his support in the legislative committee on Bill C-273.

I would also like to take the opportunity to thank the Hon. Member for Ottawa Centre (Mr. Cassidy) for his support and helpful suggestions for amendments, and my Progressive Conservative colleagues on the committee, the chairman, the Hon. Member for Halifax West (Mr. Crosby) who was a consummate chairman, and the Hon. Member for Ottawa—Carleton (Mr. Turner), the Hon. Member for Nepean—Carleton (Mr. Tupper), the Hon. Member for Gatineau (Ms. Mailly), and the Hon. Member for Pontiac—Gatineau—Labelle (Mr. Moore), all of whom worked very hard to improve the Bill that I introduced. The product which is coming out of committee now is a much improved Bill which merits the support of the whole House.

I would also like to thank the many witnesses who appeared before the committee, many of whom had helpful suggestions and ideas, a number of which were incorporated into the amended Bill.

I would like to take a few minutes to explain why I think that Bill C-273 is worthy of support and meets the objectives of the motion before us today. As the quote that I read from our campaign promise indicated, reference was made in particular to those public servants who are covered by collective bargaining rights. That essentially is the approach which the amended Bill C-273 has taken. How has it done that? It has done it by basically adopting the distinctions contained in the Public Service Staff Relations Act in a new definition of politically restricted employee contained in Clause 3 of the Bill. The definition section states that a politically restricted employee means any employee who comes within the meaning of "a person employed in a managerial or confidential capacity" as defined in the Public Service Staff Relations Act.

There are a number of references in the PSSRA to other categories which have not been incorporated, but specifically included are employees employed in a position confidential to the Governor General, a Minister of the Crown, a Judge of the Supreme Court of Canada, or the Federal Court, the Deputy Head of a Department, or the Chief Executive Officer of any other portion of the public service; and also an employee who has executive duties and responsibilities in relation to the development and administration of government programs; and finally, an employee employed in a position confidential to any person described in subparagraph 2 which is the executive officer.

In addition, there is a designation provision similar to that contained in the Public Service Staff Relations Act which empowers the Treasury Board under certain criteria to

designate another employee who would otherwise be politically unrestricted.

The power of the Treasury Board is one which we have found in the law and in the administration of the public service for a number of years. In my view, it gives us the balance that as parliamentarians we should be looking for. After all, we are trying to balance two competing principles here, one the individual rights of public servants, and the other the need to maintain an impartial, neutral, and effective public service for the country.

I am pleased to tell the House that those objectives are set out at the outset of the Bill in the purpose clause which states that the purpose of the Act is to extend to deputy heads and employees who are subject to the Public Service Employment Act a fuller measure of political rights while adhering to the principle of the impartiality of the public service.

The political rights that have been given are set out in clauses 4 and 5. All employees have the right to vote, to make financial contributions to Parties, to be a member of a political Party, to attend and participate in any political meeting and, subject to subsection 6, to express opinions on matters of public interest.

Clause 5 gives to unrestricted employees the additional and central right to work in a campaign for or against and to demonstrate support for or opposition to candidates in federal, provincial, or territorial elections, or federal, provincial, or territorial political Parties; to be a candidate in such an election; to collect funds for a political Party in such an election; and to hold office in a political Party.

There are certain prohibitions on public statements for Deputy Ministers, and for all employees not to make statements that conflict directly with the duties of the employee. The designation provisions found in Clause 14 of the Bill give to the Treasury Board this power to designate as politically restricted an employee who has responsibilities for providing advice directly to senior levels of the public service and the Government on policy and program development. There is a procedure set out with the provisions of natural justice applying, adequate notice, and so on which allows an employee so designated to appeal that designation.

In summary, my view is that this Bill meets the concerns of the motion of the Hon. Member for Ottawa—Vanier. It should meet the support of all Members of the House because it deals with the essential liberties of Canadians: whether a group of Canadians has the right to free speech, free assembly, and the right to work peacefully and lawfully for democratic change.

• (1730)

The current provisions of Section 32 of the Public Service Employment Act go too far to be reasonable. The law turns the basic rights of a large number of Canadians over to the whims of unelected officials. The interpretation and implementation of this law have resulted in unreasonable limitations on even the smallest and most innocuous of political activities for public servants.

Public servants are people. They grow sick. They grow old. They are widowed. They are parents. They are taxpayers. Public servants, like other Canadians, benefit from social programs and pay for them. They have the right like everyone else to participate in the decisions that affect their lives.

Mr. Jack Harris (St. John's East): Mr. Speaker, it is indeed a pleasure to participate in this debate on the motion of the Hon. Member for Ottawa—Vanier (Mr. Gauthier). I think that the motion of the Hon. Member is somewhat irrelevant given the presence before the House of Bill C-273.

Mr. Gauthier: It was put there before it.

Mr. Harris: It may well have been there before that. However, I want to talk about the process of this whole issue before Parliament. By now, it seems that there is no disagreement whatsoever among the political Parties about the basic fact that public sector workers in Canada ought to have political rights. It is a position which was advanced by this Party many, many years ago, going back as far as 1970 or 1971, in our conventions. It is a position that we have taken consistently over the years.

In the last Parliament there were two pieces of legislation presented under Private Members' Business by our caucus. That was when the Party of the Hon. Member for Ottawa—Vanier was in power. However, they did not get anywhere.

In the election of 1984, as the Hon. Member for Ottawa West (Mr. Daubney) quite readily pointed out, when asked by the Public Service Alliance of Canada what the position of the Conservative Party was, the Conservative Party said that, yes, it favoured a general removal of restrictions on political activity, especially for those public servants governed by collective agreements. Members of the Party said that there are some senior public servants whose job responsibilities are very political in nature and whose rights should be somewhat restricted to prevent conflict of interest. We are confident, they said, that these people could be covered separately without disenfranchising over 200,000 public servants in the process. Nobody could disagree with that, the position of the Conservative Party back in 1984.

Why is it, then, that the Hon. Member for Ottawa West who has done very stalwart work over the last number of years on this very issue has to come here today to urge the members of his Party to give support to Bill C-273 when it comes back to the House? Why is that? He brought in a Private Member's Motion. He supported the Private Member's Motions of the Hon. Member for Ottawa Centre (Mr. Cassidy) who presented two of them in Private Members' Business.

The reason for that is because the Conservative Government has not brought forward such legislation. The legislation had

to be brought forward by individual Members of Parliament. Thus it comes as no surprise that the Hon. Member for Ottawa West has to get up to urge Members of his own Party to give support to it when it comes back to the House. Not only that, he has to bring it in as a Private Members' Bill, Bill C-273, in order to get this legislation debated and, hopefully, put into practice.

The Conservative Government has not kept its promise which it made to the people of Canada in 1984. The Hon. Member for Ottawa West has kept a promise that he made to his constituents when he was seeking election, but the Conservative Government has not.

Again in a period of two weeks we are reminded of the importance of the activities of the committee of this House which was chaired by the former Member for St. John's East which brought about reforms to this House. Those reforms allow the type of initiative taken by the Hon. Members for Ottawa West and Ottawa Centre to come before the House and, hopefully, if Conservative Members of the House support the party policy, to become legislation.

There was an example of that just two weeks ago in the form of a Bill brought forward by the Hon. Member for Broadview—Greenwood (Ms. McDonald). She brought forward legislation on a matter of controversy which received the support of the House as a result of the reforms to Parliament that were brought about by the all-Party committee chaired by the former Member for St. John's East.

It is unfortunate that in light of the Conservative Government's unwillingness to include a piece of legislation on political rights for public sector workers as part of its agenda—an agenda about which we heard the Deputy House Leader speak today, so much so that it has to extend the sittings of Parliament over the summer to get some items through—that this Bill was not part of the 204 Bills that the Government brought forward since September of 1984.

Why did it take the Hon. Member for Ottawa West and the Hon. Member for Ottawa Centre to bring forward Private Members' legislation to try to get through this House policy and legislation which reflects, apparently, the policy of the Conservative Party, apparently the policy of the Liberal Party, but certainly the policy of this Party? This is something for which we have fought consistently since 1970 at least.

In the last Parliament New Democrats brought forward legislation in the form of Private Members' Bills to gain political rights for public servants in Canada. In that session of Parliament, and because there is a one-hour time limit on Private Members' Business, the person who talked it out on that occasion was a former Liberal Member of Parliament who represented Ottawa Centre. He talked the matter out beyond the hour so that the legislation died. We now apparently have support from some Members of the Liberal caucus, most notably the Hon. Member for Ottawa—Vanier, who supports this legislation as a result of his motion today.

There are other Members from the Ottawa area who vigorously support the idea of political rights for public sector workers. However, it is time that the Government made a commitment to bring forward Bill C-273. I understand that in the all-Party committee there appears to be a general agreement. Some details remain to be worked out. However, it appears that that legislation will be ready to be brought back to the House very soon.

If we are looking for legislation that this Party is prepared to co-operate with the Government on, if the Government is prepared to bring it forward, and if the Government is prepared to instruct Members of the Cabinet to vote in favour of it and to follow up on what is said in black and white as Conservative Party policy, then we should see that legislation very quickly. We should see support from Members of the Government, not just from diligent back-benchers of the Government.

It is an important right. If the Conservative Party was willing to admit back in 1984 that the restrictions on the rights of public servants may not be justifiable under the terms of the Charter of Rights and Freedoms, then why has it not brought forward legislation to put an end to that discrimination? Why has it left it to private Members to do this type of work?

I wish to commend all those private Members, especially the Hon. Member for Ottawa Centre who has done yeoman's service on this issue, in that he brought forward two Private Members' Bills and has taken a court case on it. I also commend the Hon. Member for Ottawa—Vanier and the Hon. Member for Ottawa West. I hope that this legislation, Bill C-273, gets through the committee quickly and back to the House to be passed before the next election.

• (1740)

[*Translation*]

The Acting Speaker (Mr. Paproski): I recognize the Hon. Member for Ottawa—Vanier (Mr. Gauthier) ... or rather the Hon. Member for Gatineau (Mrs. Mailly).

Mrs. Claudy Mailly (Parliamentary Secretary to the Minister of National Revenue): Mr. Speaker, I love my constituency ... and I would not feel inclined to represent the constituency of the Hon. Member for Ottawa—Vanier (Mr. Gauthier).

I would like indeed to commend the Hon. Member for Ottawa—Vanier for introducing in October 1987 that motion inviting the Government to allow public servants to participate in electoral activities by amending the Public Service Employment Act.

I would like to suggest to the Hon. Member for St. John's East (Mr. Harris) who just rose that it is indeed because of the parliamentary reform initiated by his predecessor Mr. James McGrath, the then Hon. Member for St. John's East, that the Bill put forward by the Hon. Member for Ottawa West (Mr. Daubney) very soon will be before the House for enactment.

This is because the Government really believed in parliamentary reform, and I must remind the Hon. Member that the Prime Minister himself (Mr. Mulroney) appointed Mr. McGrath, knowing him as a person really commited to parliamentary reform, someone also who had a lot to contribute to parliamentary reform, a very independent-minded man, with very progressive ideas on the role of MP's. This is why the Prime Minister appointed him to establish a Committee with colleagues from the House in order to examine parliamentary reform.

During that exercise, we looked at the role of Hon. Members during the hour provided for Private Members' Business and we concluded that in order to enhance the role of Members during this hour, the hour itself should be enhanced to bring much more direct and specific results. We had to make sure that more bills would be referred to legislative committees, for at the time bills were considered by the standing committees of the House. So it was important that these bills be referred to legislative committees, and it was precisely to enhance the role of Members that the Government, having already begun studying a bill to extend the political rights of public employees, examined the measure sponsored by my collegaue from Ottawa West and decided to promote his bill to increase the standing of Private Members' hour and speed up parliamentary reform.

Therefore I fail to see why the Hon. Member for St. John's East would want to suggest that the Government did not live up to its promise, while in fact it killed two birds with one stone.

We have a bill which is very well drafted and meets the standards set forth by the Hon. Member for Ottawa—Vanier, a bill which indeed will give . . . I should not say give because we are talking about rights, but give back or acknowledge that public employees are properly entitled to wide-ranging political rights while at the same time respecting what we have always advocated, namely the professional objectivity of public employees.

Mr. Speaker, you know that federal employees serve the public, so their professional attributes must be protected if they are to do a good job. This is why it was not easy, it was not black and white as the Hon. Member for St. John's East is suggesting, we had to state that one day we would eventually do the proper thing and acknowledge their political rights, that it could be done right away to show respect for professional attributes and for the public at large because it is entitled to objective services from federal employees.

As the Government measure was progressing, our colleague from Ottawa West introduced a Bill which was very much along the lines of the work we as Government Members of the National Capital Commission, had been doing as a group. So we contacted our colleague and told him: "David, if you were to change certain things, if you were to amend your Bill this way or that way, if you agreed to that perhaps we migh concentrate all our efforts on your Bill, precisely because we want to enhance the role of the individual Member". And that is why we did that. We were very consistent and, as I said, we killed two birds with one stone.

Moreover, Mr. Speaker, in January 1984, I had the honour to be appointed Executive Director to our National Advisory Committee on Policies which prepared the so-call "Bible" for the election which was to be held in 1984. This committee was chaired by Senator Arthur Tremblay. It was made up of Canadian men and women involved in and committed to public life and it prepared our party platform. One of its main elements was to recognize the political rights of civil servants in addition to suggesting a Parliamentary reform. Because Mr. McGrath was at the time a Member of the Opposition, he made a very worthwhile contribution to our National Advisory Committee on Policies. Again, I repeat, consistency. This dates back to January 1984.

When we assumed power, we immediately took action to recognize these political rights, as we had promised we would. I personally drafted a private bill, because I wanted to make sure that in line with the work we had done—for as you know, Mr. Speaker, a newly elected Government has a lot of work to do to finalize a great many Bills left over by the previous administration . . . I just could not see how the new Government could introduce a Bill dealing with this issue before at least a year or two. So, I said to myself, I am not going to wait.

I had drafted a Bill, but I was appointed Parliamentary Secretary in September 1986, and as you know, the practice in the House does not allow Parliamentary Secretaries to use Private Members' Hour to introduce private bills. So, I withdrew this Bill together with a number of others which I had introduced. Then, the Government started to work on its own.

When the Hon. Member for Ottawa West (Mr. Daubney) introduced his Bill in November 1987, we worked on this Bill which, I think, will meet the needs of our civil servants while respecting the public's right to their professional attributes.

I should like to emphasize once more the efforts made by the Hon. Member for Ottawa—Vanier (Mr. Gauthier) in this area, because, contrary to what the Hon. Member for St. John's East (Mr. Harris) said, I do not think it is for lack of trying that he failed to convince the Government of the importance of all his efforts. It was due to a combination of circumstances. The House is called upon to address a great many issues. Public life itself suggests priorities. The fact that some bills must wait their turn does not reflect on their value, because emergencies occur, and budgetary legislation must be dealt with. The House must deal with supply, Mr. Speaker, irrespective of the schedule.

For this reason, I find it unfortunate that the Hon. Member for St. John's East, who replaces a man whom the House held in such high esteem, who was appreciated for his open mindedness and great generosity and who would never have looked down on the efforts of his colleagues, because I feel he would learn something by reading everything the former

Member for St. John's East said in this House, and by listening to our colleagues who had the pleasure to work with him, for he would realize that the spirit of the House does not allow this kind of small-minded remarks, when today, thanks to the efforts of the Hon. Member for Ottawa West, we are going to achieve an objective of the Progressive Conservative Party who wanted to recognize the political rights of civil servants as well as the wishes which have been expressed before by the Hon. Member for Ottawa—Vanier, to recognize the political rights of civil servants. It is a great day, Mr. Speaker, which we should not be marred with petty remarks.

• (1750)

Mr. Gaston Isabelle (Hull—Aylmer): Mr. Speaker, it was not my intention to speak tonight but given the importance of this issue for the National Capital Region and given the fine speeches made by my colleague, I have decided to also take part in the discussion and offer my comments on this subject. Indeed, I must tell my colleague from Ottawa-West (Mr. Daubney), who I take this opportunity to congratulate for his Bill C-273, that I hope he will be successful, but until everything is wrapped up, Mr. Speaker, one can hardly trust in victory. The issue is not a new one, it is in fact quite old, almost as old, I believe, as the Public Service itself. And there is a simple reason for that. Those who have stood up for civil servants in this House, are for the most part the federal members or representatives of the two or three Parties who live in the National Capital Region.

I can remember that we fought vigorously some years ago for civil servants. Whether in the case of retired civil servants or past and present civil servants, we have always been at their side and this is normal since most people in the National Capital Area are civil servants. In the final analysis, we must defend our constituents and since they are federal civil servants, we are at their side and always will be.

I do not think that this should be made a political issue as such. Issues dealing with federal civil servants should be dealt with in non partisan fashion, and all the more so when the issue concerns political activity.

Attempts have been made to change the situation for I don't know how long. Jolly well if it works and I don't care one bit if it is an election promise, just as long as the majority of our civil servants get what they want.

And this is why I submit that we are in an awkward position as members representing their constituents, simply because we are always caught up in a partisan issue when we have a regional interest to protect, and I say regional, not local. The National Capital Region is after all a region of some importance and how can we be blamed for representing people who happen to be civil servants.

We have already had severe problems with Section 32, mainly concerning the referendum issue in 1980. I remember asking the Solicitor General of the day several questions. He would have been willing to do something but had his hands tied by the vagueness of the term "political activity". The word "refedendum" was not included in the Public Service Employment Act. What does "political activity" actually mean? Does that mean that it only happens during an election? I think so, in accordance with section 32. Then again, is applauding the Hon. Member for Gatineau in a political meeting a political activity which warrants a suspension? I know that gesture could also be interpreted in all its glory, so to speak.

Some people interpret words. That's why I say that political activities should be clearly defined, because there have been abuses and there will be more. Is this legislation or the proposed reform going to allow political activities across the board? I don't think so. I think we should get down to business, like the committee did, and determine whether all activities should be permitted or not within the Public Service.

I know some people will always try to exercise their right to democracy in all its magnificence, which is also quite normal, but we will have to put some restrictions in certain cases. I recall when the federal Liberal association of my very own and very lovely constituency of Hull—Aylmer had in fact elected, I would not say inadvertently, but enthusiastically, someone thought to have political activities simply because he was active in union matters within the civil service. So, he received threats, he was told he would have to resign, that Section 32 did not allow such things, and so on. The point I want to make is that civil servants, as someone else mentionned it earlier, are people too. People who live in the National Capital Region, and who work for the federal Government. And that is very evident during an election. Those people do not talk much, they are very reserved, they don't want to be identified with any political Party in particular, and rightly so. They should therefore be able to exercise their rights to democracy just like any other citizen of this Region.

I know it's an old chestnut. People always say: "When you were in power, you didn't do it". Others say: "When you're in power, you don't do it". The reason is simple. It might prove also that, if we were to change the system with a view of strengthening it, backbenchers from a particular region would be able to influence the Government so that legislation beneficial to a region, whatever its politic allegiance can be adopted.

That is my opinion. I think we should seek ways to amend Section 32 of the Public Service Employment Act. I would add that this should not be valid only during elections, but all the time. Civil servants should be able to participate in the democratic life of their community, their riding or their region just as any other citizen. Many have gone into municipal politics, and I think that they make excellent politicians even if they work for the Public Service. Again, certain restrictions should be imposed. Their activities should not give rise to conflict of interests. There is a long list of activities which are out of bounds to them.

Mr. Speaker, this is an excellent motion in my view. I thank my friend from Ottawa Vanier (Mr. Gauthier) for giving me

this opportunity to make a few comments on that very important subject. I know he has been promoting this for a long time, as all other Members from the area. I can even suggest to the Hon. Members for Ottawa West, for St. John's East (Mr. Harris) and for Gatineau (Mrs. Mailly), and even for Ottawa Carleton (Mr. Turner) that when we were in power, some Liberal Members from the area voted against the Government, along with some Conservative Members at the time. We did this generously and sincerely, but it was hard for us and it was hard also for the then Government. It would be just as hard today if this were to be repeated. But I think that one must have the will to defend one's own ideas, one's own philosophy, and above all else to be a good representative of the people. If we do not do that, we fail in our duty as Members of Parliament, we fail in our oath of office because we no longer defend the interests of the people we are representing.

The Acting Speaker (Mr. Paproski): I am sorry, but the period provided for Private Members' Business has now expired.

Pursuant to Standing Order 42(1), the Order is dropped from the Order Paper.

GOVERNMENT ORDERS

[*English*]

IMMIGRATION ACT, 1976

MEASURE TO AMEND—CONCURRENCE IN SENATE AMENDMENTS

The House resumed from Friday, June 17, consideration of the motion of the Minister of Employment and Immigration relating to amendments made by the Senate to Bill C-55, an Act to amend the Immigration Act, 1976, and to amend other Acts in consequence thereof; and the amendments of Mr. Marchi:

That the motion be amended:

(a) in the proposed amendment to Senate amendment numbered 3 by deleting all the words after the word "be" in subparagraph (II) and substituting the following therefor:

"admitted to that country, if removed from Canada, and would have the right to have the merits of their claim determined in that country;".

(b) in the proposed amendment to Senate amendment numbered 11 by adding the following words at the end thereof:

"and in regard to an advisory list of safe countries as drafted and defined by the convention refugee determination division;".

And of Mr. Heap:

That the motion be amended in the proposed amendment to Senate amendment numbered 4 by deleting in subparagraph (iii) all the words after "(2)(C)" and substituting the following therefor:

"who the Minister has certified constitutes a danger to the public in Canada; or".

The Acting Speaker (Mr. Paproski): It being 6 p.m., pursuant to Standing Order 13(5), the House will now proceed to the taking of the deferred division on the amendment of the Hon. Member for Spadina (Mr. Heap) in relation to the message of the Senate on Bill C-55, an Act to amend the Immigration Act, 1976 and to amend other Acts in consequence thereof.

Call in the Members.

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

(*Division No. 393*)

YEAS

Members

Althouse	Gagliano	McCurdy
Angus	Gauthier	Mitchell
Axworthy	Guilbault	Orlikow
Benjamin	(Saint-Jacques)	Parry
Blaikie	Harris	Penner
Boudria	Hopkins	Prud'homme
Caccia	Isabelle	Riis
de Jong	Jewett	Rodriguez—29
Dewar	Keeper	
Foster	MacLellan	
Fulton	Manly	

NAYS

Members

Andre	Grisé	Nicholson
Belsher	Guilbault	(Niagara Falls)
Bernier	(Drummond)	Nickerson
Bertrand	Gustafson	Nowlan
Blenkarn	Halliday	Oostrom
Bourgault	Hamilton	Ricard
Caldwell	Hardey	Schellenberg
Champagne	Hawkes	(Nanaimo—Alberni)
(Champlain)	Hudon	Schellenberger
Chartrand	Jardine	(Wetaskiwin)
Clark	Joncas	Scott
(Brandon—Souris)	Kelleher	(Hamilton—Wentworth)
Cooper	Kilgour	Shields
Cossitt	King	Sparrow
Crofton	Ladouceur	Stackhouse
Crouse	Lanthier	Stewart
Daubney	Lawrence	Taylor
de Cotret	Leblanc	Towers
Desjardins	Lesick	Tremblay
Desrosiers	Lewis	(Québec-Est)
Domm	Mailly	Turner
Duplessis	Marin	(Ottawa—Carleton)
Fennell	Mazankowski	Valcourt
Fontaine	McCrossan	Vézina
Fraleigh	McCuish	Vincent
Gottselig	McDermid	Winegard
Gray	McKinnon	Wise—75
(Bonaventure—Îles-de-la-Madeleine)	Minaker	
Greenaway	Moore	

● (1820)

Mr. Deputy Speaker: I declare the amendment lost.

Pursuant to the agreement reached Friday, June 17, 1988, the next question is on the amendment of Mr. Marchi.

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Saint-Jacques (Mr. Guilbault) on a point of order.

Mr. Guilbault: Mr. Speaker, if Your Honour would take the result of the vote that was just held on the motion of the Hon. Member for York West (Mr. Marchi) and then apply it in reverse on the main motion, I believe there would be unanimous consent to proceed that way. However, there would have to be added the vote of the Hon. Member for York Centre (Mr. Kaplan) who just joined us.

Mr. Hamelin: And mine also!

Mr. Deputy Speaker: And also the vote of the Hon. Member for Charlevoix (Mr. Hamelin), who votes on the Government side, I presume!

Some Hon. Members: Agreed.

[*English*]

Is there unanimous consent, therefore to apply the vote we have just taken on Mr. Marchi's amendment?

Some Hon. Members: Agreed.

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

(*Division No. 394*)

YEAS

Members

Althouse
Angus
Axworthy
Benjamin
Blaikie
Boudria
Caccia
de Jong
Dewar
Foster
Fulton
Gagliano
Gauthier
Guilbault
(Saint-Jacques)
Harris
Hopkins
Isabelle
Jewett
Kaplan
Keeper
MacLellan
Manly
McCurdy
Mitchell
Orlikow
Parry
Penner
Prud'homme
Riis
Rodriguez—30

NAYS

Members

Andre
Belsher
Bernier
Bertrand
Blenkarn
Bourgault
Caldwell
Champagne
(Champlain)
Chartrand
Clark
(Brandon—Souris)
Cooper
Cossitt
Crofton
Crouse
Daubney
de Cotret
Desjardins
Desrosiers
Domm
Duplessis
Fennell
Fontaine
Fraleigh
Gottselig
Gray
(Bonaventure—Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault
(Drummond)
Gustafson
Halliday
Hamelin
Hamilton
Hardey
Hawkes
Hudon
Jardine
Joncas
Kelleher
Kilgour
King
Ladouceur
Lanthier
Lawrence
Leblanc
Lesick
Lewis
Mailly
Marin
Mazankowski
McCrossan
McCuish
McDermid
McKinnon
Minaker
Moore
Nicholson
(Niagara Falls)
Nickerson
Nowlan
Oostrom
Ricard
Schellenberg
(Nanaimo—Alberni)
Schellenberger
(Wetaskiwin)
Scott
(Hamilton—Wentworth)
Shields
Sparrow
Stackhouse
Stewart
Taylor
Towers
Tremblay
(Québec-Est)
Turner
(Ottawa—Carleton)
Valcourt
Vézina
Vincent
Winegard
Wise—76

Mr. Deputy Speaker: I declare the amendment lost.

Is there unanimous consent to declare the main motion carried by the same vote?

Some Hon. Members: Agreed.

The House divided on the motion (Mrs. McDougall), which was agreed to on the following division:

(*Division No. 395*)

YEAS

Members

Andre
Belsher
Bernier
Bertrand
Blenkarn
Bourgault
Caldwell
Champagne
(Champlain)
Chartrand
Clark
(Brandon—Souris)
Cooper
Cossitt
Crofton
Crouse
Daubney
de Cotret
Desjardins
Desrosiers
Domm
Duplessis
Fennell
Fontaine
Fraleigh
Gottselig
Gray
(Bonaventure—Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault
(Drummond)
Gustafson
Halliday
Hamelin
Hamilton
Hardey
Hawkes
Hudon
Jardine
Joncas
Kelleher
Kilgour
King
Ladouceur
Lanthier
Lawrence
Leblanc
Lesick
Lewis
Mailly
Marin
Mazankowski
McCrossan
McCuish
McDermid
McKinnon
Minaker
Moore
Nicholson
(Niagara Falls)
Nickerson
Nowlan
Oostrom
Ricard
Schellenberg
(Nanaimo—Alberni)
Schellenberger
(Wetaskiwin)
Scott
(Hamilton—Wentworth)
Shields
Sparrow
Stackhouse
Stewart
Taylor
Towers
Tremblay
(Québec-Est)
Turner
(Ottawa—Carleton)
Valcourt
Vézina
Vincent
Winegard
Wise—76

NAYS

Members

Althouse
Angus
Axworthy
Benjamin
Blaikie
Boudria
Caccia
de Jong
Dewar
Foster
Fulton
Gagliano
Gauthier
Guilbault
(Saint-Jacques)
Harris
Hopkins
Isabelle

Extension of Sittings

Jewett	Mitchell	Rodriguez—30
Kaplan	Orlikow	
Keeper	Parry	
MacLellan	Penner	
Manly	Prud'homme	
McCurdy	Riis	

Mr. Deputy Speaker: The main motion is carried.

* * *

HOUSE OF COMMONS

MOTION TO EXTEND HOURS OF SITTING

The House resumed consideration of the motion of Mr. Lewis (p. 16379) and the amendment of Mr. Guilbault, Saint-Jacques (p. 16387).

Mr. Deputy Speaker: The floor will be given to the Hon. Member for Regina East (Mr. de Jong). Perhaps he will wait for 30 seconds to allow Members leave who wish to do so.

Mr. Simon de Jong (Regina East): Mr. Speaker, before the vote and before the Private Members' Hour I was centering my remarks on the Government's motion to extend hours of sitting and to extend sitting days into July. The point I was in the process of making is that a large part of our tradition in this House, even though there are three different Parties with different philosophies, is a certain level of consensus and agreement, and it is the level of consensus and agreement that allows our parliamentary system to function. I was also in the process of making the point that at certain critical times, when the Opposition feels that a measure being introduced by the Government goes beyond the bounds of what a Government should normally be doing, it is the duty of the Opposition to try to prevent the Government, within the rules of Parliament, from proceeding with that legislation.

We have seen this on several occasions in the past. One of the historic debates, of course, was the great pipeline debate during which the Liberal Government of the day tried to ram down the throats of Parliament a plan to build a pipeline. In the process, it tore up Parliament's Standing Orders. We saw the same thing again when the Liberal Government of the day, under former Prime Minister Trudeau, brought in its first constitutional proposal. The Opposition, especially the Official Opposition at that time, the Conservative Party, felt that what the Government was doing in that legislation was beyond the normal bounds.

Again we saw the Opposition playing that role when the Liberal Government brought in its National Energy Program. The Opposition at that time claimed that the omnibus Bill the Government introduced was too wide in scope and used the tools available to it to stop the Government and force the Government to back down and introduce several Bills rather than one omnibus trade Bill.

• (1830)

We believe that Parliament has reached another one of those historic points where it is the duty of the Opposition to use every available rule in the book to stop the Government from proceeding with its legislation, namely, the passage of the free trade agreement between Canada and the United States. As members of the Opposition we feel that the Government has no mandate to undertake such an historic change, not only in the economic and trading patterns of the country, but also in the power structure of the country.

The legislation that the Government has introduced changes the relationship between the federal Government, provincial Governments, and municipal Governments. The legislation gives power to the Cabinet to disallow legislation, whether it is municipal, provincial, or federal, if that legislation is not in agreement with the free trade agreement. This we find intolerable. Therefore, we must use every means at our disposal to thwart the Government in its attempt to change the power structure of the country so radically.

The Government has no mandate. As opposition Members have pointed out in the debate, there was never a mention of such a free trade agreement with the United States in the last election. I seriously wonder if, had this proposal been in front of the electorate in 1984, the results of the election would have been the same. Certainly, everybody would be in agreement that the Government has no mandate to alter so radically the power structure in the country.

Government Members say it is necessary to have this legislation because the Government should be able to govern, and that a handful of Members in the Opposition should not be able to thwart the Government in its attempt to govern. That is not the case. If it was ordinary legislation necessary for governing the country, we in the Opposition might rise and offer some objections or criticisms, but then, through our system of consensus, that legislation would invariably pass. It is not only a case of legislation enabling the Government to govern. We are faced with legislation that dramatically changes how the country is governed. We believe that the Government has no mandate for that. That is why we call upon the Government to have an election before it passes this legislation.

Earlier this afternoon I heard the Hon. Member for Mississauga South (Mr. Blenkarn) mentioning how unfair this would be because calling an election immediately would mean an election being called on the old boundaries. We do not want to see an election called on the old boundaries. That is not the issue here. However, if the Government did not insist on passing the free trade legislation and held it back until after an election, it could call an election in mid-September or the end of September. We could then proceed and hold an election during the campaign of which this issue would be widely debated and all the ramifications would be explained to the Canadian public and they would have an opportunity of voting and deciding upon such a major reorganization of the power

structure of the country. If the electorate decided to elect a majority of members of the Conservative Party, the Government could then reintroduce this legislation and it would be passed.

The Government does not want to face the electorate on this issue. It wants to ram this legislation through Parliament. I wants to see it enacted before it has the courage to face the Canadian public. As opposition Members, we cannot accept that. Therefore, we will oppose this with every means at our disposal.

Understandably, many Canadians watching this debate will find it very frustrating. They expect Parliament to debate issues and to decide upon matters. In raising points of order and stalling the House in conducting its business the opposition Members take the political risk of doing this. An Opposition does not oppose with all the rules and all the means available to it on a whim. An Opposition recognizes that it takes a tremendous political gamble. An Opposition must play that role if it feels strongly that what the Government is attempting to do is wrong and outside of our tradition and of consensus politics in the British parliamentary system.

We feel very strongly that what the Government is attempting to do negates the essence of parliamentary democracy. Never before has such a major decision on the future of the country been made without direct opinion and representation from the Canadian people. As such, we are opposed to this. We will use all the means available to us to force the Government to backtrack, take back its legislation, and to break it down rather than having a huge omnibus Bill that changes many different Acts and Bills. We will attempt to force the Government to hold an election on this issue and consult the Canadian public about its future that is contained in the Bill that the Government wishes to propose.

The Government has also claimed that the Opposition has thwarted the Government in its ability to govern by holding up many pieces of legislation. The Government is somewhat contradictory on this issue. On the other hand, it claims how successful it has been in passing legislation, and how successful it has been in governing. The Government cannot have it both ways. It cannot say, out of one side of its mouth, that it has governed well by pointing out the many pieces of legislation passed, and at the same time, out of the other side state that the Opposition is preventing it from governing. That just does not wash.

One of the items that the Government has brought up is the immigration Bill that we have just voted on. I remember that last summer there was a great crisis facing Canadians. Canadian shores were going to be invaded by boatloads of refugees. In many ways we were sympathetic to the plight of the Government. Certainly, people coming in under false pretences claiming to be refugees and not being valid refugees were coming to Canada and jumping the line, so to speak, ahead of those people who had applied for immigration status and were waiting. Some action was needed. Whether it was an emergency, I really doubt. Certainly, the legislation has not been in place and we have not seen boatload after boatload of false refugees invading our shores, be that as it may.

We have heard government Members accusing the Senate of thwarting the will of Parliament and the elected representatives. Indeed, this has disturbed me. The initiatives of the Senate I find disturbing. I find it disturbing that a group of unelected people have the power to thwart the will of the elected representatives. I find this an absolutely terrible situation.

• (1840)

However, has the Government done anything about it? It has been in power now for almost four years. It is on record as being willing to ensure either that we have an elected Senate or that the appointed body of political hacks and flacks does not interfere with the democratic process. On several occasions my Leader offered the Prime Minister (Mr. Mulroney) our support to rectify the situation. But of course the Conservative Party is not interested in rectifying the situation. It wants its own hacks and flacks in the Senate. The only thing it does not like is the group of Liberal hacks and flacks which now controls the Senate. The Government does not want to change that. It does not want to change the structure of the Senate. It just wants to hold on and hope that those hacks and flacks will die off so that it can appoint its own Tory hacks and flacks.

I do not think that anyone seriously believes that if the shoe were on the other foot, if there was a majority of Tory hacks and flacks in the Senate with a Liberal Government in the House of Commons, the Tories would not use the Senate to thwart the will of an elected Government. The Tory hacks and flacks in the Senate would be playing parliamentary games. They would be attempting at every turn to thwart the will of an elected government. For us to believe seriously that the Government wants to see genuine Senate reform is something I do not think the Canadian public believes, as I think it does not believe the Government on many other issues as well.

There is another issue that was raised in the House as to why we need this legislation. I refer to the abortion issue. When the Supreme Court made its decision we had government spokesmen, in particular the Minister of Justice (Mr. Hnatyshyn), giving us all the assurances that the Government would act and that it would provide leadership. We heard that refrain for a number of weeks and months. But the Government could not quite decide whether to provide what type of leadership and in what direction. It thought maybe that it should be this way or that way or even a combination of two ways, three ways, or four ways. It thought that it could find a way to duck its responsibilities. It said, "Look, what we are going to do to parliament is to offer it all sorts of choices, have a free vote, and whatever choice gets the most number of votes will be our position". I am afraid that that is not leadership. I am afraid that what we have seen from the Government is a lack of real leadership in many, many areas.

I now come to the sorry state in which the Government is tearing up the rule book that governs us, our Standing Orders. It is now the Government and not the Speaker which will decide whether Parliament sits in the summer recess. It has torn up the rule book. It has introduced closure. It has attempted to stifle the voices of members of the Opposition and of Members of Parliament. It will use its majority in a ruthless way to try to suppress the voice of opposition. It will use its vast majority as boots to stomp down the voices of dissent. But we will stand in our place and we will oppose the Government, because what it is attempting to do is against not only the traditions of parliamentary democracy but the Canadian tradition, a tradition of consensus.

This Government wants to force us into a political regime with the United States which is unacceptable, I believe, to the Canadian people. It should have the guts to go to the Canadian people and to get their permission before it acts.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I wish to say a few words on this motion. The Government has talked a great deal about its agenda. I submit that that is precisely why Parliament will sit this summer. It is because the Government has never had an agenda of its own. It has never been able to put any program into place. It really does not know where it is going half the time. It flips from one subject to another. It cannot come to grips with its own priorities probably because there are a great many Members opposite on the back benches who have their pet subjects that they want to get through Parliament before it rises. As a result, and in order to get along with everyone, the Government puts everything on the Order Paper and everything becomes a priority. That is not leadership. That is not a good reason for having Parliament sit on and on for months.

You will recall, Mr. Speaker, that we came back here in the first part of August of last year in a great crisis situation concerning an immigration matter. We were going to deal with it forthwith and in forthright terms. It is rather ironic that just a few moments ago the House voted on Bill C-55. That is the immigration Bill that came up last August which we were here to deal with at that time in order to settle the crisis. It has now been returned to the Senate. It will be debated further and will, undoubtedly, finally be passed.

However, the Government lists as one of its first points to have Parliament continue to sit all summer debating items in its agenda which has been well thought out and which it believes is in the interests of the country. That is about the weakest excuse one could put forward when there is a Government in place that does not know what its own priorities are or what it wants.

To this Government everything is a crisis. Yet what does it do? It does away with the rule book. This is a Government made up of members of the Party which, when in opposition, did not want to play by the rules at that time either. When the constitutional debate was being settled and when the votes were being taken Members of the Opposition at the time, members of the Conservative Party, stormed the Speaker's chair. They stood up around the Speaker shouting at the Speaker when the votes were being taken. That was totally out of order. There was chaos in the House as we watched the votes being taken on various amendments to the Constitution. Some of the very people who were standing up around the Chair shouting at the Speaker are today trying to say that the Opposition in this House is holding them up and that the Opposition is being too blatant and too much of a problem.

Let us remind those Members of the day that they walked out of the House and let the bells ring for 13 days. Many of those Members who were in opposition at that time are sitting opposite supporting the Government today.

The Government has decided that it will dispense with the rules of the House of Commons. People might say, "What do you mean, dispense with the rules of the House of Commons?" The Lefebvre Committee made up of representatives from all Parties in the House sat for 153 meetings in order to bring in new rules for the House of Commons that would put some order into our business here. It considered what days we would sit and what days Members could go to their constituencies. It considered other changes to the rules of the House that would give private Members in the House more authority and more rights to go ahead with Private Members' legislation. Then, on top of that we had the McGrath Commission more recently, another plethora of meetings of members on a committee representing all Parties in this House. What happens? Both Chairmen Lefebvre and McGrath must be wondering what in the world they and all the people on the two committees, which sat for 153 meetings—or whatever it was—that went on and on and on, were doing. Today those rules are totally ignored by the Government with 208 Members in this House of Commons at the present time. That was the first reason.

• (1850)

The second reason put forward was the amount of time and effort that all Members of the House in government and in opposition have invested in legislation presently on the Order Paper, either at committee stage, at second reading, at report stage or at third reading. We realize that Members put a lot of work into committees. They have been doing it since day one around here, Mr. Speaker.

If the Government feels that those committees were so important and if the legislation is important, all the Government had to do was seek agreement with the opposition Parties to have the items transferred to the next sitting of the House. Or is the Government planning to do everything this summer and then call a fall election? I guess we will soon know about that because the results of the by-electon in Lac-Saint-Jean will start coming in any minute and the Government will know whether or not it has any intention of calling an election this fall.

What will the Government do with the parliamentary program for the fall? Normally we come back to this House

the second Monday in September. The Order says the Government wants to sit through to September 9. What will happen to the fall sitting if the Government does not call the famous election? This is what I mean when I say there is really no planning in the Government's programs.

The third reason is the importance of putting certain issues before the House and country which could not be foreseen when the Government laid out its agenda. Those are the words of the Government House Leader. Is the House Leader saying that some of the legislation brought in has turned out to be a surprise to the Government? Has the Government decided now it was actually worthwhile to bring in legislation, and suddenly finds it of value and wants it passed?

The fourth reason is the importance of the free trade initiative. Some parts of that free trade initiative we could do without. The U.S.-Canada agreement, that famous free trade agreement, is not free trade at all. What about access to markets? Canada has not received access to American markets in this trade agreement. It is not a free trade agreement. It would be better for Canada and many areas of our economy if we never saw it. There is the famous 15 per cent tax on softwood lumber. That was going to disappear when it came the final part of the agreement. That has not disappeared. Today we have American companies shipping lumber into parts of eastern Canada cheaper than those same Canadians can buy from Canadian industry here in Canada. Why? Because of the 15 per cent tax which the Minister of trade of the day brought in and laid on Canadian industry.

We heard talk about a level playing field. What you have to do is kick Canadians, tie one hand behind their backs while they are down and then tell them to go to work and compete with Americans who have a wide open arrangement to make use of our industries, to invest in our resources, to invest in our banks and to invest in anything in Canada. Americans can bid on contracts. We do not even have open access to bid on all the defence contracts in the United States. The small business set aside program is still in place. The Pentagon decides which contracts will be offered to Canadians to bid on and which are not. That is not free trade. It is putting handcuffs on Canadian business beforehand.

We have the Senate, which is the age old problem of the Government. The Government is paranoid about the Canadian Senate. Canadians recognize that our Senate is the only body sitting between this massive Government and real democracy. The Government has suddenly discovered that the Senate is not a democratic institution because it is not elected. We have never heard Tories worrying about that in days gone by, not at all. It is only when the Senate decided to exercise its constitutional right that we heard about it. The Senate has a constitutional right to oppose. It has a constitutional right to make amendments. It has a constitutional right to discuss these matters because it is the second level of the Parliament of Canada.

Mr. Boudria: It is the Senators' duty.

Mr. Hopkins: It is their duty to do so, as the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) has just said. The Government is using the Senate pure and simply as an election ploy. The Prime Minister (Mr. Mulroney) has it in his craw that the moment the Senate dares to bring out the weaknesses in the Canadian economy in his so-called free trade agreement he will start crying foul and say that this unelected body is holding up legislation and he will go to the country for an election. That will be just fine because then all Canadians will have a chance to express themselves.

The sixth comment of the Government House Leader is the inflammatory remarks about the delaying tactics of the Opposition. Isn't that something, Mr. Speaker? Does that mean the Opposition should be so nice as to lie down and keep quiet? Is the Opposition not supposed to criticize the Government? Is the Government so all-perfect that nothing should be said about it at all? Are we supposed to roll over and play dead? That is not the role of this Opposition, nor was it the role of any Opposition in this House of Commons. Many members of the Government sat in the Opposition not long ago. They should not talk about inflammatory comments and delaying tactics of the Opposition when it was the Tories themselves who were the very ones who walked out of this House of Commons for 13 days and left the bells ringing. They are the ones who stormed the Speaker's chair like a bunch of kids shouting and screaming at the Speaker as he called each vote on the Constitution in the early 1980s. Now the Tories are talking about the Opposition's stalling tactics. Does that mean we are being too tough on the poor people over there? Does it mean they do not have enough backbone to be the Government of this country? Does that mean they cannot stand on their own feet and stand behind their own legislation when they are being criticized?

We had an example today when the Minister of National Defence (Mr. Beatty) was asked a question about his nuclear submarines. He forgot to put a communication system that would work under the Arctic ice. I have his answer here. He went into a tirade that is one-and-a-half pages long. The Minister of National Defence and his Party think they are so all-perfect in matters of the defence of this country that no one should criticize them. Yet one of their own admirals talks about what has been left out. A very low-frequency radio system should be in the submarines if they are to operate under the Arctic ice. With the existing system, the radio will operate in the Atlantic and in the Pacific. The Government is bragging about bringing in a system that will cover three oceans while it has a communication system that will only work in two of them.

• (1900)

The Minister of National Defence has been caught on this issue and he is embarrassed about it. One of his admirals brought that fact out in a newspaper interview. So the Government that looks upon itself as being so perfect that it should not be criticized and that the Opposition should not be

tough on it is the same Government that will spend $8 billion on a nuclear submarine fleet which does not even have a communications system that will work once the submarines go under the ice in the Arctic. Talk about perfection.

Let us talk about the Prime Minister What did the Prime Minister say during the election campaign of 1984 about what he was going to do? The Prime Minister promised in August of 1984 that he would increase the members of the Armed Forces personnel to 90,000 within three years of having been elected to office. He has not even come close to matching that figure, and his time is up. However, we do not hear anything about that. My goodness, we should not attack the Government about those things.

There was a lot of talk about upgrading Canada's reserves. We were going to have reserves such as we have never had before, and the reserves would be perfectly equipped. People took the Government seriously and joined the reserves. Then there was no money for training and training exercises have been cut back. The fact is that the Government is not financially prepared to handle this issue.

It will be said over and over again, every time the Government brags about its national defence record, that the Government should be ashamed of that record. During its first year in office, in 1985, the increase in the budget of the Department of National Defence never even met the rate of inflation. The purchasing power of the Department actually declined in the first year under this Government.

How is it that the Government has any money at all to spend on these programs? You are giving me the signal, but I must put this on the record before I leave. The Government has money to spend because between 1980 and 1984, the Liberal Government increased the defence budget in real terms by 7.1 per cent per year. Using the full 10 years prior to 1984, it would average out to 4.7 per cent per year. This Government did not even come close to that figure in one year in office.

The previous Liberal Government built a good base for this Government to build on. It is certainly not because of its own commitment to defence that it is buying anything today. It is because the budget was put in place for this Government by the previous Government.

The Prime Minister brags about the great thing he does. The other day, in answer to a question I put, the Minister of Forestry (Mr. Merrithew), who was answering for the Minister of Energy, Mines and Resources (Mr. Masse), said that they had topped up the budget of Atomic Energy of Canada Limited. I mentioned the fact that the cut in that budget was supposed to be $25 million this year. In fact, the Government did not top up the budget at all. All it did was to stretch out the pound of flesh a little farther.

The Government will take $40 million out of that corporation over the next four years instead of taking $25 million this year and $15 million next year. That is what the Government calls topping up a budget. It says one thing and does another. To the Government, topping up a budget means stretching out the pain over a longer period of time.

The biggest problem for this Government is its own credibility. That is what the Prime Minister is worrying about and why he wants to sit all summer to get the trade Bill and other Bills through. We saw how much backbone the Government had when it brought in the proposed legislation on abortion. It simply could not do it.

The only reason the Government has to extend the sittings of the House, thereby not letting us go home to talk to our constituents, is because it has failed to bring in a program for its own legislation and it has failed to set its priorities. As a result, we will continue to sit even though the House has been sitting constantly since August of last year. We just passed the Bill dealing with the crisis that we were called back to look after last August. It took 10 months to settle this great crisis. We have seen what backbone the Government with the largest majority in Canadian history has. What strength and dynamism we are seeing in the weakest Government that this nation has ever seen!

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, this afternoon I have been listening to various Members, particularly those from opposition Parties, address themselves to government Order No. 26. I would like to respond to some of the points that I have heard Hon. Members make.

One point is that Members of Parliament need vacations, that we must defeat Order No. 26 because the Members must go home—

Mr. Boudria: Who said that?

Mr. Riis: Who said that?

Mr. Stackhouse: Several Hon. Members said that. Read *Hansard*, the MPs need their vacations, they need to go home. The Hon. Member who just spoke said that they need to go home to speak to their constituents.

Mr. Riis: That's not a holiday.

Mr. Stackhouse: He just said that.

Mr. Hopkins: Mr. Speaker, I rise on a point of order. The Hon. Member is reading things into other people's remarks, and I would think more of him if he did not. I do think a lot of that particular Member.

The longer the Hon. Member is in politics, the more he will realize that it is every bit as important to have meetings with your constituents and to get around the country to find out what Canadians are thinking as it is to sit on Parliament Hill month after month putting through the kind of legislation—

Mr. Deputy Speaker: The Hon. Member for Scarborough West (Mr. Stackhouse) has the floor.

Mr. Stackhouse: Obviously the Hon. Member did not have a point of order. He did say that Members needed to go home to speak to their constituents, and that is a vacation. A vacation is vacating this place and getting out.

Mr. Boudria: Oh, come on now.

Mr. Stackhouse: Absolutely. The French equivalent of vacation is *vacance*, and that is the word for recess. The Hon. Member knows that. If the Hon. Member cannot face reality, that is his problem.

Several Hon. Members have said that this motion should be opposed and defeated because Members need vacations. They need to get away. They have said they need to get away for family reasons as well as for constituency reasons. They need to get away for personal reasons. One Hon. Member of the NDP said that he had his own personal agenda and that this motion was interfering with it. That is the kind of reasoning that has been put before the House in opposition to this motion.

Of course, we do need vacations. We need opportunities to go home, and the Hon. Member who just spoke has certainly been home to speak to his constituents. I believe he just won a hotly contested nomination battle, and that is to his credit. He certainly had to go home and speak to his constituents to do that, and he had time to do so.

This motion, along with the rest of the business of the House, is not preventing Members from getting home to speak to their constituents and to do their work. This motion requires that the House stay in session to deal with the business of the Government and the business of the House. Surely that is our priority, and it must be our priority.

We were called back last August to deal with an emergency occasioned by false refugees. This House dealt with it. The Senate tried to thwart the will of the House, even as the Opposition tried to delay it by filibuster. We dealt with this Bill today in its final form because of those delaying tactics, not because of the lack of will on the part of the Government or lack of dedication on the part of Members of the House.

• (1910)

A second reason has been raised, namely, that instead of extending the sitting of the House this summer the Government should call an election.

Mr. Boudria: Hear, hear!

Mr. Stackhouse: I am shocked that a member of the Liberal Party would applaud that when he knows that it would rob certain communities of this country of the right to the representation they need through redistribution. After the middle of July the City of Scarborough will be entitled to five seats. I take it that the Liberal Party wants to deny the City of Scarborough that. They want to deny other parts of the country the enlarged representation which redistribution will give them.

A lot of us recognize that there is merit in extending the life of this Parliament until redistribution can take effect. The Province of Ontario can have more seats, the Province of Alberta can have more seats, the Province of British Columbia can have more seats, and people can have the representation that their population justifies.

The real reason the Opposition wants to have an election before we can pass the legislation that is the purpose of these extended sittings is that they want to deny the Government the record of achievement which will be represented by passing the legislation and resolutions which will be part of this summer's work. Oppositions know that Governments get credit only for what is passed by the House. Oppositions benefit from delaying it beyond any possibility of being passed.

I have to believe that the Opposition does not want the forthcoming election to be fought on the Government's record. Instead, they want it to be fought on what has been the basis of so many Question Periods, that is, sleaze, scandal-mongering, and character assassinations. By sitting into the summer we will have the opportunity to deal with the major issues which will be before us which need finalization by this House.

Finally, I want to respond to a point which has been made by the Opposition over and over again, that is, that Order No. 26 represents tyranny by the majority. It is a curious definition of democracy that the majority making a decision is somehow tyranny and that, by implication, the minority should have the right either to make the decision or to see that no decision will be made.

I can quote one outstanding authority on this. I wish there were some Liberals here to hear this. I can remember the former Liberal Prime Minister, Mr. Trudeau, objecting that after a reasonable period of debate there should be an opportunity for the House to make a decision, there should be an opportunity for a vote to be taken.

The reason we have the log-jam with which we are faced now, which requires us not to recess next week but to continue into the summer, is that the majority has been prevented from making the final decision which the majority should be able to make a decision on free trade, a decision on tax reform, a decision on Meech Lake, a decision on Air Canada, and decisions on other issues before us.

It is right that members of the Opposition should have time in which to make criticisms and constructive suggestions. It is right that they should have time to debate the issues in order that public opinion be informed and aroused. However, surely we do not need any imagination to realize that we have had more than sufficient time for the opposition Parties to do precisely that. Everyone knows that the Liberals and NDP Members are against free trade. They really do not need to hold this matter up any further. Everyone has heard the arguments for and against it and it is now time for this House to make a decision on that issue and others which are before us.

In Order No. 26 we are not seeing tyranny by the majority but, in the resistance to it, we are seeing the threatened tyranny of the minority. It will be within the tradition of the Parliament of this land and others if the House is allowed, in the very near future, to make a decision by each of us doing what is our right and our duty, that is, to vote on these issues which have been so long before us and so long debated without each of us having the right to stand up and say yea or nay.

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I always listen with interest to the Member for Scarborough West (Mr. Stackhouse) because even though I sometimes do not agree with him, he has a reputation for coherence, something which was absent tonight. In fact, I have never heard him so desperate. One could only be amused by someone who cites opposition obstruction to Meech Lake as one of the problems the Government was having when we know full well—

Mr. Stackhouse: I didn't do that.

Mr. Blaikie: He did, he cited Meech Lake. We know that there has been all-Party agreement. There has been some dissent within caucuses, but basically Meech Lake has proceeded through this House with indecent haste. People have criticized Parliament in general for the lack of attention it has received. I point that out only to show how desperate the Hon. Member is for an argument tonight.

I want to speak a bit about what is happening in context of the parliamentary reforms which have taken place since 1982. After the bell-ringing crisis, a special committee of the House was struck chaired by the former Member of this House, Tom Lefebvre. I had an opportunity to serve on that committee and subsequently in this Parliament on a special committee on the reform of the House of Commons chaired by the former Member for St. John's East, Jim McGrath, who is now the Lieutenant-Governor of Newfoundland.

I want to put before you this evening, Mr. Speaker, my analysis of why what has happened here in the last week or so has been so damaging to both the spirit and the substance of those reforms. A lot of it is centred around the issue of the parliamentary calendar. There have been attempts made to trivialize opposition concern about the breaking of the parliamentary calendar by suggesting that people are only interested in their personal vacations, or whatever the case may be.

However, there is a much larger issue here, that is, whether, by virtue of the action taken by the Government last August when we were recalled to deal with what has obviously turned out not to be an emergency, and now being pushed beyond the end of June, again not as a result of any self-evident emergency but rather a perceived emergency in terms of the Government's own agenda, we will ever be able to return to the point where we have a parliamentary calendar. There are those who think that that was a good idea, not because of vacations but because it gave some form to the parliamentary year. I think there is a legitimate concern to be expressed here, and not only in terms of losing the notion of a parliamentary calendar.

I might remind Hon. Members, and particularly the Government, that when the special committee selected this calendar, it included in it one more week of parliamentary business than the average number of weeks per year of parliamentary business over the 10 years preceding the recommendation of the committee. The time that the Government has had available to it under this calendar, in addition to the time which it created for itself by bringing us back in August, is far greater than was the average in the 10 years preceding the recommendation of the committee. My point is that it is not as though the Government has had only a small or limited amount of time. The special committee on the reform of the House of Commons erred, if you like, on the side of lengthier sittings.

The other point I want to make with respect to the parliamentary calendar is that it was part of a package. As I look back on those reforms and ask myself whether our expectations were ill-founded, I can say a number of things. I believe the reforms directed to private Members have worked reasonably well. There have been more free votes on Private Members' Bills the outcome of which we do not know. That is something the reform committee set out to create, and I believe it has been a success.

• (1920)

Perhaps the greatest example of its success, regardless of where one stands on the issue, was Bill C-204, the anti-smoking Bill.

The parliamentary calendar was part of a package of reforms which was agreed to in good faith and pursuant to which the Opposition gave up certain tactics at its disposal to delay business of the House. These included shorter speeches, and a requirement to have 15 Members present in order to prevent the extension of hours, a procedure which has been used increasingly as an indirect form of closure by the Government, which was not its intent. The Opposition gave up the power to ring the bells at great length, as the Conservative Opposition did in 1982. The Opposition forfeited a number of other procedures as part of that whole package in return for the notion of a parliamentary calendar.

In lieu of these concessions by the Opposition was the notion that there would be a set calendar regardless of whether the Government with its majority was able to pass legislation by a certain time of the year. There is nothing illegitimate about that. Those were the rules of the game.

We now have the parliamentary equivalent of the Government moving the goal posts. There was a consensual arrangement between the Parties for a package of reforms in which the Opposition and the Government made certain concessions. Only the Government has the power to take back unilaterally what it gave up in those negotiations. The Opposition does not have the power to take back what it gave up.

This motion is wrong because the Government is taking back elements of the package that was arrived at subsequent to 1982. If the Government is unable to pass legislation on its agenda by the June 30 deadline, there is a provision in the Standing Orders whereby it could appeal to the Speaker and make a case that there is an emergency. The Standing Orders as a result of the package have not left the Government with no recourse in a genuine emergency.

It is ironic that the Conservative Government should be taking this action because it has made somewhat of a parliamentary career for 30 years of condemning the Liberals for unilateral action with such things as closure. It is ironic that it is a Conservative Government that is attempting this final victory for unilateral action.

We have seen unilateral action in the past, such as when the Liberals revised the Standing Orders in 1969. But we thought we had surpassed such action in the early 1980s, and reached a new era of parliamentary reform. As recently as last year, when the Government was considering amending certain Standing Orders unilaterally, it was prevailed upon to come to an agreement rather than break the consensus which had been reached in the early 1980s, that parliamentary reform should only occur with unanimous consent. Finally, after we bargained and negotiated, there was an agreement, and that period of true parliamentary reform was extended.

Now it has been broken by the motion to extend the sittings. We are becoming used to closure motions as part of parliamentary life. It does not bring the same outrage as it did during the pipeline debate in 1956, when closure had not been used for decades before.

The repeated use of closure is partly a problem of the Government's impatience, but is also due to the fact that we have never really grasped the nettle of legislative planning. The Hon. Member for Peace River (Mr. Cooper) is here and he knows that one of the matters with which the reform committee did not deal was the whole question of legislative planning. A new committee on parliamentary reform should concern itself with that issue because it is one of the problems with this place. Rather than a process whereby we can agree what will be discussed and when, we are reduced to a game of cat and mouse each day when matters are brought up for debate when critics are not available or have been given little notice.

That is hardly a responsible or intelligent way to run the business of the country or of this Parliament.

The problem of legislative planning must be addressed.

In the final analysis, I am concerned about the spirit of unilateralism by which the Government, through the use of this motion, has declared that it can basically change any Standing Order it wishes. The Speaker argued, perhaps quite properly in a technical sense, that this power exists within the standing Orders. However, I ask Hon. Members, particularly Conservative Members, to reflect on the great emphasis they placed on the notion of convention in the 1982 constitutional debate. While many things are technically possible, whether under the Standing Orders in Parliament or under the law outside of Parliament, are all things permissible? What we see here is the victory of Nietzsche over Parliament. If it is technically possible, do it.

It is a parliamentary equivalent to Dostoevsky's Raskolnikov in *Crime and Punishment*. The Government has to prove itself in the way Raskolnikov wanted to show he was above ordinary morality and killed the old woman.

In this case, a parliamentary majority wants to show that it is above the morality of opposition or minority rights in Parliament. It is parliamentary *ubermenschen*. That is actually what is happening.

• (1930)

What is incredible about it is that because of this motion and the use of the Standing Orders in that way, everything is possible and, in the eyes of the Government, everything is permissible. The Opposition is no longer seen to be operating within an agreed upon set of rules which it uses to advance what it thinks to be in the interests of the nation.

If we happen to think that retarding the progress of the free trade agreement is in the interests of Canada, we have every right to do that here in the House of Commons. That is what the House of Commons is for. The Government has every right to use agreed upon rules to advance its view that the free trade agreement is good for Canada. What it does not have the right to do is to say to the Opposition: "When you start to get the better of us, we are going to change the rules on you all by ourselves, unilaterally". Everything is permissible. That is the problem with what we have before us. The Opposition does have a right to play within the rules.

I can remember when the Liberal Government used to talk about the Conservative Opposition in the early 1980s. I came here in 1979, but in 1980, during the constitutional debate, the heat was really on. People would heap scorn on the Conservatives for using every parliamentary tactic at its disposal. Believe it or not, I used to come to its defence. I defended the Conservatives by saying that as long as they were within the rules, they are demonstrating to the Canadian people how strongly they feel about the particular measure the Government was taking and they will be judged accordingly in terms of politics. That should be the final arbiter. It should not be the Government which decides whether or not the Opposition deserves to be reprimanded for holding up the government's agenda. It should be the people who decide. It is a political judgment. If we hold up the free trade agreement or the legislation pertaining to this or that, and the people happen to agree with the Government, we are going to pay a political price. That is a choice that Oppositions have to make and it is a choice that Government's have to make.

The problem is that it is not being left to the political process. The Government will decide it. What is happening

here is that the public is having its role eroded. The Speakership is having its role eroded, because if anyone lost in this motion, it was the Speakership, when the Government said: "The powers entrusted to the Speaker by the Standing Orders to decide whether or not the parliamentary calendar will be broken will no longer reside in the Chair. They will reside in the Government".

Some Hon. Members: Right on.

Mr. Blaikie: I hear a Conservative Member of the Government yelling "right on". That is the problem.

Mr. Cooper: Mr. Speaker, I have no objection to the Member making his arguments however he may see them, but I do have some concern about his reflections on the ruling of the Chair. That is certainly what I have been hearing in his last few sentences. I would ask that that be brought to the attention of the Member.

Mr. Deputy Speaker: I did not understand the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie) to be making any reflections on the Chair.

Mr. Blaikie: Thank you, Mr. Speaker, the Hon. Member for Peace River is known as a great defender of the Chair, and for that matter, so am I. That is why I make the remarks I do. The points I wanted to make, I have made, that is, that I think we have crossed a boundary by the use of that particular Standing Order to override all the other Standing Orders. We have crossed the boundary. Perhaps that power always existed technically, but no one ever thought of using it before in this particular way. It is like a lot of other things in that respect. Once that line has been crossed, it is easy to cross it again and again and again.

So I say to my colleagues on the other side, many of whom I believe have a genuine respect for Parliament, that they have fallen victim to the tempter's power, if you like. They should have done otherwise and voted against their own Government with respect to this motion to extend the sittings of Parliament. It was not done to deal with an emergency or anything like that. It was to deal with the fact that the Government was not able to complete its own agenda within the times and procedures set by Parliament, and that is the Government's fault, no one else's.

Mr. Deputy Speaker: Debate.

Some Hon. Members: Question.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: Shall I dispense with the reading?

Some Hon. Members: Dispense.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

The House divided on the amendment, which was negatived on the following division:

(*Division No. 396*)

YEAS

Members

Angus
Benjamin
Blaikie
Boudria
Caccia
de Jong
Dewar
Foster
Gagliano
Gauthier
Harris
Hopkins
Kaplan
Keeper
Nystrom
Ouellet
Penner
Prud'homme
Riis
Robichaud
Tobin—21

NAYS

Members

Andre
Belsher
Bernier
Bertrand
Blenkarn
Bourgault
Caldwell
Champagne (Champlain)
Chartrand
Clark (Brandon—Souris)
Collins
Comeau
Cook
Cooper
Cossitt
Côté
Crofton
Crouse
de Cotret
Desjardins
Desrosiers
Domm
Duplessis
Fennell
Fontaine
Forrestall
Fraleigh
Gottselig
Greenaway
Grisé
Guilbault (Drummond)
Gustafson
Halliday
Hamelin
Hardey
Hawkes
Hockin
Hudon
Jardine
Johnson (Bonavista—Trinity—Conception)
Joncas
Jourdenais
Kelleher
Kilgour
King
Ladouceur
Lanthier
Lawrence
Leblanc
Lesick
Lewis
MacKay
Mailly
Marin
Mazankowski
McCain
McCrossan
McDermid
McKinnon
McMillan
Minaker
Mitges
Moore
Nicholson (Niagara Falls)
Nickerson
Oberle
Oostrom
Scott (Hamilton—Wentworth)
Shields
Sparrow
Stackhouse
Stewart
Taylor
Towers
Tremblay (Québec-Est)
Turner (Ottawa—Carleton)
Valcourt
Vincent
Winegard—79

• (2010)

Mr. Deputy Speaker: I declare the amendment lost.

Mr. Deputy Speaker: The next question is on the motion of Mr. Lewis:

That, notwithstanding any Standing Order or practice of the House, from the day of adoption of this motion and until no later than Friday, September 9, 1988, the House will meet on the days and at the times specified in Standing Order 3, but not on August 1;

That, during such period, the Speaker shall adjourn the House on Mondays, Tuesdays and Thursdays at 10.00 o'clock p.m., and on Wednesdays at 6.00 o'clock p.m., and on Fridays at 3.00 o'clock p.m., and that the provisions of Standing Order 66 relating to the adjournment proceedings shall be suspended;

That, during such period, the Standing Order respecting the daily mid-day interruption of business on Mondays, Tuesdays and Thursdays shall not be suspended;

That, at 6.00 o'clock p.m. on Mondays, Tuesdays and Thursdays, or at the conclusion of Private Members' Business, the House shall proceed to "Government Orders" pursuant to Standing Order 22;

That this special order shall not apply on any allotted days designated in the supply period ending June 30, 1988.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 397*)

YEAS

Members

Andre	Chartrand	Crofton
Belsher	Clark	Crouse
Bernier	(Brandon—Souris)	de Cotret
Bertrand	Collins	Desjardins
Blenkarn	Comeau	Desrosiers
Bourgault	Cook	Domm
Caldwell	Cooper	Duplessis
Champagne	Cossitt	Fennell
(Champlain)	Côté	Fontaine
Forrestall	King	Oberle
Fraleigh	Ladouceur	Oostrom
Gottselig	Lanthier	Scott
Greenaway	Lawrence	(Hamilton—Wentworth)
Grisé	Leblanc	Shields
Guilbault	Lesick	Sparrow
(Drummond)	Lewis	Stackhouse
Gustafson	MacKay	Stewart
Halliday	Mailly	Taylor
Hamelin	Marin	Towers
Hardey	Mazankowski	Tremblay
Hawkes	McCain	(Québec-Est)
Hockin	McCrossan	Turner
Hudon	McDermid	(Ottawa—Carleton)
Jardine	McKinnon	Valcourt
Johnson	McMillan	Vincent
(Bonavista—Trinity—Conception)	Minaker	Winegard—79
Joncas	Mitges	
Jourdenais	Moore	
Kelleher	Nicholson	
Kilgour	(Niagara Falls)	
	Nickerson	

NAYS

Members

Angus	Gagliano	Penner
Benjamin	Gauthier	Prud'homme
Blaikie	Harris	Riis
Boudria	Hopkins	Robichaud
Caccia	Kaplan	Tobin—21
de Jong	Keeper	
Dewar	Nystrom	
Foster	Ouellet	

Mr. Deputy Speaker: I declare the motion carried.

Mr. Lewis: Mr. Speaker, in keeping with an agreement made earlier this evening, I think you would find there is agreement in the House to call it ten o'clock.

Mr. Deputy Speaker: That being so, it being ten o'clock, this House stands adjourned until tomorrow morning at eleven o'clock.

The House adjourned at 8.14 p.m.

HOUSE OF COMMONS

Tuesday, June 21, 1988

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

LAW REFORM COMMISSION

TABLING OF 32ND REPORT

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased to table in both official languages report No. 32 of the Law Reform Commission of Canada, entitled *Our Criminal Procedure*. In addition, Mr. Speaker . . .

* * *

[*English*]

JUSTICE

TABLING OF MEMORANDUM OF UNDERSTANDING BETWEEN CANADA AND CZECHOSLOVAKIA

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): I am pleased to table copies of a Memorandum of Understanding between Canada and Czechoslovakia, in both official languages, as well as in Czechoslovakian.

This agreement will enable Canadian officials to gather evidence in Czechoslovakia, and includes the conditions recommended by Mr. Justice Deschênes to assure the obtaining of such evidence in accordance with Canadian procedures and safeguards.

* * *

COMMITTEES OF THE HOUSE

BILL C-273—REPORT OF LEGISLATIVE COMMITTEE

Mr. Howard Crosby (Halifax West): Mr. Speaker, I have the honour to present the report of the legislative committee on Bill C-273, an Act respecting political rights of public employees, in both official languages.

I believe it would benefit all Members if I presented a short explanation of the action taken by the legislative committee with respect to Bill C-273 which will enact a new public employees' political rights Act.

Bill C-273 was introduced as a Private Member's Bill by the Hon. Member for Ottawa West (Mr. Daubney) and received substantial attention and support. There were two important developments prompting this interest. First, those active in political life now believe public employees should have a code of political rights along the lines recommended by the D'Avignon report in 1979. Second, existing statutory restrictions may violate the Canadian Charter of Rights and Freedoms enacted in 1982.

• (1110)

The task of the legislative committee was to balance the demand for enhanced political rights with the tradition of independence and neutrality in public employment. I believe the revision of Bill C-273 by the legislative committee has achieved this delicate balance.

The amendments respond to the advice and the recommendations brought to the committee and resulted in all-Party agreement. The revised provisions are supported by a committee membership whose mutual belief is that public employees merit all the rights of Canadian citizenship with narrow exceptions to protect the public interest. In the result, we believe the Bill commands the support of all Members of the House of Commons.

[*Translation*]

HUMAN RIGHTS—REPORT OF STANDING COMMITTEE

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, I am pleased to table in both official languages the First Report of the Standing Committee on Human Rights concerning human rights behind the Iron Curtain. The report notes that the people of countries behind the Iron Curtain do not have many fundamental rights, and your Committee requests that the Government of Canada make a comprehensive response to the report.

[*English*]

This report is released at an important time in the East-West relationship. The Vienna follow-up meeting of the Helsinki Final Act process is still ongoing. In the Soviet Union there are signs of change reflected in the phenomena of *perestroika* and *glasnost*.

Tabling of Documents

The committee has examined the human rights situation behind the Iron Curtain and has concluded that there is still much headway to be made. The real litmus test of the genuineness of *glasnost* and *perestroika* will be seen in the degree of real change in relation to freedom of religion, the rights of national minorities, and immigration for family reunification.

[*Translation*]

BILL C-30—REPORT OF LEGISLATIVE COMMITTEE

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, I have the honour to table the report of the Legislative Committee on Bill C-30, An Act to amend the National Parks Act and to amend An Act to amend the National Parks Act.

[*English*]

The committee agreed to 23 amendments during the study of this Bill, and I am sure that as a former Mayor of Banff and Jasper and former Minister of the Environment you will be very pleased with most of these amendments, Sir. We look forward to having more when we get to report stage in the House.

[*Editor's Note: See today's Votes and Proceedings.*]

Mr. Lewis: Mr. Speaker, I rise on a point of order. I have not had an opportunity to ask my hon. colleagues for permission, but I wonder if there might be consent to revert to Tabling of Documents in order to allow the Parliamentary Secretary to the Minister of Energy to table the annual report of the Lower Churchill Development Corporation for the year ending December 31, 1987. If there would be such consent, I would ask to revert to that.

Mr. Riis: Mr. Speaker, I think that is a reasonable request. You would certainly have our consent to revert to Tabling of Documents to allow that to be tabled.

* * *

LOWER CHURCHILL DEVELOPMENT CORPORATION

TABLING OF ANNUAL REPORT

Mr. Jack Shields (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, pursuant to Standing Order 67(2), I am pleased to table, in both official languages, the annual report of the Lower Churchill Development Corporation for the year ending December 31, 1987.

NATIONAL SPORT ACT

MEASURE TO ENACT

Mr. Nelson A. Riis (Kamloops—Shuswap) moved for leave to introduce Bill C-303, an Act to recognize hockey as a national sport.

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Speaker: Call in the Members.

The House divided on the motion, which was agreed to on the following division:

• (1120)

(*Division No. 398*)

YEAS

Members

Althouse	Fulton	Mitchell
Angus	Harris	Parry
Benjamin	Keeper	Riis—15
Blaikie	Langdon	
de Jong	Manly	
Epp (Thunder Bay—Nipigon)	McDonald (Broadview—Greenwood)	

NAYS

Members

Belsher	Jacques	Taylor—11
Fennell	Jardine	
Forrestall	King	
Fraleigh	McDermid	
Greenaway	Pietz	

• (1150)

Mr. Deputy Speaker: I declare the motion carried.

[*Translation*]

Mr. Gauthier: Mr. Speaker, point of order.

Mr. Deputy Speaker: The Hon. Member for Ottawa—Vanier (Mr. Gauthier) on a point of order.

Mr. Gauthier: I wish to tell the House that I was present in the House, but I abstained in the vote because we will not take part in this charade, this silliness that the Government . . .

Some Hon. Members: Agreed!

Mr. Gauthier: I would simply like to say, Mr. Speaker, that I think it is a complete waste of time to do what we have just done today. As whip, I must be present for the vote—it is my duty—but I will not take part in this kind of charade.

Some Hon. Members: Hear, hear!

[*English*]

Mr. Riis moved that the Bill be read the first time and printed.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Shall I dispense with the ringing of the bells?

Some Hon. Members: No.

Mr. Deputy Speaker: Call in the Members.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 399*)

YEAS

Members

Angus	Harris	Mitchell
Benjamin	Jewett	Orlikow
Blaikie	Keeper	Riis—13
Epp	Langdon	
(Thunder Bay—Nipigon)	McDonald (Broadview—Greenwood)	
Fulton		

NAYS

Members

nil/none

• (1230)

Mr. Deputy Speaker: I declare the motion carried.

Bill read the first time and ordered to be printed.

Mr. Manly: Mr. Speaker, unfortunately I was not in my seat when you began to read the motion. However, if I had been, I would have voted with my Party.

Mr. Gauthier: Mr. Speaker, I was in my seat. I abstained from voting. I refuse to participate in the kind of silly charade that the NDP is up to today.

Mr. Riis: Mr. Speaker, just so that there is no misunderstanding, the intention of this is to introduce Private Members' Bills that we feel strongly about, as well as to do what we can to frustrate the Government's effort to introduce and to debate the trade legislation, so that a national general election can intervene to allow the people of Canada an opportunity—

Some Hon. Members: Hear, hear!

Mr. Lewis: Mr. Speaker, I am very pleased that my hon. friend has explained that. We thought that the delay on these Bills was to heighten public awareness of the breakthrough of the NDP in the Lac-Saint-Jean by-election.

Mr. Gauthier: I guess I should explain, Mr. Speaker, that unless the Whips walk in, the bells do not stop. But it is normally 30 minutes. The reason that we have been taking 30 minutes is that the Government would not give me its assurance that it will call in all Members, including those in committees.

We have 15 committees sitting today, and I find it totally unacceptable that the Government would not give me its commitment that it will call in all Members to vote in the House of Commons, as is required.

If the committees persist in sitting while the bells are ringing, then it creates a difficult situation for us. I have to call our Members back in, and sometimes members of the Government stay in committee and pass a whole lot of clauses while we are absent. We do not like that. We think we should have participation in the debate.

Some Hon. Members: Hear, hear!

Mr. Fennell: Mr. Speaker, it was only today that the Whip of the Opposition agreed that he would only have the bells ring for five minutes, if we would get everybody out of the committee. However, I stated that for dilatory motions such as we have had over the last few days from the NDP there was no point breaking up the committees. In particular, there was one

committee where the Minister attended, who had been ill before, and it was his only chance.

Now that we have a deal that at any time the bells ring we can come back within five minutes, I accept that and I will get all Members from our committees.

Mr. Keeper: Mr. Speaker, I rise on a point of order. I hope my hon. colleague who proposed a five-minute bell realizes that we have a south block in which Members of Parliament have their offices and from which, if one is a brisk walker, it takes six minutes to get here.

An Hon. Member: Take the bus.

Mr. Deputy Speaker: We will continue with the Introduction of Private Members' Bills.

* * *

AN ACT TO AMEND THE SENATE AND HOUSE OF COMMONS ACT

Mr. Nelson A. Riis (Kamloops—Shuswap) moved for leave to introduce a Bill entitled an Act to amend the Senate and House of Commons Act (corporate and political office prohibited).

Mr. Deputy Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

The House divided on the motion, which was agreed to on the following division:

(Division No. 400)

YEAS

Members

Angus	Keeper	Orlikow
Benjamin	Langdon	Riis—14
Blaikie	Manly	
de Jong	McDonald (Broadview—Greenwood)	
Fulton	Mitchell	
Harris		
Jewett		

NAYS

Members

nil/none

• (1250)

Mr. Deputy Speaker: I declare the motion carried.

Mr. Riis: Mr. Speaker, the purpose of this Bill is to prohibit Senators from holding directorships in any companies that have dealings with the Government of Canada and to prevent them from functioning as professional organizers and fundraisers for any political Party while being paid to serve in the Senate.

Mr. Fennell: Mr. Speaker, I rise on a point of order. May I call it one o'clock?

Mr. Deputy Speaker: Is it agreed?

Some Hon. Members: Agreed.

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

At 12.58 p.m the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

MUNICIPAL AFFAIRS

FUNDING OF SEWER AND WATER INFRASTRUCTURES

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I rise today to lend support to the request made by the Canadian Federation of Municipalities. It has made a request to the Government of Canada to cost share with the provincial Governments and municipalities to provide needed expenditures for the basic infrastructure that is required throughout this country, namely, sewer and water.

There are a number of municipalities, both large and small, which are in need of cost sharing with the provinces and the Government of Canada to provide these necessary services. In my own province, communities such as Halifax, Dartmouth, smaller communities such as Sydney, New Waterford, and the municipality of the County of Cape Breton, are all in need of government funding to provide these necessities which have become very, very important over the last number of years.

Members should recognize, particularly government Members, that this request, if fortified by the Government of Canada, would not only provide necessary services to those small and large communities, but would provide needed employment in many of those communities. It would also add to the environmental impact throughout the country.

I believe this to be a positive request and I would hope the Government through its Members would see the light of day and pass sufficient programs to provide the necessary water and sewer services across the country.

* * *

[*Translation*]

BY-ELECTIONS

ELECTION OF LUCIEN BOUCHARD

Mr. Guy St-Julien (Abitibi): Mr. Speaker, the voters of Lac-Saint-Jean yesterday decided massively in favour of Conservative Lucien Bouchard. He obtained 16,986 votes, or 55 per cent, compared to 10,726 votes for the Liberal candidate of Leader John Turner.

The big loser in this election is the NDP candidate of Leader Ed Broadbent, who did not manage to get 3,000 votes.

The Prime Minister of Canada (Mr. Mulroney) said last night, "It is an impressive victory. Lucien Bouchard is an outstanding Quebecer and Canadian, who will do great service for Canadian unity."

Mr. Speaker, we Conservatives of Quebec are all proud of this great victory in Lac-Saint-Jean.

Mr. Speaker, Lucien Bouchard has already started his work as Member of Parliament for Lac-Saint-Jean. He is a man of action. Congratulations, Lucien Bouchard!

* * *

[*English*]

BANKS AND BANKING

SERVICE CHARGES—ROYAL BANK'S DEDUCTION FOR COMPUTER SERVICES

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, ever since the Standing Committee on Finance and Economic Affairs tabled its report on bank service charges, my office has been inundated with complaints about bank service charges. What I have decided to do, starting today, is to read into the record letters from Canadians complaining about bank service charges.

Dear Sir;

I noticed on TV news this morning an item on excessive bank charges. Yours was the only name I picked up, other than that of Robert McIntosh, who is paid to support excessive bank charges.

I too am a low income person and have little money in my account with the Royal Bank. To my astonishment they deducted $20. When I asked why, the manager informed me it was for computer services. I hadn't used any computer services at all, except my account number is likely on it. I had no way to fight it. It was just done out of the blue and without any notice to me about it. I felt I was robbed. I was robbed. If one is of low economic resources then it seems we are ripe for picking.

Am enclosing a zerox of deduction.

It is signed Mrs. Georgenna Ferguson, Calgary, Alberta.

* * *

WELFARE

EFFECT OF PART-TIME JOBS ON WELFARE PAYMENTS

Mr. Gordon Taylor (Bow River): Mr. Speaker, hundreds of would be employers are frustrated and angry when a Canadian refuses a part-time job offer because acceptance would mean their welfare or UIC would be cut off and they would be left high and dry. Why are government policies not flexible enough to permit such people to work part-time without cutting off their entire income? If such Canadians could benefit by a reduction of less than the amount they would earn, a recipient would be ahead and the Government's expenditures would be reduced.

Present policies force Canadians to stay on welfare and UIC as long as their payments permit. No wonder the jobs offered by 42 per cent of the firms belonging to the Canadian Federation of Independent Business remain unfilled.

* * *

• (1405)

[*Translation*]

THE LATE FERNAND SÉGUIN

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I rise today to mourn the passing of a great Quebecer and Canadian, a scientist, humanitarian and great communicator, Fernand Séguin. Mr. Séguin gave us years of enthusiastic service. Who does not remember his program *Le sel de la semaine*? For some of us, the world of science was mysterious and inaccessible, but Mr. Séguin opened the doors for us; he let us into the world of scientists, to understand their ideas and their discussions, even what they were doing. He helped us to

explore our own ideas as well and to ponder our origins and our future in a changing world.

In these times when science occupies an important place, both for our comfort and for our security, he gave us a thirst for knowledge.

To his wife and family, I offer my sincerest condolences. It is with great regret that, on behalf of all Quebecers and Canadians, I say to him, "Farewell and thanks."

* * *

EMPLOYMENT

WELFARE RECIPIENTS HIRING PROGRAM

Mr. Marcel Tremblay (Québec-Est): Mr. Speaker, I am proud to have this opportunity to mention a very useful program initiated by this Government to help welfare recipients re-enter the labour market. This job development program enables selected employers to receive federal assistance in hiring workers, which is an essential adjunct to the development of their enterprise and at the same time provides welfare recipients with a substantial salary, increased training and an excellent opportunity for social reintegration.

Mr. Speaker, I may point out here in the House that under this innovative program, seven businesses and organizations in my riding will be offering twenty-five new jobs to welfare recipients, thanks to a contribution of $201,478. It is because Canadians want us to maintain these initiatives that they continue to trust and support us.

* * *

[*English*]

AGRICULTURE

EFFECT OF SUBSIDIES ON GRAIN HANDLERS

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, the layoff of more than one-third of Thunder Bay's grain handlers earlier this month has renewed concern about wheat exports through the St. Lawrence Seaway.

As many as 600 of Thunder Bay's 1,800 elevator workers lost seniority rights during the slow years 1984-85 and 1985-86. Employment recovered during the record 1986-87 year, and reached 1,300 this spring.

Earlier than usual layoffs this month have combined with very dry prairie weather to arouse fear of crop failure and a slow fall in the elevators. The real problem, however, is a glut of wheat in our traditional markets resulting from subsidies.

Little more than a decade ago the European Economic Community had a grain shortfall of 24 million tonnes. By 1986 high farm support prices had transformed this into a surplus of 14 million tonnes.

The Economic Summit is considering the problem of agricultural subsidies. The European Economic Community spends 80 per cent of its budget on such subsidies.

It is time Governments find other means of maintaining farm incomes in Europe and the U.S. too, than those that lead to hardship for western farmers and Thunder Bay grain handlers.

* * *

BY-ELECTIONS

LAC-SAINT-JEAN—PROGRESSIVE CONSERVATIVE CANDIDATE'S VICTORY

Mr. William G. Lesick (Edmonton East): Mr. Speaker, politicos across Canada are wiping at least some egg off their respective faces today as the tight race in yesterday's by-election in the constituency of Lac-Saint-Jean never did materialize. The Secretary of State easily outdistanced his rivals and sent the Hon. Leaders of the Opposition back to the old drawing-board.

The Secretary of State's reputation, ability, and resources should not have been taken lightly. He is an able campaigner who employed a unique system of political contributions—1,500 contributors, no union contributions, no corporate contributions, just the support of the people of Lac-Saint-Jean at the grass roots level.

[*Translation*]

Bravo, Mr. Minister! A great performance! Welcome to the House!

* * *

[*English*]

IMMIGRATION

PRESENCE IN CANADA OF RENAMO INFORMATION CHIEF

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, news that Mr. Francisco Nota Moises, Information Chief of the Mozambican rebel organization Renamo, has been granted asylum in Canada should be of concern to all Canadians. Mr. Moises' presence in Canada once again demonstrates the glaring deficiencies in Canada's immigration and security system.

To allow such an individual into this country, particularly when Mr. Moises' activities for Renamo were widely know, is completely unacceptable. It is obviously high time that the Government got its act together.

In addition, Renamo is a particularly reprehensible group that has been accused of killing 100,000 Mozambican civilians in the last two years, and is responsible for a systematic campaign of rape, torture, and terror in Mozambique.

Renamo is also a proxy army for South Africa in its efforts to destabilize the front line States, particularly Mozambique and its critical alternate railway to the Indian Ocean.

Canada has a policy of support for the front line States. The Secretary of State for External Affairs (Mr. Clark) would do well to clear this issue up at once lest his position of support for the front line States be made into a laughing-stock.

* * *

• (1410)

CULTURAL INDUSTRIES

FORMER MINISTER'S POLICIES

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, the former Minister of Communications understood that to develop strong Canadian cultural industries strong legislative measures were needed. He understood that money was not a substitute for policy. It was in that spirit that he introduced the Baie Comeau book publishing policy. He recognized that it was essential that there be Canadian control of publishing.

His film industry task force recommended that there be 100 per cent Canadian control of film distribution and that an end be put to vertical integration between film distributors and film exhibitors.

It is regrettable that the Mulroney-Reagan deal trade has changed those well-founded Canadian objectives. It is time the close encounters this Government has with the Americans become close encounters of another kind. It is too bad that the former Communications Minister isn't still writing the film policy script, for he saw the big picture. His successor is being directed frame by frame by Jack Valenti. As a result, Canada's film industry is being left on the cutting room floor. It's a sham and a shame.

* * *

[*Translation*]

BY-ELECTIONS

ELECTION OF LUCIEN BOUCHARD

Mr. Gilles Bernier (Beauce): Mr. Speaker, yesterday, voters in Lac-Saint-Jean elected the Secretary of State, Lucien Bouchard, with a strong majority. This warm, intelligent and sincere gentleman will, together with his colleagues, continue to defend the interests of Quebec. This election is a great victory for the great team of Brian Mulroney who is putting down strong roots in Quebec and is showing great leadership on issues that are extremely important to this country. We are delighted with the support we received from all sides yesterday, both politically and financially.

Yesterday, Broadbent's NDP candidate lost his deposit, Mr. Speaker. The NDP is seeing its hopes fade away in Quebec, and after being the great loser in the federal election, yesterday it was completely swept off the map in two provincial by-elections in Quebec.

As for the federal Liberals, I say to their leader, whose leadership is still being questioned by twenty-two of his Members in the House: Keep dragging your feet on issues that are of great importance to this country: Meech Lake and free trade. I would invite Mr. Turner to come to the boundary of my riding, at Sainte-Marie de Beauce, to tell the people he intends to tear up the free trade agreement!

* * *

[*English*]

VOLUNTARY ORGANIZATIONS

WINNIPEG—NEED FOR FEDERAL FUNDING

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, in Winnipeg there is a program called the Core Area Initiative which is funded by all three levels of government, civic, provincial, and federal. This program has been very effective in funding local community groups and community development activities.

Now with a Conservative Government in office it is dragging its heels with regard to the funding of those local groups. The very existence of some of those groups is threatened. They have been waiting for a decision on their funding since last January, and they need the Government to get off its backside and approve the applications for funding. Some of the groups, for example, the Chilean Information Centre and the Native Youth Centre, do good work in the community and they need the Government to make some decisions and allocate the money.

Do we have to call a by-election in Winnipeg in order to get these groups funded?

* * *

[*Translation*]

BY-ELECTIONS

ELECTION OF LUCIEN BOUCHARD

Mr. Nic Leblanc (Longueuil): Mr. Speaker, in 1984, our party, the present Government, had a great plan: to create jobs and reduce unemployment. This plan was based on some key ideas and principles: national reconciliation—i.e., good

relations with the provinces—, strengthening international relations, making our country safer through a stronger national defence. So it is no accident that 1,300,000 new jobs were created. Nor is it any accident that the people of Lac-Saint-Jean yesterday voted for the Conservative Government—it is no accident that they elected Lucien Bouchard. He is a very major asset, another plus for our Party, the great team now in power. He will help further improve our relations with the provinces and thereby the status of all Canadian families. I welcome him to our Party.

* * *

[*English*]

SMALL BUSINESS

RUSSELL TOWNSHIP, ONT.—BUSINESS INCUBATOR PROPOSAL

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, for a long time the Township of Russell in my constituency has been wanting to establish a business incubator. Unfortunately, it was told recently that there was no program by which it could have a business incubator.

• (1415)

The Rotary Club asked me to intervene on its behalf under the same program that was used in Lac-Saint-Jean so that the community could get the business incubator.

Although no formal application has been forthcoming from my riding yet, I would expect that the funds will be rolling in anyway because, after all, no formal application was ever filled out in Lac-Saint-Jean either. If it is good for one area, then surely it is good for Glengarry—Prescott—Russell.

* * *

BANKS AND BANKING

CLOSURE OF BOY'S $10 ACCOUNT

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, Canadian consumers are up in arms over the unjustified service charges being imposed by banks and have now begun to voice publicly their long-standing frustration over this unacceptable situation. One case in particular brought to my attention concerns a 15-year-old boy with a small account containing $10. Without notification, the bank proceeded to levy service charges against the account and then closed it because it considered it an inactive account.

What kind of message is being sent to young people by such actions? Why should they bother to save at all when what little they can put aside is suddenly seized without notice or warning? No one should have to pay a maintenance fee on seldom used accounts. Why should consumers be charged for closing accounts or for the errors banks make?

The Standing Committee on Finance and Economic Affairs has proposed both fair and necessary recommendations to curb bank charges. I urge the Government to take immediate action on these recommendations and to put an end to this institutionalized rip-off of consumers.

* * *

[*Translation*]

THE LATE FERNAND SÉGUIN

Mr. David Berger (Laurier): Mr. Speaker, Quebec and Canada have just lost an eminent journalist, Fernand Séguin. During his 30-year career, Mr. Séguin dominated the field of popular science.

Since television began in Canada, he was the first to initiate us to the world of science, unpretentiously and with warmth.

He was a man of vision who knew that the future would involve both communication and science and he paved the way for the excellent journalists of whom our country is so proud today.

I want us to pay him tribute today in this House.

* * *

TRANSPORT

COMPLETION OF MATTE BOULEVARD IN BROSSARD

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, I was very pleased to find out yesterday that decision 1988-R-47 of the National Transport Agency gave the City of Brossard, in my riding, permission to continue construction of Matte Boulevard in its industrial park up to the intersection of the Canadian National Railway right of way. The roads system in the industrial park will thus be greatly improved.

This NTA decision reflects the dynamism of one of the fair cities in my constituency.

Congratulations to the City Council and Mayor Georgette Lepage for their continuing tireless efforts on behalf of my beautiful riding of La Prairie.

ORAL QUESTION PERIOD

[*English*]

RAILWAYS

NEWFOUNDLAND RAILWAY—ANNOUNCED DISBANDMENT

Mr. George Baker (Gander—Twillingate): Mr. Speaker, the last spike was driven into the Newfoundland Railway yesterday. The final spike was driven into the coffin of the

Newfoundland Railway by this Government yesterday, June 20, 1988.

June 20 was an interesting day. There was a federal by-election with the Prime Minister throwing around taxpayers' money as if there were no tomorrow. As well, the International Economic Summit was taking place in Toronto. Perhaps the Government thought that Newfoundlanders would not pay too much attention to the announced closure of the railway with these other items monopolizing the news. Well, the Government was wrong. Newfoundlanders are outraged with the details of this agreement.

I ask the Minister who made that announcement, the Minister for International Trade, former Minister of Transport, and the real father of this infamous deal, why did the Government of Canada decide to close the Newfoundland Railway before the necessary highway improvements could be made in anticipation of the increased tractor-trailer business?

• (1420)

The Minister knows that, according to the Department of Transport, one eighteen-wheeler tractor-trailor on the Newfoundland highway inflicts as much damage on the highway as do 4,000 automobiles.

Given that this is the worst highway in Canada for 1,000 kilometres, why did the Government decide to close the railway before the highway could be improved?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, how short some persons' memories are. Why, I remember in 1968 when the Liberal Government of the day closed the Newfoundland rail passenger service and there was no compensation for Newfoundland or Newfoundlanders, only a bus service provided.

I am glad to admit to fathership of this concept. It is not the last spike, it is the golden spike that Newfoundland received yesterday—$800 million. I am proud to have achieved that for the province.

The hon. gentleman opposite and his Party voted against $1 billion for Atlantic Canada when they voted against the ACOA legislation at third reading in this House.

The people of Newfoundland are delighted with the $700 million for roads over the next 15 years, an average of $50 million a year. What roads does the hon. gentleman not want proceeded with? Is it the road from Branch to St. Bride's? Is it the twinning of the highway from Deer Lake to Corner Brook that he objects to? Is it the twinning of the Trans-Canada Highway from Donovans to the Argentia overpass? Is it the access road from the Trans-Canada Highway to Argentia?

Some Hon. Members: Order.

Mr. Crosbie: More? There is $800 million more; that is why the people of Newfoundland are supporting this 100 per cent.

ASSISTANCE PACKAGE FOR EMPLOYEES

Mr. George Baker (Gander—Twillingate): Mr. Speaker, according to the Minister's own announcement, the majority of that money to be spent on roads is to be spent as follows: "$35 million each fiscal year from 1995 to the year 2003". The Minister has created a new space odyssey, Space Odyssey 2003. There won't be any roads left in 1990 let alone the year 2003.

Getting back to the agreement, in announcing the assistance package for employees the employees were told that their expenses and severance package will be negotiated between Canadian National and the unions from now until September, 90 days.

Why were the workers not consulted and an agreement reached before the announced closure of the railway?

While the Minister is at it, can he verify that the money for this settlement will not come from the federal Treasury but from the budget of Canadian National? Canadian National is not going to go out of its way to be generous to these employees. What do they do now if they are not happy with the offer? The railway will be closed. Is the Minister saying they can go on strike?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, in 1979 there were 1,350 employees of the Newfoundland Railway. When we became the Government of Canada in 1984, 708 of them were gone and there were 642 left under the hon. gentleman.

There are now 642 employees. One hundred and forty will remain working with CN on the road cruiser service and intermodal freight service, 155 are eligible for early retirement, and the other 347 will get a variety of benefits under present collective agreements and special agreements that will be entered into. Forty other employees laid off between 1986 and 1988 will be covered under the same generous arrangements. One hundred and nine employees who are seasonal will get generous assistance as well.

We are going to ensure that this occurs. CN is putting up a $70 million fund to accomplish this. If that is not sufficient it will put forward more.

When the rail passenger service went, honourable donkeys opposite didn't even bray as they are braying today, much less get compensation for anyone.

Mr. Baker: Mr. Speaker, the Government may unrail the Newfoundland Railway but Newfoundlanders are going to derail the Government in the next election.

Some Hon. Members: Hear, hear!

GOVERNMENT POSITION

Mr. George Baker (Gander—Twillingate): Mr. Speaker, let me ask this Minister the key question. Why is it that Newfoundland is the only province in Canada which has to give up

its railway in order to get some money for road improvements? Why is that, Mr. Speaker?

I am sure that the Hon. Minister knows that when the Prime Minister announced $900 million two weeks ago in Quebec for the by-election he did not say that the road improvements would be done in the year 2000, as this Minister has, or that Quebec would have to give up its railway. If he did, it would be back to Paris for *le nouveau* MP.

• (1425)

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, as a matter of record, the Government of Canada entered into a Trans-Canada Highway and roads agreement under ERDA with the Province of Newfoundland in 1985, to the tune of $186 million. That has been increased by $100 million yesterday together with $235 million, 100 per cent federal dollars, for regional roads and $405 million, 100 per cent federal dollars, for the Trans-Canada Highway. Nothing like it has ever occurred in the history of Canada.

Yesterday the hon. gentlemen opposite were "Bouchard-ed" in Québec and "Crosbie-oed" in Newfoundland. They are certainly stung by that because this is the best and most popular move that has been made in the transportation field in this country for any one province since Confederation.

* * *

CANADIAN ARMED FORCES

FATAL EXPLOSION AT CFB CHILLIWACK

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, my question is directed to the Minister of National Defence. All Canadians have been shocked to learn about the tragic deaths of six bright young officer cadets and the injuries sustained by three other cadets while they were being taught how to deal safely with explosives at CFB Chilliwack.

I am sure all of us in the House at this time want to extend to the parents, to all other members of the families and their friends, our deepest sympathy and condolences on their great loss.

In view of the fact that this is the third explosion at Canadian Forces Bases in the last six months alone, and that it goes without saying these have to be given absolute serious attention, will the Minister give the House and all Canadians a brief interim report at this time with regard to the recent catastrophe at CFB Chilliwack? What action will take place in the wake of this tragedy?

Hon. Perrin Beatty (Minister of National Defence): Mr. Speaker, I know that all Members of the House will join the Hon. Member and me in expressing our deepest sympathy to all the families and friends of the victims of this tragic accident. I expect that at three o'clock Members of the House will have a chance to express these sentiments more formally.

However, I can indicate to the Hon. Member that we have asked that a board of inquiry be set up immediately. Training of this nature has been suspended at CFB Chilliwack pending results of that board of inquiry. On the basis of what we have seen to date, there is no evident connection between the other two incidents referred to by the Hon. Member and the tragic incident at CFB Chilliwack.

RECOMMENDATIONS OF BOARDS OF INQUIRY

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, all of us in the House will fully appreciate that the two major issues here are safety and accountability. Not only should thorough inquiries take place, and not only should the results of any investigation be made public through the Minister of National Defence who is responsible for reporting for the Department to this Parliament, surely specific recommendations should also be made at that time.

Canadians want to be assured that effective preventive measures are being followed and that lives are not been endangered unnecessarily. Will the Minister give the House a commitment that any recommendations that come out of the three boards of inquiries into the accidents at CFB Val Cartier, CFB Gagetown, and CFB Chilliwack will be implemented and effectively administered? I am sure he will also be looking for the co-operation and work of the Defence Committee in the House in this regard.

Hon. Perrin Beatty (Minister of National Defence): Mr. Speaker, the boards of inquiry in all three cases have the scope and authority to make whatever recommendations they feel are appropriate. Indeed, the whole point in setting up a board of inquiry is to get the appropriate information as to what the cause of an incident of this nature was and what can be done to ensure that it does not take place in the future.

The safety record of the Canadian Forces is exceptionally good, notwithstanding these three tragic incidents. If there is any information or recommendation that comes out of any of these boards of inquiry which could allow us to prevent a repetition of this sort of incident in the future, it will certainly be acted upon.

I can give the House the assurance as well that the results of these boards of inquiry will be made public and that the Canadian Forces will be taking whatever actions are appropriate to ensure that such accidents do not take place in the future to the best of our ability.

• (1430)

BANKS AND BANKING

TORONTO DOMINION BANK—BABYSITTER CHARGED $5 TO CASH CHEQUE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of State for Finance. Last week I brought a situation to the attention of the Minister with respect to a branch of the Bank of Nova Scotia which charged a constituent of mine 90 cents for a 50-cent roll of pennies. The Minister offered to investigate. I have another case today for him which was brought to my attention yesterday in my constituency.

Some Hon. Members: Oh, oh!

Mr. Broadbent: This time it is the Toronto Dominion Bank.

Some Hon. Members: Sh-h-h!

Mr. Broadbent: At least Members on this side of the House are interested in getting fairness out of the banks.

Some Hon. Members: Oh, oh!

Mr. Broadbent: It appears that a Mrs. Meicheldeck—

Mr. Speaker: The Hon. Member for Oshawa has been recognized to put questions and I know Hon. Members would want to give him the appropriate courtesy of listening to his question. The Hon. Member for Oshawa.

Mr. Broadbent: Thank you, Mr. Speaker. Mrs. Meicheldeck lives in Ajax. She gave a cheque to her babysitter on her personal account at a branch that happens to be in Pickering. It was a cheque for $45. When the bank cashed the cheque for the babysitter, it gave the babysitter only $40 saying there would be a $5 service charge on the $45 cheque.

Does the Minister think that a $5 charge on a personal account in which there was money is acceptable to the people of Canada?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, the Hon. Member asks an important question on behalf of, I gather, his constituent. I am very happy to respond to him. I would like to remind him that the Hon. Member for Mississauga South, the Hon. Member for York—Scarborough, the Hon. Member for Scarborough West, and the Hon. Member for Don Valley East, have all worked very hard on this whole subject.

Mr. Orlikow: What are you doing?

Mr. Hockin: As a result of their fine work, I am very happy to tell the Hon. Member that my report on this matter, and recommendations, will be coming forward the first of next week.

With regard to the specific complaint the Hon. Member has raised, I think the example he has brought forward is absolutely outrageous and I would be very happy to look into it.

[*Translation*]

POLICY OF FINANCE AND ECONOMIC AFFAIRS COMMITTEE—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I agree with the Minister, but unfortunately, he said the same thing last week about the Bank of Nova Scotia, and in that situation, the Bank of Nova Scotia announced it did not intend to change its policy.

I would like to ask the Minister whether the Government intends to table legislation in the House of Commons reflecting the policy proposed by the Committee on Finance, Trade and Economic Affairs, a policy that had unanimous support and was suggested by the Hon. Member for York—Scarborough, because if the answer is yes, we intend to give our immediate support to this legislation which is badly needed in Canada.

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, as I said last week, we will have someone who can defend the interests of the consumer, and next week we intend to put in place the appropriate mechanisms.

[*English*]

COMMITTEE'S RECOMMENDATIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, it is encouraging that the Government is going to act on this matter. The Minister knows that a unanimous report has come in from the committee chaired by a Member on the government side, with support on this side. Is he telling the House that what is included in that Bill, everything that is in that Bill, will be government policy? We hope the answer to that will be yes.

Second, will the Minister be announcing, in any case, a 1-800 number immediately which the people of Canada could call if they have complaints about excessive charges by the banks so they can at last get some justice from our banking system?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I am very pleased to tell the Hon. Member that there are many, many ideas in that report which I will be happy to accept, plus I have some more good ones of my own.

* * *

RAILWAYS

NEWFOUNDLAND RAILWAY—ANNOUNCED DISBANDMENT—EFFECT ON NORTH SYDNEY, N. S.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, yesterday the Minister for International Trade said that CN and Marine Atlantic had assured him that the closure

of the Newfoundland Railway would not result in any lay-offs in North Sydney. Yet lay-offs in the area have already begun and CN has said that it is going to be providing a direct route from Halifax to St. John's, and that the markets and frequency and volume of traffic are going to be redefined.

Why is the Government misleading the people in the North Sydney area into believing that the closure of the Newfoundland Railway will not result in any lay-offs in the North Sydney area?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, if there is anyone misleading the people in the North Sydney area, it is one of the honourable colleagues of the hon. gentleman, who said 300 people were going to be laid off in the North Sydney area as a result of the closure of the Newfoundland Railway. That is completely unfounded and harmful speculation.

I am advised by CN, for example, that it is still going to operate a rail service to North Sydney, and on the line between Truro and Sydney trains have an average of 80 to 90 cars per day. It estimates that, at the most, this multimodal option might divert 15 to 20 container movements per day to Halifax for St. John's and Avalon Peninsula destinations. That will have to be seen.

In the meantime it is expecting other traffic on that particular line which will more than compensate for any lost traffic there might be to Newfoundland. It is going to operate through Halifax. It is going to operate through North Sydney. It is going to operate to St. John's. It is going to operate eventually to Corner Brook as well as to Port aux Basques. This is what CN has to do to provide an adequate, economic, and efficient multimodal freight service. CN does not expect any lay-offs at Port aux Basques or North Sydney.

REQUEST FOR MINISTERIAL ASSURANCE

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, the Minister said previously that the former Government did not offer any compensation. Well, the previous Government did offer compensation for pre-retirement through the Industrial Labour Adjustment Program to workers of Marine Atlantic, both in North Sydney and in Port aux Basques, and this Government refuses to implement such a program, even now, with the facts there, to the people of North Sydney.

Is the Minister prepared to give an assurance, to give a promise, that the railroad will not be closed in Nova Scotia between Truro and Sydney at any time in the indefinite future? Is he also prepared to say there will not be any lay-offs at Canadian National or Marine Atlantic in the indefinite future? If he is not, will he not rethink the policy and provide adequate compensation for the North Sydney area and those who are going to be laid off? At least have the courage to do something for the people.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I am going to do exactly what I have done, give the House the information that I am given by CN. Now, there could be lay-offs. It will depend on traffic in the future, traffic patterns in the future. There could be, if there is any lessening in the amount of traffic going across the gulf from North Sydney to Port aux Basques, some lay-offs of Marine Atlantic personnel. That is not planned at the moment and that is certainly not known at the moment.

I repeat, the hon. gentleman should be very careful about what he says. In 1979 and 1980 when his Party came back into office, there were 1,350 persons working for the Newfoundland Railway. When it left office, there were 642. I am not going to make any statements about what might happen in the future. This is the best information we have at the moment.

In the meantime, 600 to 800 jobs a year in the highway construction industry in Newfoundland will be created, with another 300 or 400 jobs for people in associated intermodal services, and the 347 people laid off, who are not entitled to early retirement, are going to get special assistance, special training assistance, and they are going to be entitled to all the benefits of CN's collective agreement, plus a special arrangement in addition to that.

* * *

• (1440)

BANKS AND BANKING

CHARTERED BANKS' SERVICE CHARGES—ADVERTISING CAMPAIGN

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of State for Finance. All last week the banks of Canada ran large ads in all the major newspapers across the country. In these ads there was a graph showing that the median annual cost of a basket of services for clients having a minimum balance of $600 was $28.54 at the banks and $97.78 at trust companies.

The research team that studied this matter for the Finance Committee came up with the figure that a typical consumer spends, which was $100 a year, on routine financial services. It also found that there was little difference between that cost and the cost at trust companies.

In light of the fact that the banks must be spending hundreds of thousands of dollars on these advertisements—obviously the money is being taken from the Mrs. de Gruchy's, the Go-Go Pizzas, and all the average Canadians across Canada—can the Minister undertake to get in touch with his friends over at the Bankers' Association and ask them to cease and desist from this misleading advertising and return the money to the clients of the banks?

Some Hon. Members: Hear, hear!

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, the Hon. Member is a bit late in catching on to this whole issue. Members on this side of the House have been working very hard on this matter for a number of months.

Mr. Riis: Have you talked to the banks?

Mr. Hockin: With regard to this particular advertisement, the basket of charges that the banks used for their ads is a special basket. I do not know whether it is representative of services that the Hon. Member would use or not. However, it is a basket they chose. It may be accurate for that basket. Whether it is accurate for making their point or not, consumers can find out on their own.

CONSUMER AFFAIRS—REQUEST THAT DEPARTMENT INVESTIGATE ADVERTISING CAMPAIGN

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my supplementary question is directed to the Minister of Consumer and Corporate Affairs who has a responsibility for misleading advertising under the appropriate legislation.

In light of the fact that this advertisement which the banks have been putting in the papers across the country is very misleading, is the Minister prepared to instruct his investigation team within the Department to look at this advertising with a view to having it withdrawn?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, that kind of advocacy advertising does not invite the consumer to purchase a particular product so it does not fall under the ambit of misleading advertising legislation.

However, I am disturbed about the quality of advocacy advertising that I see, particularly that put out by the Hon. Member's friends in CUPW and the CLC.

Mr. Broadbent: But not the banks?

* * *

PAROLE

AUDIT OF HALFWAY HOUSES IN METRO TORONTO

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, my question is for the Solicitor General. The Minister will know that this past weekend an 11-year old Brampton boy, Christopher Stephenson, was murdered. An ex-convict on mandatory supervision has been charged with this brutal murder.

As the Minister will know, the same individual had been previously convicted of sexually assaulting an 11-year old Ottawa boy. In light of this most recent tragedy, and concerns for public safety, will the Minister release the results of his audit of halfway houses in the Metro Toronto region and will he take immediate action to put into force the parole reforms which he announced last week?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I can advise the House that the Hon. Member for Brampton—Georgetown spoke to me about this matter yesterday. On behalf of all Members of the House I wish to express the sympathy of all here to the family on this tragic incident.

I can tell the Hon. Member that I received the preliminary audit report of the Pepino Commission. That particular report recommended a follow-up audit, which is presently being done. I hope to have it in my hands within the next few weeks.

I can also tell the Hon. Member that I have instructed the new Commissioner of Corrections, on an urgent basis, to address the parole system problem within the Toronto area to prevent tragedies such as this in the future.

* * *

TRADE

EXPORT CONTROL POLICY—SALE OF HELICOPTER ENGINES

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is directed to the Minister for International Trade in the absence of his colleague, the Secretary of State for External Affairs.

In recent years we have repeatedly raised in this House questions concerning the loopholes in the export control policy that allow Canadian manufacturers to send military weapons to countries such as Chile, Iran, Iraq, and other places which are engaged either in major war or in repression of their civilian populations. We have received commitments from the Government and from the Secretary of State that the loopholes would be closed and that changes would be made.

We now have a report which is soon to be released by Project Ploughshares which shows that the loopholes continue to exist and that Pratt & Whitney is continuing to send engines for its helicopters to a wide variety of countries engaged in human rights violations or in major wars or civil wars around the globe.

Why is it that the Government has reneged on its commitment to close these loopholes? Why has it not proceeded with a very major change in its export control policy so that Canada will not be an accomplice in major human rights violations and military oppression in these types of conflicts?

[*Translation*]

Hon. Monique Landry (Minister for External Relations): Mr. Speaker, as the Hon. Member implied, the Secretary of State for External Affairs has often, both inside the House and on other occasions, explained the Canadian Government's policy on exports. Exports of military engines and engines with strategic technology are governed by the Export Act. As far as

we are concerned, the claim that Pratt & Whitney circumvented Canadian law is absolutely false. However, should the Hon. Member have new allegations by Project Plowshares to submit, we should be happy to examine them.

[*English*]

GOVERNMENT POLICY

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I have in my hand a publication of the Government of Canada entitled "*The Canadian Defence Products Guide*". It clearly outlines that Pratt & Whitney engage in the manufacture of engines which have dual military purposes. The engine is used in the Cobra airship, which is an airship being used by many air forces in countries which are repressing human rights.

On the one hand we have a Canadian Government which in its own publication advertises the sale of these weapons which are being used in these countries, while on the other hand we have the Minister saying that we are doing all that we can about it.

Why the two-faced policy? Why does the Government not get its act together and either stop advertising these products or do something about closing the loopholes so that we will not be an accomplice in these major crimes against humanity?

[*Translation*]

Hon. Monique Landry (Minister for External Relations): Mr. Speaker, it is a recognized fact that Pratt & Whitney is one of the major suppliers of engines for civilian and military aircraft, and that Canadian legislation on military exports is very strict and on no condition permits the voluntary export of military goods. Of course, it is very difficult to control items imported by a third country. Consequently, as I said before, if the Hon. Member has any new allegations of wrongdoing by Pratt & Whitney, we would be glad to consider them.

[*English*]

Mr. Speaker: The Hon. Member for Regina West.

Mr. Crosbie: All an engine does is move something around.

Mr. de Jong: Mr. Speaker, my question is addressed to—

Mr. Crosbie: It does not have a knife in its hands.

Mr. de Jong: Are you finished?

Mr. Crosbie: Are you?

Mr. de Jong: I just started.

Mr. Crosbie: Get going, then.

Mr. Speaker: The Hon. Member.

ENVIRONMENTAL AFFAIRS

SASKATCHEWAN—LICENSING OF RAFFERTY AND ALAMEDA DAM PROJECT

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is addressed to the Minister of the Environment. Yesterday the Deputy Premier of Saskatchewan announced that the Minister has issued the licence for the Rafferty and Alameda dam project. In exchange for this licence the Saskatchewan Government gave in on the French language rights and the Grasslands National Park agreement that was signed in 1981.

We have seen this Minister succumb to the blackmail of Vander Zalm when it came to South Morseby. Now he is succumbing to the blackmail of Devine.

• (1450)

When is the Minister going to stand up to environmental thugs like Vander Zalm and Devine, or is he going to resign?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the premise of the question is totally and utterly false and wrong.

I do not know, Sir, whether you would wish me to dignify the question by answering. I suspect, Sir, if you had the freedom to do so, you would rule the question out of order.

ENVIRONMENTAL ASSESSMENT AND REVIEW PROCESS

Mr. Simon de Jong (Regina East): Mr. Speaker, it is obvious that the Minister is not going to stand up to thugs like Vander Zalm and Devine—

Some Hon. Members: Order!

Mr. de Jong: Mr. Speaker, in an earlier answer to a question I posed on April 19 the Minister assured me, and I quote:

> I can tell the Hon. Member, in response to his question, that the Federal Environmental Assessment and Review Process is now being followed.

Was the Minister telling the truth at that time, or did he just not know what he was talking about?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the Federal Environmental Assessment Review Process applies to projects within federal jurisdiction, on federal Crown land, subject to federal regulation, or in which the federal Government has money.

In this particular case the relevant *Hansard* quotes me as saying the "Federal Environmental Assessment Review Process". At the time I gave the answer I meant the Saskatchewan Assessment and Review Process. So I stand corrected.

Mr. de Jong: Get off it. What a sell-out. Why don't you resign? What a Minister of the Environment! Shame on you!

CITIZENSHIP

SITUATION OF CANADIAN WOMEN MARRIED TO NON-NATIONALS PRE-1947

Mrs. Mary Collins (Capilano): Mr. Speaker, my question is for the Secretary of State, the Hon. Member for Lac Saint-Jean, but he is obviously not with us yet. We look forward to welcoming him within the next few days.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mrs. Collins: Perhaps the Deputy Prime Minister would be able to respond—

Mr. Rossi: Go back to show business where you belong.

Some Hon. Members: Order!

Mr. Speaker: The Hon. Member for Capilano.

Mrs. Collins: I am sure that other Members of the House will also be concerned about this issue.

We have learned that under the old British Naturalization Act Canadian women who married men who were not British subjects prior to 1947 automatically lost their Canadian citizenship. That is a horrendous situation which obviously needs to be changed.

I ask the Deputy Prime Minister, what can women do who find themselves in this situation? I am sure there are hundreds of Canadian women who do not even know that they have lost their Canadian citizenship as a result of this. What can they do to retain their citizenship? What can the Government do to remedy this situation?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am advised that since the Canada Citizenship Act came into effect on January 1, 1947, married women have had complete authority over their nationality status.

In addition, under the current statute, Part III, the Act of 1977, women who lost their Canadian status, such as the people to whom the Hon. Member referred, can have their citizenship restored simply by advising of their intention to do so.

* * *

DISASTERS

THIRD ANNIVERSARY OF AIR-INDIA CRASH—REQUEST FOR PUBLIC INQUIRY

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is directed to the Deputy Prime Minister. While the Prime Minister is talking tough about terrorism at the Economic Summit in Toronto, his Government is doing precious little to bring to justice those responsible for the downing of Air-India Flight 182 when 329 lives were lost.

Thursday, June 23rd, will be the third anniversary of the worst mass murder ever in Canadian history. During the last three years the Government has botched and bungled the criminal investigation. There have been false affidavits, erased tapes, mass confusion, but no charges.

Will the Government finally admit that the criminal investigation has come to a standstill? Will it order an immediate public inquiry to look into all aspects of this horrendous and heinous terrorism act, and also to look into the conduct of the Government itself?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I certainly agree with the Hon. Member that indeed this has been a very tragic incident. But I do not accept or agree with the premise in his question that this matter has been botched or bungled.

The Royal Canadian Mounted Police has been carrying out an intensive investigation since the incident occurred. At no time have there been less than 50 officers working on the case, and at times up to 250.

The Chairman of the Security Intelligence Review Committee stated in recent testimony that it would be an error now to become involved or to stop the investigation. We are continuing. We will try to bring these people to justice. I would ask the Hon. Member to have patience.

PUBLIC INQUIRY RALLY

Mr. John Nunziata (York South—Weston): Mr. Speaker, on numerous occasions over the last three years the Solicitor General assured the House that the criminal investigation was progressing. Here we are three years later and the Citizens' Coalition for Public Inquiry into the Air-India disaster will be meeting on Parliament Hill on Thursday afternoon.

Why do the families of the victims have to go to such lengths in order to achieve justice in this particular case?

Will the Solicitor General be attending that rally on Thursday afternoon? Will he explain to the families of the victims why his Government has given such low priority to this act of terrorism?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, to say the least, I resent the suggestion of the Hon. Member that I or the Government have given this particular horrendous incident a low priority.

I have repeated on many occasions that we have given it an extremely high priority, and we are continuing to do so. This tragedy is not the type of matter with which the Hon. Member should be playing politics.

Canadian Armed Forces

HIGHWAYS

TRANS-CANADA HIGHWAY—UPGRADING NEEDED IN NORTHERN ONTARIO

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, my question is directed to the Minister of Transport. I expect the Minister is aware of the fact that the federal Government has agreements with every province except Ontario to provide federal funding to make improvements in their highway systems. Only Ontario, which is responsible for 30 per cent of the Trans-Canada Highway coast-to-coast, has no such agreement.

Has the Minister had an opportunity to consider the request of the Ontario Minister of Transportation to negotiate a federal-provincial agreement for Trans-Canada Highway upgrading in the Province of Ontario through northern Ontario?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, the agreements that we have—

An Hon. Member: Oh, oh!

Mr. Bouchard: I am very delighted to hear the Hon. Member for Hamilton East. You had a lesson yesterday, 6,200 votes!

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Epp (Provencher): Welcome back.

Mr. Bouchard: I am very pleased to be back in the House, Mr. Speaker.

The agreements that we have for the highways with different provinces have been discussed and signed by different Ministers and different Governments. Some agreements were signed before 1984.

With respect to Ontario, I have not personally had any discussions with the Minister of Transportation for Ontario. When I am requested to meet a provincial Minister about any issue, I always agree to do that. Of course, if the Minister of Transport from Ontario asks for any meeting, I will be very pleased to meet the Minister.

• (1500)

REQUEST THAT FEDERAL-PROVINCIAL NEGOTIATIONS BE STARTED

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, I would like to encourage the Minister in that. He is well aware of the importance of avoiding any kind of a sense of unfairness among the people of Canada.

May I have the Minister's explicit commitment to take up the request which is on file? I have a number of letters from the Minister. Will he respond actively and get in touch with the Hon. Ed Fulton, the Ontario Minister of Transportation, to begin the negotiating process toward a federal-provincial agreement for funding assistance to the Province of Ontario for the upgrading of the Trans-Canada Highway, that one-quarter of the national system which crosses northern Ontario?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, as I just said, I am not at all closed to any discussions with Ontario, but at the federal level we have different agreements with the provinces. These agreements could be about health or about transport, not just roads.

Once again, I am not saying that we will sign an agreement, but I have never said that I would refuse to have discussions. In the meantime, I believe that yesterday there was a very wonderful announcement in Newfoundland about the transportation system in that province. We have an agreement with New Brunswick and one with P.E.I. Once again this Government has the best record in terms of agreements with provinces, and we are not opposed to any other agreements. We deal with the provinces, and we have a lot of proof of that.

Mr. Speaker: I want to ask the Hon. Minister of National Defence to rise to speak briefly to speak on a tragic event which recently occurred, and I think there may be other Hon. Members who will want to respond.

* * *

CANADIAN ARMED FORCES

FATAL ACCIDENT AT CFB CHILLIWACK

Hon. Perrin Beatty (Minister of National Defence): Mr. Speaker, I thank you and my colleagues in the House of Commons for this time. I regret to have to inform the House of the tragic death of six officers in an accidental explosion at Canadian Forces Base Chilliwack, British Columbia. Three other officers were injured in this same accident.

I am sure I speak for all Members of this House as I extend sympathy to the parents, families, and friends of these Canadian Forces members. I share their sense of profound loss in the wake of this terrible tragedy.

At this point there would appear to be nothing which would suggest a relationship to two other recent accidents, the accidental detonation of an old artillery round at CFB Valcartier, Québec, and misdirected mortar rounds at CFB Gagetown, New Brunswick. These two accidents are being addressed in separate boards of inquiry. However, a new board of inquiry is being convened to investigate thoroughly this most recent tragic loss of life. Results of all three inquiries will be made public on completion.

General Paul Manson, Chief of the Defence Staff, has asked Major General Frederick Sutherland, Chief of Personnel Development, to be his personal envoy. General Sutherland

will immediately proceed to Chilliwack to represent General Manson as the families and colleagues of these service people recover from this tragic loss.

This latest tragedy is a vivid reminder of the dangers that are present for the men and women who volunteer and train to defend Canada and Canadians. I still hold the conviction that our safety procedures are the best in the world. However, I am directing the Department of National Defence to review these procedures to ensure their continuing refinement in meeting the challenges which increasing technology places on our training system.

I know that all Members of the House and all members of the Canadian Forces join with me in extending sincere condolences to the families of those service people who were killed or injured in this tragic incident.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, first I want to thank the Minister of National Defence (Mr. Beatty) for sending me a copy of his remarks well in advance of his statement. That was appreciated. We join him in extending our sincere condolences and deepest sympathies to the members of the families and to the friends of the bright young people who lost their lives.

I think this brings back to all of us thoughts of youth, their ideals, their goals, their ambitions in life. There are many young people today who have a great desire to have a career in the Canadian Armed Forces, and we join with the Minister in his remarks about having a review of the procedures relating to safety measures within the Department. We know that within the Armed Forces, there are many, many dedicated people, and I am sure that today they are as distraught as we in this House are at the accident that occurred at Chilliwack, B.C.

As a follow-up, I think we have a good opportunity to work together to do some very constructive work. Three inquiries are ongoing now into the three accidents that have been mentioned today, the ones at Gagetown, Valcartier, and Chilliwack, and when these reports come in we will want to take a good look at them together to see what can be done to improve the safety measures dealing with Armed Forces *matériel.*

The Minister mentioned in his remarks that today's high technology presents greater challenges, and we are aware of that. We must always be prepared for that, and I would hope that as the cadets and the reserves go out for summer training this summer we will bear in mind the need for extra precautions, and that there will be a safe summer of training for the Canadian Armed Forces from here on in.

Once again, we extend our deepest thoughts to the members of the families and pay tribute to the young people who had such high aims and ambitions in life. We wish those other three young people who sustained injuries all the best in their recovery.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I and members of my Party join in expressing sympathy to the families, friends, and comrades of the six young men and women killed in yesterday's tragic accident at CFB Chilliwack. We share the concern for the three injured survivors and offer best wishes for their early recovery.

In times of peace we often forget the dangers that members of our Armed Forces face in the course of their duties. Yesterday's tragedy reminds us of those dangers. It underlines the concern I expressed last Friday when I asked about recent accidents at CFB Gagetown.

Canadians want to know and be assured that their Government is doing everything possible to ensure the safety of our servicemen and women. While military boards of inquiry have been called to investigate these and other accidents, I repeat the call for an additional full and open investigation by an outside investigator. This tragic loss of life demands more than an in-house inquiry.

As all Members of the House join together to extend their sympathy to the families and friends of those who were killed or wounded, I urge the Government to establish this impartial investigation. It may help prevent future tragedies.

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, I would like to add my remarks to those of Members who have already spoken about the dreadful accident that occurred at CFB Chilliwack yesterday. I know this base personally. I know the staff and the officers who work at this base, and I know of the pride they take in what happens in training exercises. It is indeed a tragedy that six young people have met an untimely death.

I join with the others who have extended their sympathies to the families of these young people, and we want to pass on our condolences to them. More important, we also want to think in terms of the remainder of the class that is still in training and of the trainers who must train that class and continue on in their exercises. We wish them the very, very best in future.

• (1510)

GOVERNMENT ORDERS

[*English*]

CANADA-UNITED STATES FREE TRADE AGREEMENT IMPLEMENTATION ACT

MEASURE TO ENACT

Hon. John C. Crosbie (Minister for International Trade) moved that Bill C-130, an Act to implement the Free Trade Agreement between Canada and the United States of America, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, it is a distinct pleasure and privilege, as well as a duty, to rise to introduce this Bill on second reading. It is just as it says, "an Act to implement the Free

Trade Agreement between Canada and the United States of America". It has 153 clauses and 123 pages. The Bill is devoted to doing just that, to implementing the free trade agreement.

I might say, Mr. Speaker, that in reaching this stage the negotiations commenced between Canada and the United States to reach this agreement on June 17, 1986, just over two years ago. On October 4, 1987 the elements of this agreement were agreed to by the two contracting parties, the United States and ourselves, and the agreement was signed by our Prime Minister (Mr. Mulroney) and by the President of the United States of America on January 3, 1988.

We are not dealing with a piece of legislation or an agreement that contains any unknowns or any major changes to what we have all understood since the agreement was signed, the elements agreed to, and the legal text made available. It has been a two-year process.

I want also just to point out that in the Senate, in the Upper House, in June of 1978 there was a report—of course, the majority was Liberal then, just as it is Liberal now—that urged the Government to consider seriously the option of bilateral free trade. We are not introducing something new or strange or startling to the Senate when our legislation reaches the Senate.

I want to point out that in March, 1982 a Senate committee, chaired by the same chairman of the Foreign Affairs Committee as is now chairing that committee, recommended bilateral trade with the United States and dismissed fears about any possible reduction in sovereignty that might be suffered in Canada as a result of such a free trade agreement. I think the same Senator, Senator George Van Roggen, is still the Chairman of the Senate Foreign Affairs Committee. These were his recommendations and those of the committee in March of 1982.

I might even point out that on November 5, 1987 a Senate Committee began to study the free trade situation with an order of reference from November to March of 1989. They have met to date 34 times and have heard 71 witnesses. This agreement is not a strange document or an obscure document to our Upper House. There were four days' debate on the elements of the agreement as a result of a motion of Senator Gigantes on October 29, 1987.

As a matter of fact, on May 4, 1988 the Standing Committee on Foreign Affairs of the Senate reported on constitutional jurisdiction pertaining to the free trade agreement and concluded that the Government of Canada had the legislative and constitutional jurisdiction to carry out, to implement, and to pass into law that agreement here in Canada, under our trade and commerce powers, interprovincial and international, as well as other powers given to the Government of Canada by the BNA Act. It was in the House of Commons, that this agreement and this subject has had great consideration.

On October 26, 1987 the House committee started hearings on the elements of the agreement. They heard 158 witnesses in 24 days of testimony. They reported on December 15, 1987. There have been six Opposition Days devoted to this subject in this House, including September 23, 1987 when the Leader of the New Democratic Party proposed that Canada walk away—a very peculiar proposal—from the trade deal.

On October 26, 1987 the Leader of the Official Opposition (Mr. Turner) proposed that the agreement be torn up. It was the most feeble, the silliest, the most supercilious, the most damaging suggestion ever made by the Leader of a national Party in our history, that a major international agreement be torn up, and that he, if he got the chance himself, would tear it up, it is shows such an abysmal lack of information about this agreement. The hon. gentleman wants to engage in a feat of strength, attempting to tear up this Bill and all additions to it, which have a height of about this; Charles Atlas himself could not tear it up.

The facts are that if this agreement is implemented by this Parliament and by the U.S. Congress, under the terms of the agreement only a six-month notice needs to be given by either one of the contracting parties to result in the cancellation and the ending of the agreement anyway.

If the hon. gentleman, God forbid, is ever in a position to carry out his threats, he won't have to tear it up; he will just give a six-month notice, and of course the American President will give him a one-year notice under the terms of the U.S. Auto Pact that he is terminating the U.S. Auto Pact.

It will be a pretty close race to see who tears up what the quickest if either one of these "tear them up kids" gets into power in the next election, which is highly unlikely.

That is just some background, Mr. Speaker, to show you we are not dealing here with something new, something of first impression, something that has to be looked at in great detail for a great length of time. As a matter of fact, in getting to this position we have had day after day of negative obstructionism on behalf of the New Democratic Party, in a display of anti-democratic action carried to ludicrous extremes.

With the start of second reading today our country and our citizens move one step closer to the economic benefits that we will realize through this more secure and enhanced access to the largest market in the world, which is the U.S. market.

We are acting in the national interest, as is shown by the broad degree of provincial-government support—we have eight of the ten provinces—and public support for this free trade agreement across the country. The results of carrying this agreement into effect will be, over time, lower consumer prices, additional new jobs, real income gains realized in each region of the country.

This is one of the few pieces of legislation where we can say that every region of the country is going to benefit, Mr. Speaker, as a direct result of this agreement. There have been studies by the Department of Finance. There have been studies

by the Howe Institute. There have been studies by a western group by the name of the Canada West Foundation. Independent institute after institute have studied the agreement, and all have come to the same kind of conclusions.

I won't go into the details, Mr. Speaker, of all of that. There has been great detail in all of these studies.

Business investment will go up. Canadian exports will increase. Our total Canadian manufacturing output will increase. There will be a net gain of jobs by Canadians.

I am not going to engage in the debate on how great a net gain—is it 120,000, is it 180,000, or whatever? Everyone is agreed that there is going to be a net gain in new Canadian jobs in the next two years as a result of this action that we are starting to take today. This is confirmed, of course, by studies made by the Economic Council of Canada.

What we are doing in this Bill is approving the agreement and amending such Canadian laws as are necessary to meet our obligations under the agreement.

As an example, Mr. Speaker, the Special Import Measures Act is amended to provide for binding dispute settlement in countervail and anti-dumping cases. In all, 27 federal statutes are amended.

To implement the free trade agreement only one change is needed that normally comes under provincial jurisdiction, namely, the listings and mark-ups for American wine and liquor. The Government of Canada continues to hope that those provinces whose wine and liquor practices do not conform to the agreement will make this needed change themselves.

Of course the Province of Quebec has made it plain that they, for their part, will do this, that they intend to do this, and that they are going to do it.

• (1520)

We will only need to use any powers which we ask the House to give us in Clause 6 or Clause 9 of the agreement if a province absolutely refuses to make any change in listings, mark-up practices, and the like. This would not only be contrary to The Canada-U.S. Free Trade Agreement but has already been found contrary, to the General Agreement on Tariffs and Trade which the opposition Parties say they support as they believe in the multilateral trading system. If that is the case, I hope they will urge the Province of Ontario to observe the finding of the GATT panel that their practices with respect to mark-ups, listings, and the like for wines and liquors are contrary to the GATT and have to be changed.

We will only act in that area if the province itself refuses to act. We have been told, of course, by the Province of Ontario that it will refuse. I hope that it is ready to reconsider that.

The Bill provides for the making of federal regulations to bring listings and mark-ups for wine and liquor into conformity with the free trade agreement if this is necessary in order to implement fully the agreement by December 31, 1988. We are confident that this is within the power of the federal Parliament. We are prepared to put it to the test if anyone wishes to. The judiciary will settle these disagreements if they cannot be settled by the parties to them.

Negotiation of the agreement involved the most extensive consultations for any international trade agreement in Canadian history. In addition to the listing I have already given you, Mr. Speaker, there were quarterly meetings of First Ministers and over 150 meetings between federal and provincial representatives over this two-year period.

Let us compare that with the negotiations of the Auto Pact about which we hear so much. None of that took place in those negotiations, and the NDP adherents to the union movement opposed it for the most part, of course, although they now support the *status quo*. They want no change in anything.

Let us consider the situation in 1946 when MacKenzie King, then Prime Minister, had free trade negotiated with the United States in dead secrecy for months. No one in the Cabinet was privy to these negotiations, only MacKenzie King and the officials he appointed. Finally he consulted about the free trade deal which he had by then just about concluded with the U.S. Who did he consult with? I am told he consulted with his mother and she had been dead for something like 20 years. That was the only consultation which took place before MacKenzie King decided against free trade with the United States. Having initiated the negotiations and having had them conducted for six or eight months in total secrecy, he decided he was not going to go ahead with it.

We have consulted closely with the provinces in negotiating this agreement. My colleague, the President of Treasury Board (Miss Carney), with the Minister of Finance (Mr. Wilson) coming in at the end, and Simon Reisman did a great job for Canada. They along with Mr. Gordon Ritchie, the Deputy Ambassador, negotiated the agreement on which we are going to work co-operatively with the provinces to implement and administer. I have written to the premiers outlining how we propose to do that.

Parliament now has this Bill before it. Parliament has the right to debate this legislation and also has the right, after due deliberation, to decide on it. The minority in Parliament cannot deny that right to the majority.

Some Hon. Members: Hear, hear!

Mr. Crosbie: I have described the process and said that we have now had the full legal text since last December. The Bill contains no surprises. It sets out in legal language the obligations set out in the agreement.

The Bill before us now has one central issue. We have to decide one main point: do we approve the free trade agreement and therefore want to implement all of the obligations of the free trade agreement, or do we reject the agreement? This is not a case in which Parliament can pick and choose among

pieces of the Bill. You're either for it or against it. We're for it, and we're going to put that to the Canadian people this year or next year. Those who are against it can creep out of their corners into the open and we will see who has the popular side of this argument. You can vote yes to the free trade agreement or no to the free trade agreement, but you cannot continue weaseling. You cannot say you are for free trade but against this agreement. You're for it or against it. You have a backbone or you haven't. You have to stand up and be counted.

Why is free trade with the U.S. so important to Canada? Why should we be concerned about the rules of the game for our exports to the U.S.? Our trade figures tell the story. We are one of the most export oriented countries in the industrialized world. About 25 per cent of our wealth, our GNP, and more than three million jobs arise from exports.

In 1987, 76 per cent of those exports, over $90 billion worth, went to the United States. That is why we are introducing this legislation today. That is why we want to save the Canadian people and give them an assured future by assuring that market in the United States. If anything goes wrong with our trade relationship with the United States, we stand to lose 25 per cent of our wealth.

I want hon. gentlemen opposite to explain that to the Canadian public when they tell them why they are against this agreement. They want to endanger one-quarter of all the wealth generated in Canada every year with their weaseling ways and silly questions in the House every day. They ask about what this Congressman and that Senator have been introducing when the only protection Canadians have against that is before them now. They want to sabotage that even though every day they pretend to be concerned about the protectionism in the U.S., yet they vote against the only protection we have against the very menaces they bring up every day.

All provinces depend heavily on exports to the U.S. In Atlantic Canada over two-thirds of exports went to the U.S. in 1986; 65 per cent in Newfoundland, to a high of 71 per cent in Nova Scotia. In Quebec 76 per cent of all exports went to the U.S., $2,280 per capita or over 13 per cent of its GDP. In British Columbia 46 per cent of exports went to the U.S., $7.2 billion worth or $2,471 per capita. In the prairie provinces 63 per cent of exports went to the U.S.; 44 per cent of Saskatchewan's, 56 per cent of Manitoba's, and 73 per cent of Alberta's, with an average per capita value of $2,782.

Note well, Mr. Speaker, that in Ontario 89 per cent of exports went to the U.S., $5,646 for each person in Ontario, accounting for over 27 per cent of the Gross Domestic Product of Ontario. Of all the wealth generated in Ontario every year, over a quarter of it, 27 per cent, comes from exports to the U.S. It is the Government of this province which is against the free trade agreement, which wanted to sabotage it by not agreeing to the wine and liquor listing changes and by other patterns of conduct we have seen. That is completely inexplicable from the province which has the most to gain from this agreement.

Continued access to the U.S. market for what we produce in all parts of Canada is critical. Newfoundland plus P.E.I. plus Nova Scotia plus New Brunswick plus Québec plus Ontario and Manitoba plus Saskatchewan, Alberta, British Columbia, the Yukon and the Northwest Territories, plus free trade with the United States will make for a more prosperous Canada. I invite Hon. Members sitting opposite to realize that today, to join us in supporting this Bill, and to whistle it through without any more hesitation or attempts at sabotage.

What threatens this prosperity? It is threatened by U.S. protectionism. The people who work in our resource industries know about U.S. protectionism from the safeguard actions against cedar shakes and shingles and the countervail case against softwood lumber. American trade lawyers believe that both the safeguards actions on shakes and shingles and the softwood lumber countervail cases would have been decided differently had the free trade agreement been in place. Better still, the U.S. sponsors of those trade actions might well have been discouraged from bringing those trade actions in the first place had we had The Canada-U.S. FTA.

Therefore, one form which U.S. protectionism can take is politically inspired distortion of trade remedy law. Another form is direct limitation of trade as proposed in earlier versions of the U.S. omnibus trade bill which I do not have time to go into now. That, of course, is on the boards again with some changes and will have to be dealt with if it becomes law. If it becomes law, the free trade agreement will be more crucial than ever to shielding Canada from recurrent American protectionism.

As our ambassador to Washington, Allan Gotlieb, who has done a splendid job, has said:

> (The FTA) is intended to address deep and persistent protectionist forces at work in the United States.
>
> To counter the influence of declining industries in the U.S. system, it encourages long-term solutions rather than short- term fixes.

We are after long term solutions here. I congratulate Ambassador Gotlieb. He has done a splendid five year's work for his country, in the highest traditions of the Canadian diplomatic service. A grateful House of Commons and a grateful public should make sure that is realized.

• (1530)

This agreement is about long term solutions based on reciprocal principles, not raw political power, to give Canadian businesses secure access to the U.S. market. We cannot base it on raw political power because we do not have it. It must be based on reciprocal principles. The threat of American protectionism is one reason for free trade.

Another reason, just as important, is to reduce existing trade barriers so that we create new opportunities for Canadian

industry. That is why we are having a conference in Saskatoon today. That is why there will be 17 more between now and the middle of July, so that Canadians will learn what the new opportunities are for Canadian business in the United States under The Canada-U.S. Free Trade Agreement. What is why our trade commissioners and our personnel will be there.

We are doing studies to develop where the opportunities will be under this new regime. We must tell Canadian businesses, including small, large and medium, and any other Canadian who is interested, how to take advantage of those opportunities. What is the good of creating new opportunities for Canadian business if we do not then tell Canadian business where the opportunities lie? That is why we are spending what is in my opinion a puny sum of $10 million, to make sure they understand where those opportunities are. All Members of the House are invited to St. John's on July 6. We will show you how to put on a free trade seminar.

This is important for our resource industries because tariffs have been quite prejudicial to our ability to process raw materials here. This was testified to by Mr. William MacNess who is now Dean of the Faculty of Management of the University of Manitoba. He points out that we are allowed to ship raw resources duty free but the more value one adds the higher the tariffs.

In energy, forest products and metals, the American tariff system encourages Canadians to sell their raw resources for refining there, then buy them back in the finished form. While about 80 per cent of our exports enter the U.S. duty-free, scores of products face a mark-up high enough to make them uncompetitive. We are now making the other 20 per cent of Canada's exports competitive in the United States.

The fishery is another industry which will adapt to the new structure like a duck to water. The duty on processed seafood like fish sticks, prepared meals and other value added products, ranges from 10 per cent to 20 per cent. That is why Vic Young, President of Fisheries Products International, said:

> At the moment Canadian seafood companies have been forced through a series of trade barriers to build secondary processing plants in the United States to add value to Canadian fish products. With the reduction of tariffs on such products over the next several years, there is little doubt that we will see a growth in the market for Canadian fish products and an increase in the production of these products in Atlantic Canada.

In other words, free trade will mean an increase in employment opportunities in the Atlantic Canada fishery. That is why the Atlantic Provinces support this, with the exception of Premier Ghiz of Prince Edward Island who apparently is fixated with the energy thesis he did some years ago, and supports the old national energy policy.

The third major reason for the free trade agreement is the positive effect of our having secure access to a combined North American market of almost 275 million people. We are the only major industrialized country in the world that does not have secure access to a market of at least 100 million people. We cannot depend on our own small Canadian domestic market of 25 million or 26 million people if we are going to have growth and diversification of manufacturing services and technology.

Greater specialization with longer, lower cost production runs will strengthen our position in our own market, the U.S. market and in global markets. That is why I expect the hon. gentleman to have a conversion today when he finishes listening to me.

Those who say Canada should choose the Pacific Rim or Europe instead of the U.S. as our target market are wrong. We do not have to choose one over the other. That is why the Liberal policy is so silly, stupid, supine and ignorant of all the lessons of the past. We do not have to choose. There was the pitiful Liberal alternative last week. Now they are not going to have a free trade agreement with the U.S. at all. As the Economic Council of Canada has stated:

> Many believe that freer trade and expanded trade with the United States precludes expanded trade with other countries. There is no logical basis for this view. In fact, expansion of our export sector to serve U.S. customers could well facilitate the economies of scale needed to reach more distant markets.

In other words, free trade with the United States will help Canadian business reach the Pacific Rim and European markets. It will help attract more investment in Canadian facilities to serve the North American market, because with our agreement, clear access to the American market does not mean having to locate in the United States. One can locate here in Canada and investment will give similar access. This is critical in investment decisions where the target is the North American market, not not just the Canadian market.

We are not putting all our eggs in one basket. In 1985 we started two sets of trade negotiations, bilaterally with the United States, a success, and multilaterally under the GATT. We are still in that process. The mid term conference will be held in Montreal in December. We want to achieve new trade opportunities for Canadians both bilaterally and multilaterally.

The Liberal Opposition said that we should have confined the trade initiatives to the multilateral trade negotiations. That is a senseless statement. Even if everything goes wonderfully in the multilateral trade negotiations, and it is not, can we afford to wait the years needed to complete those negotiations to find out? What if the multilateral trade negotiations founder on the issue of agricultural subsidies or access for manufactured goods to the Japanese market? How then will we be helping our trade relations with the United States?

I remind the House that every concession granted by the U.S. to Canada in the multilateral negotiations would have to be paid for by Canada but would then be extended by the U.S. to all other countries. There is no realistic prospect that the multilateral trade negotiations could have given rise to the comprehensive scope of our bilateral agreement with the United States.

Furthermore, the free trade agreement strengthens our position *vis-à-vis* other countries within the multilateral trade

negotiations. With access secure to our major market in the United States, we can turn our full attention to bringing down barriers erected by other important trading partners like Europe, Japan and newly developed countries on the Pacific Rim.

We do not know what will be the results of the multilateral trade negotiations for several more years. We have the results of the Canada-U.S. negotiations before us today for the approval of Parliament. The best thing Hon. Members could do for this country is to pass this today and not wait for any further obstruction or delay.

The question Canadians should be asking is: Are we better off with or without the free trade agreement? The answer from Canadian business, the people who will have to compete, is clear. Small business representatives support the free trade agreement. Big business supports the free trade agreement. Resource producers support the free trade agreement. Manufacturers support the free trade agreement. Almost everyone in Canada who produces and exports supports the free trade agreement. Is there any need for any other character witnesses to the free trade agreement? Of course not.

There are those industries and individuals who will have to adjust to the increased competition from the United States. In addition to the phasing in of tariff reductions, in many cases over 10 years, there will be a complete array of programs to assist them in this adjustment. Many of those programs exist within the Department of Regional and Industrial Expansion and the Department of Employment and Immigration. For particular groups like grape growers and wine producers, a special adjustment program will be announced soon. To ensure that adjustment needs are met, an advisory council on adjustment was appointed, headed by Mr. de Grandpré, with business, labour and academic representatives to ensure that no gaps or inequities remain in that adjustment picture.

• (1540)

Over all, here is what Donald Macdonald, former Liberal Minister of Finance and Chairman of the Royal Commission on Canada's Economy, had to say:

> The free trade pact ... is the beginning of a golden era for Canadian businesses and workers ... Canadian businesses and workers now have an opportunity to crack the huge U.S. market, free from the protectionism other world traders will confront.

Donald Macdonald is a patriotic Canadian citizen. He said he is not going to run for the Liberal Party in the next election, he is not going to support it, because of its twisted policy of being against this vital, central economic policy we are asking the House to approve today.

Another patriotic Liberal, of course, is Mr. Gerald Regan, former Premier of Nova Scotia, former Minister for International Trade. He said in an interview on April 10, 1988, with CTV-CJOH, and I refer to page 12 of that interview: "There is a large amount of support for free trade at all levels of the Liberal Party". He referred specifically to Ed Lumley, Don Macdonald, Don Johnston, those people who held economic portfolios and responsibility, and people like Dr. Evans, who was a Parliamentary Secretary. They are all supportive of the free trade. In other words, the people in the Liberal Party who knew anything are for free trade. The no-nothings left, the remnants left in the House, are against it. What a testimony to the situation.

Mr. Regan was asked: "If you were a Maritime Premier again, you would be for it?" Gerry Regan, Premier of Nova Scotia for seven or eight years, answered: "Whole heartedly. I think it is the best way of combating regional economic disparity that I can think of because Nova Scotia can do very, very well in that sort of regime". That is the kind of testimonial we have for the free trade agreement. Not just from the scared or the ideological, or from those who have a bitter desire to get back into power or edge somebody else out, but from the people who are now in the position to be impartial and objective.

What about free trade with respect to the New Democratic Party? The Liberals say they want to tear it up. The New Democratic Party wants to tear it down. Why? For ideological reasons. The NDP is against changes in the status quo. The New Democrats are now the fat cats of the status quo and we Progressive Conservatives are the revolutionaries of Canada.

The New Democrats oppose free trade. They want Canadian industries to displace imports in our domestic market, a form of protectionism that would make Canada into an economic backwater producing over priced and out-of-date goods. The New Democrats do not recognize the creation dynamism of entrepreneurship in open markets. Their thinking is the thinking of Clement Attlee of 1945. That is where they are, back 43 years ago, struggling to come out of World War II. That is where their minds are.

The Leader of the New Democratic Party represents the district of Oshawa. He is fat cat No. 1. No unemployment, $8 billion in U.S. money invested in Oshawa by General Motors over the last 10 years. He is satisfied, but he does not want to let those benefits go to other Canadians. It is all right in Ontario, but forget it in Alberta, forget it in Quebec and forget it in Newfoundland. What is good for the Oshawa goose is no good for the Canadian gander. That is the slogan of the Hon. Leader of the New Democratic Party from Oshawa.

The Liberals said they favour free trade, but they oppose this agreement. They now say they are against any agreement. What is the reason? One of the things they say is that we did not achieve a complete exemption from U.S. trade remedy law. That is like saying that you married someone and you are going to tear her up because she did not turn out to be completely perfect. I am one of the few lucky enough to have married a woman who is completely perfect, but from what I have seen, that is not the experience of most. Are we to boot them out, kick them out, have nothing to do with them, because they are not perfection? The argument that the Liberals will be against the FTA because it is not perfect really

does not ring too well. Nothing in life is perfect, Mr. Speaker, believe me. Nothing is perfect. Not even being Minister for International Trade is perfection. Frankly, I am getting a bit fed up with it.

Some Hon. Members: Oh, oh!

Mr. Axworthy: You just joined the majority of Canadians. They share your view.

Mr. Crosbie: It's a majority view. The Liberals say that Canada did not achieve a complete exemption from U.S. trade remedy law. We would love to have done that but we could not achieve it. We still have the chance to achieve it in countervail and subsidies over the next five to seven years. But we have achieved two dispute settlement mechanisms of very great value to Canada. The first dispute settlement mechanism is the compulsory review by the Joint Trade Commission, whenever there are amendments proposed to the U.S. Trade Law. If Congress proceeds with a new Trade Law against the recommendation of that commission, it applies to Canada only if we are specifically named in the legislation. Otherwise it applies to the rest of the world and not Canada. That is a great step forward.

The second dispute settlement mechanism relates to the application of the rules for trade in specific cases. A Canada-U.S. panel will give fully binding rulings on the application of trade law for countervail, anti-dumping and safeguard cases. What is giving us the trouble is the unfair application of countervail law, not just the content of the law itself. That, for example, led to the difficulties we had with the softwood lumber decision. We now have something uniquely beneficial for Canadians, a means to reduce greatly, even if we cannot eliminate, the threat of U.S. protectionism.

I mention those who want to tear up the deal and how they go on every day complaining in Question Period, and the inconsistencies of all these complaints. When a solution comes along, perhaps not a perfect one, they are against the solution. All they want to do is knock the Government. Apparently, they do not want to help Canadians.

The NDP just want to complain here every day about U.S. protectionist impulses and then when along comes someone with a helpful solution, they are going to knock the solution. The New Democrats are going to stop the House from functioning. They are not going to let us have a vote. They are going to align themselves with the Senate. The NDP aligning itself with the Senate. What a disgraceful exhibition, the NDP and the Senate together.

Some Hon. Members: Shameful.

Mr. Crosbie: When you vote against this legislation, you vote to abolish the Canada-U.S. Trade Commission, you vote to abolish the binational trade courts, you vote to abolish the Canada-U.S. group working to replace our trade laws with shared rules for bilateral commerce, you are voting to trigger the reimposition of U.S. tariffs and you are voting to drive away Canadian and foreign investment intended to serve the U.S. market from production facilities in Canada. That is what you are doing if you vote against this.

Doing all this would place Canadian businesses and employees at the mercy of U.S. protectionist sentiment. How this can be said to help Canadians, I fail to understand. I have never heard a member of the Opposition explain yet how that could be the case.

As for Canadian businesses that have borne the brunt of trade law harassment in the U.S., they strongly support the dispute settlement provisions of the agreement. For example, Gordon Cummings, President of National Sea Products Limited, said:

> The most important aspect to us was the dispute settlement mechanism and we got that. It is a hell of a gain for Canada . . . As it stands now, we cannot get fair treatment in the United States. The binational trade panel will bring a more sane approach from the United States . . . This is a straight win situation for us.

Gordon Cummings from Halifax leads the Great National Sea Products Company and National Sea and Fishery Products. Those two great Canadian fishery companies both strongly support this.

What about the Auto Pact? Some people in Ontario have been weeping and wailing that the auto industry in Canada has been done a dirty deal. That is not so. The Auto Pact safeguards remain in place and the Canadian auto parts industry has been given new opportunities for expansion. Albert Matthews, a Vice-President of Ford Motor Company of Canada said in January in London, Ontario:

> Free trade will act as an incentive to foreign owned car plants in Canada to buy more Canadian parts and materials to qualify for duty free shipments into the U.S . . .
>
> It's the Canadian parts makers who will see the most dramatic benefits of free trade. Without a free trade agreement, the foreign companies can continue to assemble, in Canada, parts and sub-assemblies that are designed and largely manufactured overseas—the alternative is that they continue to get a free ride at the expense of those Canadian companies.

That is the proper analysis of the effect on the auto parts industry. The Government is confident that the Canadian auto parts industry will prosper by the changes requiring higher North American content. In 1982, Canadian parts manufacturers had 8.9 per cent of the North American market. In 1986, that had grown to 13 per cent. The free trade agreement gives new opportunities for continued growth in the Canadian auto parts industry.

Another point opposition Members consistently overlook is that the Auto Pact, now incorporated in the free trade agreement, is better protected from attack by interests in the northern U.S. Those interests want to have not free trade in automobiles and parts, but managed trade, so as to transfer benefits to the northern U.S. and deprive Canadians of the jobs they have now by virtue of their productivity and their high standard of workmanship. The Liberals and the New Democrats say that they do not like more liberalized U.S. investment in Canada, but all existing Canadian ownership

requirements remain in place, the exception of the threshold for takeovers having been raised.

• (1550)

Controls on investment will still cover Canada's 500 largest firms controlling 87 per cent of assets in Canada. If they want to go back to the Foreign Investment Review Agency, then let them clearly say so. They will join the Hon. Member for Eglinton—Lawrence (Mr. de Corneille) who will not be back after the next election. More's the pity, he was scuppered, but that is what happens in the Liberal Party. One gets scuppered and nobody puts out a hand to succour one in the Liberal Party.

I am nearing the end of my time, thus I have to skip some of my speech. I was going to mention that the Liberals and the New Democrats say that they do not like Canada getting secure energy markets in the U.S. in return for giving some security of energy supply for Americans, including a proportionately reduced share of production in the case of shortage. But the Liberals had agreed through the International Energy Agency to export more petroleum to the U.S. in the case of shortage. What the energy component of the free trade agreement really does is to piece together longer term reliance on market forces. If the Hon. gentlemen opposite want to go back to the National Energy Program, then let them tell the world. Let us all in on the secret.

This national free trade debate is not a contest between those who count and tally, plain men of business, in favour of the agreement against those of larger vision, of more profound appreciation of what it means to be Canadian, which is what the opponents like to pretend. The larger vision, the more profound appreciation among those who support free trade is of a coming of age in Canada, a maturing of confidence in our ability to make our way in the world.

Mr. Speaker, I notice that you are poised. Do Hon. gentlemen mind if I take another few minutes to conclude?

Some Hon. Members: Agreed.

Mr. Crosbie: Mr. Speaker, I will try to end my remarks in two minutes.

This confidence has two parts. One relates to culture and sovereignty. The other relates to commercial competitiveness. First, let me speak about culture and sovereignty.

Cultural industries are essentially exempted from the deal. Our ability and our commitment to support them remains unchanged by the FTA.

With respect to sovereignty, to mention it shows how silly it is.

Mr. McCurdy: Sovereignty is silly?

Mr. Crosbie: We have a dozen free trade blocs around the world. No one has lost their sovereignty. We have the European community. no one in the European community has lost their sovereignty. It is far more than a free trade association. France has not lost its sovereignty. The United Kingdom has not lost it. Even Luxembourg has not lost it. Belgium has not lost it. There is nobody who will lose their sovereignty. As Gerry Regan said in Halifax in December:

> I regard arguments to the effect that Canada will lose its culture, its sovereignty or its social welfare system as a result of this kind of pact as downright silly.

That great Canadian artist, Christopher Pratt, said that the "nationalistic, chauvinistic posturing" of free trade critics is "unproductive and hypocritical". He is not afraid that Canadians will lose their cultural identity. Nor should any confident Canadian be. In Newfoundland we are confident. Our artists are confident. Our musicians are confident. Our publishers are confident. Our writers are confident. Newfoundland culture has never been stronger and more vibrant.

Some Hon. Members: Hear, hear!

Mr. Crosbie: We did not just enter into a free trade agreement with you buckos in 1949; we joined lock, stock and barrel. We have never been stronger culturally than we are now.

Some Hon. Members: Hear, hear!

Mr. Axworthy: One minute.

Mr. Crosbie: The arguments about cultural identity and political sovereignty are appeals to emotion born in confusion and fostered by lack of confidence in the maturity and stability of Canadian society. That is what is demonstrated by the antes.

The other emotional argument offered up against free trade also discloses a lack of confidence in Canadians, something which says that Canadians cannot hack it. As the Leader of the Opposition said in Moncton in December:

> If the FTA is going to open up market forces completely without an attempt to build a nation and maintain a nation, the stronger market centres, like Ontario, like Quebec, will profit at the expense of Atlantic Canada.

That is what happened in 1867. The FTA now gives Atlantic Canada a chance to break its bonds and to start exporting to the United States without tariff impediments. Again, this is a great chance for Atlantic Canada.

Mr. Langdon: That is far more than two minutes.

Mr. Crosbie: We will continue to build on our social values such as medicare, our cultural values, and our uniquely Canadian goals such as official bilingualism. We preserved our agricultural marketing boards and supply management, which will not be compromised in the free trade agreement.

In ending, let me say this. For those in the NDP or the Liberal Party who share some kind of dark fantasy of political and cultural domination by the United States, no rational argument will succeed, no statement of the facts will persuade them. Sir Wilfrid Laurier said of those who claimed in 1907 that free trade would make us into Americans that they were

"freaks of unreasoning panic". This is true today in 1988. The opponents of the free trade agreement are freaks of unreasoning panic. Look at them panicking over across the House.

Mr. Harris: He was talking about the Conservatives then, was he not?

Mr. Crosbie: I agree in one respect with the Opposition about this issue. This issue is not about business, nor is it about patriotism. It is about the future of our country. The choices are clearly drawn. While there may be three federal Parties, there are only two choices open to Canadians. On one side there is an alliance between the Turner Liberals who believe that somehow they can stand still in time, and the NDP who seek economic isolationism in a regulated society—the NDP, the Neanderthal Dinosaur Party of the *status quo*. On the other side are those who believe that when the tariffs come off Canada can compete and win, those who know that Canada must compete.

Some Hon. Members: Hear, hear!

Mr. Crosbie: We must move ahead or we will fall behind. We cannot stand still. We Progressive Conservatives face the world with pride and confidence in Canada. On one side it is tear it up or tear it down with no alternative. On our side it is creativity, conciliation, caring and constructive Conservatism preparing Canada for a brighter tomorrow.

Some Hon. Members: Hear, hear!

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, listening to the Minister for International Trade (Mr. Crosbie) reminds me of the old saying that when one is in a fight with a skunk, remember that it only has one weapon. In that regard we should take five minutes to clear the air in the House.

The fact of the matter is that we have to ask ourselves what is the purpose of this debate. We did not find out from the Minister. He was too busy tripping over his tongue to really tell us what the Conservative Party is attempting to achieve in what we all admit is a very historic, very important, very crucial debate in the House of Commons.

The Minister for International Trade ended off his remarks with a quote from Mr. Laurier. I would like to begin my remarks with another from a more thoughtful Leader of our Party, Mr. Edward Blake, who wrote to his constituents—I see that the Minister does not want to listen to the other side of the case, unfortunately.

In 1891 Mr. Blake wrote to his constituents in West Durham the following words:

> Whatever you or I may think on—whether we like or dislike, believe or disbelieve in political union, must we not agree that the subject is one of great moment, towards the practical settlement of which we should take no serious step without reflection, or in ignorance of what we are doing?

He said:

> Assuming that—free trade with the States, best describes commercial union, may and ought to come, I believe that it can and should come only as an incident, or at any rate as well—understood precursor of political, union for which, indeed, we should be able to make better terms before than after the surrender of our commercial independence.
>
> Then so believing—believing that the decision of the trade question involves that of the Constitution issue, for which we are unprepared and with which you do not even conceive yourselves to be deciding—how can I properly recommend you how to decide of commercial union?

In 1891 Mr. Blake had it correct. There was one very simple, clear, basic issue dealing with this debate, and that was the question of ultimate political union with the United States. That is what the issue and the real debate is all about. That is why the country is torn and divided, and so many Canadians feel anguished and anxious. They recognize that the step that has been initiated by the Government is the precursor to political union with the United States.

• (1600)

It has to do with the fundamentally different view of what Canada is and the vision we have, and whether we want to continue in the historical mission of Canadians, which is to carve out of the North American continent a northern region which has its own values, institutions, market-place, commerce, and its own way of doing things, or whether we want to allow, step-by-step, the integration of Canadians within their southern neighbour.

By the way, Mr. Blake's letter was instrumental in defeating the proposal in 1911. When the Minister for International Trade calls those who opposed the matter of 1911 "freaks of unreasoning panic", he was referring to members of the Conservative Party who opposed it at that time, as well as a large number of Liberals who also opposed it at that time. He forgets history very quickly.

In 1911 Canadian voters understood what the issue was all about. They understood that we were debating the independence of Canada. In 1946 the Liberal Government understood what the issue was about when it rejected that initiative. In 1972 when the same initiative was presented, the Trudeau Government understood what the issue of independence was about, because it also rejected it. In fact, a number of prominent Conservatives once understood what the issue was about.

In 1979 the then Leader of the Opposition, the present Prime Minister (Mr. Mulroney), stated on the question of free trade with the United States: "Free trade with the United States is like sleeping with an elephant". He could have used another euphemism: "When the lamb and the lion sleep together, the lamb does not get much sleep". That is the type of problem we face. He also stated: "Canadian plants would not be able to compete. Canadians rejected free trade with the United States in 1911, and they will do it again in 1983".

When presented with proposals on free trade put forward by his colleague, the Secretary of State for External Affairs (Mr. Clark) stated: "Presented as they are I find his proposals dangerous". The Minister of Finance (Mr. Wilson) stated:

"Talk of bilateral free trade strikes me as simplistic and naive". I could go on, Mr. Speaker, and read the testimony of a whole range of prominent Conservatives who, at that point in time, were dead set against the whole notion.

There was one who was consistent, the Minister for International Trade. There is no doubt that the Member for St. John's West has been consistent right back to 1949 when he and his family fought against Newfoundland joining the Canadian union and fought instead for Newfoundland joining the United States. For 40 years he and his family have been consistent in attempting to have an integration, a union, with the country south of us. The Minister for International Trade is consistent to this very day. He understands the consequences. He knows what he is doing. When he rises, forget the blarney, knows what he is after. He is after the same thing that he was after in 1949, economic and political union with the United States. That is what the Minister for International Trade stood for then, and that is what he stands for now. I give him credit. At least he has been consistent, if stupid and wrong.

It is interesting, and one has to ask: "Why is it that all those prominent Conservatives, all the front bench of the present Government were so dead set in their opposition in 1979?" The conversion took place there. Somehow or other they changed their minds. Somehow or other they made that magic transformation to discovering that this trade arrangement was going to be the great bonanza of all times. One has to ask why. What is it that prompted that radical departure, that turn around, that denial of Canadian history, that denial of the objectives set by their own Leader, Sir John A. Macdonald, back in 1867 which have been supported by successive Canadian Governments of all stripes ever since? This is the first Government, the first Party, that has ever rejected that historical mission of Canada. What are the reasons?

A lot of mythology has grown up around this issue, fuelled by the propaganda machine; the $30 million that has been spent to create both fear and trembling in the Canadian public, and at the same time offering all kinds of candies on the tray. What is it that they are really saying? If one buys the mythology, which I do not, and I do not think anybody else will after this debate is over, the first thing is a promise of economic bonanza time. The Prime Minister and his Ministers are out there saying that there will be more jobs, more growth, more consumer spending. They create an image of people rushing down to Buffalo and buying cheap VCRs. All of a sudden there will be an incredible expansion and explosion of jobs in every region of the country.

The problem is that their own studies and reports completely deny those facts. When one looks at the economic growth figures, the economic benefits put forward by the Economic Council, by the Department of Finance, what do they say are the best optimistic assumptions? Let us look for a moment at the Department of Finance which is on the same side as the Minister for International Trade and the Prime Minister. After all, they are in the same Government. What do they promise? What does the Economic Council say will be the maximum economic growth? They say 1/4 of 1 per cent per year. That is not even within the margin of error of the best computer forecaster. That type of margin could be wiped out by a change in the interest rate from week to week, or a change in the exchange rate from day to day. Yet, it is on that they are basing their great promise of cornucopia. Heaven will open for a 1/4 of 1 per cent. Not many Canadians will go out on to the streets and sing "Hallelujah" for a 1/4 of 1 per cent growth per year. Those are the Economic Council's figures.

I have read the Government's pamphlets on the consumer benefits. Those pamphlets are very skillful and sly. They never talk figures. I refer to the statements of Dr. Kerton, an economist for the Consumers' Association of Canada, who stated that the maximum saving, in other words, the best possible scenario that might accrue to consumers, is less than 1/5 of 1 per cent a year. That is a change that can take place in 24 hours in this country.

Pierre Racicot of the National Federation of Consumers' Association pointed out in front of the House of Commons standing committee that a household earning $20,000 might save $32 on this trade agreement over a 10-year period. Hallelujah! We have been saved. The great trade agreement, the great bonanza might save us $32 over a 10-year period, if we are lucky, and if it really works in the manner that they say it will.

At the same time what the Minister for International Trade did not talk about in all those economic promises is what the Conference Board talks about, and that is that it could increase the deficit by $2.5 billion. We saw the example in the last Budget. There was $500 million of additional taxation, one cent a litre on gasoline, to pay for the lost revenue in the first three-quarters of a year of the trade agreement. We either increase the deficit or raise taxes. There goes 1/5 of 1 per cent in consumer savings wiped out in a flash by the action of the Minister of Finance last February.

What the Government does not talk about are the job losses. Never is it mentioned that there will be industries affected. I was somewhat amused by the quotation used by the Minister for International Trade from Mr. Young, President of National Seafood, a good Maritimer. I have a letter here that was sent to me by Mr. Archie McLean, the Executive Vice-President of McCain's Foods, the largest Canadian food processor. He is a good Maritimer from New Brunswick. This letter was at the time when the President of the Treasury Board (Miss Carney) was the Minister for International Trade. He wrote:

> Dear Ms. Carney:
>
> I am writing to you as a member of the Agricultural Sagit and as a hard-core Tory.

He is not a Grit, not a socialist but a hard-core Tory. He says:

> A comprehensive trade liberalization agreement between Canada and the U.S. which would remove tariff barriers and phase out non-tariff barriers

would devastate the dairy, poultry or feather, horticulture and beer and wine industries.

That is a hard-core Tory, head of the largest food processing firm in Canada, speaking. He says 70,000 jobs are at stake. Why? He says it is because the trade agreement neglects to take into account a couple of key points called weather and geography.

• (1610)

Mr. McLean points out in his letter that growing potatoes in New Brunswick or Manitoba costs $120 a tonne. They can be bought down south for $90 a tonne because there is a longer growing season there and less expense. He says he has a choice. He is either going to shut down or move south.

What does the Economic Council of Canada point out about jobs? It says that 186,000 jobs will be lost. Where will they be lost? They will be lost in key industries, electrical, machinery, manufacturing, printing and auto parts.

The Hon. Minister said that this would be a great salvation for the auto parts industry. Why is it then that Mr. Vic Lonmo, the President of the Auto Parts Manufacturers Association, appearing before our task force, said that 20,000 jobs are at risk as a result of this agreement? Who do we believe, the gentleman who heads this association or the Minister for International Trade a well-known extrovert?

The fact is that this Government has not been honest or straightforward in outlining these so-called economic benefits. It has hidden the real damage and the real costs and its own figures, studies and institutions totally deny the promises made. Time after time, the Prime Minister promises all these things. No wonder he can get away with it. The latest survey showed that 60 per cent of businessmen in Canada have not read the agreement yet. They are simply going on a wing and a prayer. They have not bothered to take the time to read the details of the agreement.

Canadian businessmen would not do that if they were signing a contract with a competitor or a client. They would hire the best lawyers. They would sit down and read the agreement fine point by fine point and decide if it was a good deal or not. In this case, they are going on theology, religion. They are going to take the word of honour, that sacred trust, of the Prime Minister for which he has become so well known. How can we disbelieve the Prime Minister who promised that he would not deindex senior citizens' pensions or that he would not enter into a free trade agreement?

When the Government begins to look at its own figures and those of the Economic Council, it will realize that that promise is not sufficient to even begin to warrant the kind of fundamental change that will be brought about in Canada. Those benefits are so meaningless as to be almost immeasurable.

What are we doing this for? We go to the second great ambition put forward by the Prime Minister. We remember that he said that we must gain secure access, a guarantee to the U.S. market. In the House of Commons, the Right Hon. Prime Minister said that our highest priority is to have an agreement that ends the threat to Canadian industry and that a new regime on trade remedy laws must be part of the agreement. Is that what we got? Have we got a secure, guaranteed, fool-proof access for Canadian goods? It is an interesting case. Let us examine it.

First, let us examine the fear tactics the Government has used. It has tried to put forward the argument that, somehow, we have this evil presence to the south of us. It is kind of comical that government Members accuse Members of the Opposition of being anti-American, but they are the ones who have been going around the country saying: "Beware, the wolf is at the door. If we don't do something, those American Congressmen will violate us in our beds and therefore we need this deal in order to protect ourselves".

I went back and looked at the figures because I was kind of curious as to what in fact was going on. In the last 10 years, there have been some 40 trade remedy actions out of 600 taken by the Americans against Canada. Only eight of them came to a final decision and they included clothes-pins, nuts and bolts and optic sensing equipment. That has been the sum total of the American attack upon our economy, clothes-pins and nuts and bolts.

What the Government does not talk about is that in the same period of time, remedy measures have been available to us and we have taken six of those cases to GATT. We have won three of them. Two of them the Government plea-bargained outside the GATT process, and we know what happened on softwood lumber. That smart trick will cost the softwood lumber industry $800 million to $1 billion.

Over all, there has been a modest number of cases against us and we have succeeded in fighting off many of those cases. In the groundfish case of 1972, we were able to get a total withdrawal of the American legislation through a GATT ruling. The Americans have respected those rules and obligations.

Where is the fear coming from? It was primarily in the mind of the government spokesperson. In fact, there have been more initiatives by the United States Congress and the United States administration against Canada since 1984 than in the 10 years previous. Since the Tories came to power, there have been far more trade remedy actions against Canada than in double or triple the life of previous Governments.

After saying that, let us look at the insurance policy that we bought. The so-called dispute settlement mechanism applies U.S. law. We are still subject in every way, shape and form to the harassment techniques of U.S. industry when, if and how it wants to use it. Nothing has been gained. An American industry can still take an action before the International Trade Commission. It still has to go to the Commerce Department for a ruling. It still has to come back. It will still take one year to two years to get a decision. In the meantime, all those Canadian industries will still have to pay all their expenses and

deal with the harassment. Nothing has changed one iota except that what has changed is that if we go ahead with this agreement, we forgo our right to go to GATT which can provide a much quicker solution than the one put forward in the trade deal.

Under the present international rules, we can apply for an international panel after the first decision taken by the International Trade Commission. We will not have to wait for a year or two years. We can go right away and get a ruling.

Mr. Layton: Wait 10 years.

Mr. Axworthy: Oh, here is a voice of wisdom. It takes five and a half months on average to get a panel decision. That is how much Hon. Members know. The stupidity and ignorance surrounding this deal bothers me. They simply do not know what they are talking about. They have not bothered to examine the alternatives. They have not bothered to examine the real facts. They simply buy the hocus-pocus. They are engaged in voodoo economics and therefore they believe in all the magic that goes with it.

The fact is that it takes an average of five and a half to six months to get an agreement. Therefore, I make the case that we will be worse off under the provisions of this agreement. It will take longer and cost more for Canadian business under this agreement than under the present arrangement.

What is the debate about? We did not get security of access. The Americans will still apply their laws and will slam-dunk us at every opportunity. In fact, they will be more encouraged to do so because they will have seen what a bunch of patsies we are. They know how much we have backed down, retreated and withdrawn every time the Americans get tough.

Naturally the Americans will use these instruments. In fact, the most important consequence of these negotiations is that in the implementing legislation the U.S. Congress is now considering, it has brought in a new trade measure directed against Canada, a measure which will give it the right to monitor all Canadian imports that may have a subsidy. If it does not like what it sees, the U.S. administration can take unilateral action and will not have to wait for an industry to do it.

The birth of the Canada-U.S. Trade Agreement has resulted in a new monster to attack us. That is the end result of this great negotiation by the Prime Minister and his cohorts. We have an added problem that we did not have before.

Adding up the two levels of supposed benefits, the economic and the secure access, I think we have to admit that it is pretty questionable. If these "freaks of unreasoning panic" the Minister for International Trade spoke about had applied their rationality, they would have seen that it is a minor-league deal. It just does not have much in it.

Remember when the Prime Minister was on television one night? He got his make-up on, his flags around him and a picture of the kids. He said: "Look, folks, you buy this deal, we're going to have access to a $750-billion procurement market." What did we get? We got the difference between $170,000 and $25,000, about 1 per cent of that of which he promised. Not even close. That was a Class C effort, Mr. Speaker. He could not even make the majors on that. That is what is being sold across the country, as the great economic salvation for Canada.

• (1620)

They say, those are not the reasons why we have this trade deal or the Bill before us. That is not the reason why this Government has gone pall-mall into negotiations. The only way that we can fully determine the real reason is to look at the other side of the ledger, the cost side.

They do not talk about that. I have read their publications carefully. They do not tell you about the cost side. They do not tell you about the fundamental change that will take place in the policies dealing with foreign investment in this country. They try to pretend that somehow that is simply a small, trifling matter, that Mr. St. Laurent doesn't change anything, really.

I want to remind you of something, Mr. Speaker. Since the Tories came to power in 1984, there has not been one rejection of an application for foreign investment, not one. Not one has in any way troubled the minds of the monitoring process. Far more important, of the $22 billion of foreign investment that has come into this country since 1984, 94 per cent has been in takeovers and acquisitions, not new business, not creating new enterprise in Canada, but in takeovers and acquisitions of existing Canadian businesses.

This deal will entrench that kind of policy in an international agreement so that future governments cannot get at it. The whole agreement is based upon perpetuity. Doesn't that begin to tell you something? Doesn't that tell you that the real reason for the agreement has nothing to do with trade, but has an awful lot to do with trying to entrench, in perpetuity, a new kind of Conservative economic framework in this country, the market-driven framework, so nobody that else can get at it? That begins to tell you a little bit about what the real cost will be.

Let's look at other angles, energy and resources. That, as far as the Americans are concerned, is the centrepoint of the agreement. They will take everything else. What they have got is what they wanted for 40 years, total, free, complete, open access to Canadian resources untrammelled, unheeded, unrestrained, and unlimited. They got what they want.

This deal goes back to a proposition put forward by something called the Paley Commission in 1952 under President Eisenhower, when they said the number one priority strategically for the United States is to get full control over North American resources. Well, they got it. The Mulroney Government has given it to them right here. What does it mean? What it really means is this. In the crucial area of energy, it is perhaps the most valuable resource that we have

as a country in terms of our future economic development. What do we do? We freeze the price for ourselves. We can't use it to our advantage. We can't say that we will use the power of the public sector to create an advantage for Canadian industry in the use of our energy resources. That is prevented and prohibited in this agreement. We cannot have an export price for our mineral resources.

If we want to establish further programs to enhance value added of our natural resources, this agreement prohibits us from doing it. The whole idea of getting more jobs out of our natural resources is limited by this because the big resource corporations do not want it. They just want to ship that stuff as quickly and as fast as they can across the border.

What we are dealing with is the dismantling of a mixed economy. We are dealing with the evisceration of a political economy. We are dealing with an abandonment of the historic tradition of this country which is that we use a mixture of public and private initiative to build Canada.

The whole emphasis of this and why it gets support by the powerful forces and the economic corporations and the big players, is because they see this as a way of putting a straitjacket around the federal and provincial governments of Canada. That is what they really want. That is the purpose behind the trade agreement. That's the sell-out of our independence. If we don't have that, we don't have our independence.

Once we deny and reject and withdraw the ability of Canadians through their democratically elected institutions to set public policy on economic and social questions, we no longer have a country worth a name.

An Hon. Member: The Tories sold it out.

Mr. Axworthy: If you don't believe me, go back to the agreement and read some of the other Articles. According to Clause 6, which gives the federal Government the override on any provincial jurisdiction, if any action, regulation, policy, piece of legislation, in a provincial legislature, does not accord with the terms of the agreement, the Government has an override. It can bring them to account bring them to heel. This brings a third partner to the whole federal-provincial relationship, the United States of America.

We now have the federal Government, the provinces and the Government of the United States negotiating our Constitution and negotiating our federal-provincial relations. When it comes to the issue of the division of powers or who has jurisdiction, it will not be a question of the balance between federal-provincial rights. The Americans will say: "We have a right here too. It is called the international trade agreement". We have a brand new Constitution being debated in this House at the very moment, bringing a brand new outside partner to the table.

As the upholder of the traditions of this House, Mr. Speaker, let me ask you this. Why, if you look at Clause 8 in the Bill, does Clause 8 say that the trade agreement supersedes any Act of Parliament, any decision that we make? Now, the American Congress isn't quite so dumb. Their implementing legislation says the opposite. Their implementing legislation says that all Acts of Congress supersede the trade agreement. We are just now debating the giveaway of the sovereignty of this institution. Whether it is freedom of information or equity rights or any of the Bills we have passed, if they don't accord with this agreement, then forget it, they don't count.

When the Minister for International Trade tries to disparage the concerns raised by millions of Canadians about what this Bill will do, tries to laugh it off, tries to make a joke out of it, he is simply demonstrating a lamentable lack of understanding of his own legislation and what it means. He simply is trying to smokescreen, to cover up, the real purpose and intent of the Bill before us.

We have had debates in this House about the question of water. I want to deal with that for a moment. The Minister for International Trade and the Prime Minister, in all of their righteous indignation, have said there is absolutely no impact upon water in this agreement. Well, let me just go to the Bill. Let me go to the schedule of the Bill. Tariff item 22.01 states that it includes "waters, including natural waters". What does the interpretive note that is going out to all the custom officers across the Canadian borders say? This is the publication of the Government of Canada. The interpretive note on the new customs system says tariff item 22.01 covers ordinary natural water of all kinds.

The Hon. Minister has not dealt honestly with this House. That is the reading of his own document that he himself is responsible for. So, when he says it does not include water, there it is tariff 22.01 and the interpretive note that goes with it. It is quite telling that the question was asked of the Government: "Well, if you are so sure that water is not included, then you have a very easy recourse. Simply include an exemption in the Bill."

• (1630)

The American Congress has the right to include all kinds of new amendments but the Minister says we cannot do the same, we are not as good as they are. We asked the Minister to try one teeny one, an exemption for water. In response we got blank stares and silence. It was the only time in his life that the Minister for International Trade did not explode with a mounting pressure of fuminous gas.

He had no answer to that because they know full well that this agreement will give the Americans the right to demand the use of our water resources and that Canadians will no longer have the right to decide or choose otherwise because the agreement will be part of our Constitution, it will supersede every Act of Parliament. It will tell us what we can and cannot do in this country. That is the reality of it.

The Government says that social programs are not touched whatsoever. Well, the Bill clearly enunciates the principle of national treatment in the health management area. Taking

away the trade jargon terms it means that we cannot in any way provide a different set of rules or standards for Canadians than we provide for Americans. We have to treat them exactly the same. If an American management firm in health sciences, laboratories, or blood clinics want to set up a private operation, we cannot say no.

I predict that this area will become one of the major sources of combat in this country. As province after province begins to discover how their powers have been usurped to set credentials for their professionals and standards for their health care systems, they will rise up in revolt. I suspect that, like a lot of the business people, they have not yet read the agreement. They have not begun to understand the implications of it.

Aside from the specific question there is the much larger issue of harmonization. When the agreement comes into effect, if it does, and Canadian businesses find themselves dealing with competitors from the southern states where there are no right-to-work laws, no minimum wages, no taxes, and no social programs, they are going to ask how we expect them to compete with manufacturers who do not have to carry the same costs of health care.

The President of the Canadian Manufacturers Association, Mr. Thibeault said: "It's simply a fact that as we ask our industries to compete toe to toe with American industries, we in Canada are obviously forced to create the same conditions in Canada that exist in the United States, whether it's an unemployment insurance scheme, workmen's compensation, the cost of government, the level of taxation, or whatever".

I have page after page of similar quotes from Canadian businesses saying that when the deal is in place they will naturally have to ask the federal and provincial governments to change the rules on environment, workmen's compensation, and unemployment insurance.

For the Prime Minister and the Minister to say that there is no impact on social programs, that we will not see a change in the very carefully constructed, very important and creative network which we have built up in this country, is pure and simple conniving. That is the only word which can be prescribed. They are simply not telling it as it is. Their own business allies contradict them. The Americans contradict them. The whole thesis is that if they can only get this Bill by without telling the truth, if they can only keep the smoke machine running, maybe Canadians will not realize the implications of what they are doing.

In this debate my colleagues, in each of their roles, will be debating sector after sector, culture, energy, resources, social programs, and the environment, and pointing out how the deal encrusted in this legislation is a basic and fundamental restriction on the freedom and rights of Canadians to choose their own programs and policies.

It is not a matter of being for or against free trade. The fact is that there are other alternatives. We have put forward what we believe is a real and practical set of proposals on how to bring down trade barriers without doing it at the price of our sovereignty and independence. We can do it in a way which will allow us to maintain an active, positive, and creative role in world affairs. We can build bridges to the Third World, design our own industrial strategies at home, and ensure that our relations with the United States and other trading partners are proper, creative, and expansive, all according to our own demand.

We are not arguing isolationism or continentalism, but for a form of internationalism. That is the real exciting, ambitious opportunity for Canadians who do not want to lock ourselves in fortress America. We do not want to start down the slippery road to further and further integration and further and further reduction of our powers, our rights, and our abilities to choose. Rather, we want to expand those opportunities. Canada has a rare opportunity in this day and age. We are seen by so many other countries as a potential leader of a coalition of other countries which will not engage in the game of power politics where "might makes right".

I reject the thesis which is coming out of the Summit that there is going to be an international triad of North America, Europe, and Japan which will run the world and the rest of the people can take the crumbs from the table. It is a thesis expressed by so many of the neo-Conservative leaders. That has not been the Canadian tradition. Dating back to World War II we have fought for internationalism, for small and large to be treated the same, for no discriminatory rules but a rule of law which treats everyone equally.

By this action we contribute to that North American fortress, to the idea of a triad, the idea that the big guys with muscles are going to determine and choose and all the rest of the countries can be dependent upon us. It is a new form of 19th century colonialism which is being talked about at the Summit, a kind of *noblesse oblige*, that we'll take care of the poor and disadvantaged.

I reject that, Mr. Speaker, and my Party rejects it. If we agree to this kind of deal we will be giving away the weapons we have. The fact of the matter is that there is another real option. We have said that we can get better security of access and better guarantees for our markets by strengthening and developing the international trade system, by using it in an effective way and being seen as strong supporters of that system rather than trying to scurry into the sanctuary of the continental market-place.

We have put forward proposals in that regard. We have put forward proposals on how to diversify our trade. The Minister for International Trade has said that this deal will lead to greater global opportunities. If that is the case, why is it that since 1984 when the Tories came to power our trade deficits with the Pacific Rim have gone from $700 million to $4.6 billion? Why has our trade with Latin America dropped close to 30 per cent and with Europe 20 per cent? Why is our trade surplus, which in 1984 was $17 billion, now down to $8 billion?

The reason is that our trade in every part of the world except the United States is going kaput. We are closing trade missions, stopping the funding for small businesses, and rejecting opportunities in the global market-place because we are so occupied and obsessed with the American market. That will be our future if this deal goes ahead. Canadian businesses will not expand, they will shrink and retreat. They will see the market in Akron, Ohio, and forget that there is one in Accra, Africa. That will be the problem.

We think we have to diversify our international market-place. We can only achieve that if we begin, as a national entity, to invest in the very means to create a competitive international player. We must put money into training, research, and universities in order to build up human resources. That is the key to our international competitiveness.

Instead, in the last four years the Government has been cutting back on training programs, cutting back on aid to universities, and cutting back on research and development. The Government has been pulling back on the very investments which would make this country strong, able, and competitive.

There is a very clear alternative, Mr. Speaker. There is an option and a choice. It is not a matter, as the Government is trying to say, of being for or against opening trade markets. It is, rather, a question of how we are going to do it. Do we do it by burrowing ourselves into the continental fortress, or do we do it by expanding and opening our opportunities in a world-wide way?

• (1640)

As I pointed out, the reason why the Government rejects the much broader and more noble ambition is because that is not its agenda. Its agenda is to constrain the sovereign rights of future Canadian Governments. That is what is on the line with this legislation and that is what we will fight.

I say to my colleagues opposite that they are in for the fight of their lives, not in terms of procedural wrangling, but through a hard fought debate on the floor of this House and in the committee. Canadians will ultimately know the consequences of the Government's action and they will begin to understand what the debate is about. It is about the independence of this country. Whether we win or lose, we owe it to the future generations to make sure they understand what is happening here today. We are really fighting for the kind of Canada which we have known and believed in rather than for a pale, branch-plant imitation that has come forward under the leadership of the Prime Minister. That is the real debate before us. It is the most important debate to take place in this Chamber for generations to come.

The Acting Speaker (Mr. McKinnon): It is my understanding the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) wishes to present a reasoned amendment at this time.

Mr. Axworthy: Mr. Speaker, in view of my statement about our preparedness to fight, I move:

That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:

This House opposes in principle and therefore declines to proceed with Bill C-130, an Act to implement the free trade agreement between Canada and the United States of America, because that agreement, which was negotiated in a secretive and irresponsible manner in the absence of a mandate from the Canadian people, will undermine the economic, social and political institutions of Canada, because it will fail to provide guaranteed and secure access to U.S. and other world trade markets, because it will create severe adverse effects on many industries and communities and because it will endanger the economic and social fabric and political independence of Canada.

The Acting Speaker (Mr. McKinnon): Continuing debate.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I was going to begin by making some harsh comment about the long-winded speech of the Minister for International Trade (Mr. Crosbie). I may have to extend that to include my good friend, the Member for Winnipeg—Fort Garry (Mr. Axworthy).

Mr. Thacker: And you?

Mr. Langdon: I will try to emulate both. Will that satisfy my friend?

Today's performance by the Minister for International Trade illustrates that he has completely lost sight of the importance of this legislation to the country. One can only say in the strongest possible terms that the Minister has not lived up to his responsibility to put before the House in a sensible manner the legislation we are debating today. Instead, we have seen an example of fear mongering, of blustering, of inaccuracy, irrelevancy and long-winded pomposity which has given us absolutely no insight whatsoever into this Bill.

It is a disgraceful performance. The Minister owes the House an apology for making that kind of speech at the beginning of such an importance debate.

This debate is one about choices. Canadians will have to decide which of three choices they want to make. First, do we follow this Accord with the United States and make ourselves essentially their resource periphery, dependent far more than we are now on their economy? If so, we accept the blustering pomposity of the Minister for International Trade as the prophet for the future of this country.

Second, do we follow essentially the same old path of the past with the Liberal ad hoc interventionism which consists of no strategy, no direction, no sense of leadership toward a new way to deal with our economy? It is an approach that hopes for the best and relies on GATT.

Third, do we accept that we finally try to build in this country an independent, fair economy and society using our rich resources? Do we try to develop an industrial game plan, a sense of direction which gives us a high tech future in the world? Do we look at full employment as a dominant objective over everything? Do we want to take the path that will make

us proud of ourselves in the world as a country that is independent and can stand on its own feet to operate successfully on an equal basis with every other country in the world?

I think that is the course we want to take. I believe that is the course that will be chosen when we finally get the election that is deserved on this issue. That is the course that this Party offers and that this Party has presented and will continue to stress to Canadians as this debate continues.

The Conservatives have lost faith in Canada. The great Liberal guru, Donald Macdonald, said: "Let's have a leap of faith". The Tories have gone one better and have had a leap of lost faith. Consequently, what we have is a branch plant manager, a branch plant Prime Minister, a branch-plant Party, and a branch plant policy that gives no sense of direction or future for this country and our children.

This Bill lets Canadians down, just as the past government let Canadians down with its gross patronage appointments. It is not just New Democrats with perhaps a partisan perspective, who see this deal this way. There was a statement from a group of completely non-partisan Canadians this week. They are people like Geogik Notsiof, one of our most senior former Ambassadors to the Soviet Union, a former Chancellor of the University of Toronto, Edgar Gallant, who is the former Chairman of the Public Service Commission, Eve Dubey, the former Dean of Social Sciences at Laval University, Louis Philip Blanchard, Director of the University of Moncton, G.W.F. McCain the head of McCain Foods, J.M. Kerion, the former Dean of Social Sciences at the University of Ottawa. They said very clearly, having looked at non-partisan observers who know something about politics and economics, who have no axe to grind, this statement of our concern is in no way motivated by anti-American considerations but rests only on our strong belief that the continuance of a distinct and prosperous Canada is important for Canadians and for the world as a whole.

• (1650)

They then went on to say that in their view, this accord with the United States, results in the following conclusion that our ability to survive as a distinct society in the world of tomorrow fades away and we could be caught in an irreversible process of complete absorption by our giant partner to the south.

That is not a statement that comes from partisans. It is a statement that comes from concerned Canadians who have looked at this deal and have seen not the great statistics about trade presented to us by the Minister for International Trade. They have seen the tremendous giveaways, the absurd sell-outs, the disgusting surrender of our independence as a country which is shown at virtually every page in this accord with the United States.

The Minister did not talk about those things, but they are here and they will kill us as a country in the future as surely as our children follow us and their children will follow them.

[*Translation*]

Mr. Speaker, I must say that this does not come from a political party; it is a statement by individuals who have studied this Agreement, people like Yves Dubé, former dean of the Faculty of Social Sciences at Laval University, Louis-Philippe Blanchard, rector of the University of Moncton, J.-M. Quirion, former dean of Social Sciences at the University of Ottawa, who concluded after much study that the price of this Agreement for Canada is high and the risks for our future as a distinct society very great. So our ability to survive as a distinct society is in danger of declining rapidly and we would be caught in an irreversible process of integration with our giant partner.

[*English*]

That is the reality which exists and that is the reality which has to be seen by Canadians in the election that will come. They have to see that reality, but they also have to see the tremendous anti-democratic process by which the Conservatives have tried to jam this Bill through the Parliament of Canada. This is the same Government which, as a Party before the election, were against free trade with the United States. Yet at the Shamrock Summit, less than eight months after their election the Conservatives in concert with President Reagan, yes, we want free trade with the United States.

We had to fight to get a full committee that summer to even look at Star Wars and free trade so there could be a chance for Canadians to speak out before the Government locked us in at that stage. Finally, we were able to win that fight. We got a committee which came up with conclusions, but his Government decided to ignore the conclusions. This Government was told that the Auto Pact should not be included in any negotiations with the United States. Yet the committee's recommendations were rejected by the Government and anyone who reads the agreement sees not only the Auto Pact included, but a full chapter on it, which weakens the ability of Canadian producers to guarantee jobs for themselves in the future.

The Acting Speaker (Mr. McKinnon): I think this might be a good time to point out that it is five o'clock. When the debate resumes on this particular motion, the Hon. Member will have 30 minutes remaining.

Mr. Langdon: Mr. Speaker, I rise on a point of order. Since it was possible for both previous speakers to take some extra time to present their speeches as an entirety, might it be possible, since we have extended hours anyway, for me to complete my speech at this stage?

• (1700)

The Acting Speaker (Mr. McKinnon): The reason the Hon. Member was given 30 minutes was so that it would bring his time to a total of 46 minutes which is comparable to the time taken by the two preceding speakers. However, if the Hon. Member wishes to carry on a bit further with unanimous consent of the House, then he will be able to do so.

Mr. Axworthy: Mr. Speaker, I rise on a point of order. As I hear the Hon. Member, he is asking if we would be prepared to use his 30 minutes until 5.30 p.m. and to defer Private Members' Hour until that time, with unanimous consent. We would certainly be in agreement with that.

Mr. Angus: Mr. Speaker, I rise on the same point of order. The Private Member's Motion is in my name. I would be more than happy to give my colleague the time now to complete his remarks, provided that Private Member's Hour has a full hour commencing immediately upon the termination of his remarks.

The Acting Speaker (Mr. McKinnon): Is it agreed?

Some Hon. Members: Agreed.

Mr. Langdon: Mr. Speaker, I thank the House and you. In particular, I thank my colleague. I also thank my colleague from Winnipeg—Fort Garry. I shall not accuse him of being long-winded in the future.

It is important to see the extent of the anti-democratic approach which the Conservative Party has taken with respect to this trade deal. We have not just the promises before the election. We have not just the rapid reversal at the Shamrock Summit. We have not just the very tough fight which we had in 1985 to get a joint committee of the House of Commons and the Senate to look at these questions. We have not just the fact that the recommendations of that committee were not followed by the Government.

We have an incredible record of secrecy with respect to this issue which I doubt has been equalled in past regimes. We had a situation in which it was necessary for us again and again and again to go to the Information Commissioner and to get her to take cases before the Federal Court before the federal Government would finally release studies which were paid for by the taxpayers of Canada dealing with a crucial issue of importance to them. When those studies came out we often found that there were vast numbers of pages which had been crossed out, made blank, because of the Government's paranoia that the Opposition might find out some of the nasty tricks in which it was engaged in this negotiation.

Then, when the whole charade was finished, the charade of Simon Reisman pulling out of the talks and the last minute rush to Washington by our supplicant Ministers, we had in front of us a 30-page brief which was supposed to somehow set out for us in summary reform what would be in the final agreement. The Standing Committee on External Affairs and International Trade had but 10 days to go across the country to allow the people of Canada to comment, not on the agreement itself but on this mere summary which had been released. It happened that the actual text came out shortly before the committee was supposed to report.

Would the committee with its massive Tory majority even look at the actual agreement? Would it look at the differences between it and the summary? Not a chance. It would keep to its shameful summary and to the Canadian testimony which it has heard on that.

The shameful reality is that there has not been a chance for a single Canadian to testify before a House of Commons committee of any type with respect to this trade agreement, despite the fact that many of the people who came before us and who talked about the summary said that it was not possible to talk about a summary agreement. They said: "We have to see the final document. We have to get our lawyers to look at it. We have to see if it makes sense. We have to see the real product. Where's the beef?"

Once the brief appeared, what we found was that there was not a single committee of the House that was prepared to hold hearings on this crucial issue and to see to it that the Canadian people had a chance to react to some of the vicious surrenders of our independence as a country that forms part of this agreement. That is in tremendous contrast with what has happened in the United States.

I have in my hand a list of some 40 committees in the United States which held public hearings on this Bill—40 different chances for the American people and American interest groups to be able to speak. There were 40 chances for American experts to be able to speak. There was not a single chance given to Canadians to testify in this whole seven-month period since the agreement came out.

I just could not have believed before I came to the House of Commons that any Government could be so high-handed, that any Government could be so absolutely crass in its willingness to avoid the capacity of the Canadian people to speak on an issue as has been the case in this Parliament. It is absolutely shameful. It is just the last shameful act of this whole process of secrecy, of cover-up, of attempting to control the message going out so that people in Canada do not get a chance to see and to hear clearly the tremendous surrenders which have occurred as a result of this trade deal. That is at the heart of this trade deal. It is at the heart of the worries which exist across the country among average families concerning this deal. It is at the heart of the worries that I heard from grape growers in the Okanagan Valley, and from students in Montreal concerned about their jobs for the future. They saw the surrenders within this deal and for their potential future nothing but a trek south to some lower paid job in the southern United States.

• (1710)

I saw it among the worries of workers in my own home constituency in the Town of Amherstburg, a town of approximately 8,000 people where the largest employer has said that he will almost certainly have to shut down as a consequence of this trade deal and devastate the economy of that town.

I saw those worries among small oil producers in Alberta who told us that this was an unbalanced and unfair deal which left the National Energy Board completely stripped of power, and left the Federal Energy Regulatory Commission in the

United States still able to fully control what happened to oil exports into that country.

I heard it from wood workers in New Brunswick who faced tremendous inequities in the softwood lumber situation, so much so that they had to sue the Government because of the manner in which they suffered unfairly under this trade deal, and the fact that the trade deal kept the softwood lumber Memorandum of Understanding continuing as part of the reality of our trade relations with the United States.

I heard it from women clothing workers in Québec who asked us if there was some chance, at least, to receive some support for adjustment, and who were told no, no chance.

I heard it from nurses who told us that they were deeply concerned about the profit-oriented U.S. medical care system sweeping north into Canada as a consequence of the details of this deal.

If Members on the opposite side wish to debate, I hope they do, because there are parts within this report which make it absolutely clear that virtually every part of the health system is open to U.S. management companies taking over and running those health systems as they have done in the United States in a manner that has hurt nurses, doctors, and patients very badly in that country.

Mr. Crosby: How many Americans come to Canada for medical treatment?

Mr. Langdon: Perhaps the Hon. Member would like to rise and speak on that. I am talking about people who have spoken to me and to New Democrat trade groups across the country, and who have told us their concerns and fears. If the Government is worried about those concerns and fears, then I suggest that it start talking honestly and openly in response, instead of attempting to cover things up, as the Minister for International Trade attempted to this afternoon.

Let us also look at the incredible list of sell-outs which exist within this deal. It has to be a record in terms of sell-outs and surrenders for any one treaty, any one agreement made with another country. For instance, we have given up tremendous potential power to shape our regional development and social policies because we have not come to any agreement with respect to subsidies. That agreement will come into force in seven years, and in seven years our economy will have been restructured if this deal goes forward. At that stage, the United States, frankly, will have us over a barrel as far as its subsidy approach is concerned. Therefore, we can expect to see ourselves clobbered in those negotiations. We can already see indications which have come out in the Senate and in the House in the United States where it has indicated the things that it wants to negotiate. They want to get rid of all the subsidies we presently provide.

Perhaps those Members who represent areas that presently benefit from regional development help will all be defeated in the next election anyway and they do not have to worry about it, but if they think that in seven years it will be possible to defend those regional development subsidies, frankly I think that they have spent far too much time under the hot sun.

Let us talk about the rules within this document against performance requirements on U.S. subsidiaries. At the present time U.S. subsidiaries under conservative law can be required to make performance commitments before they are permitted to take over a company. That goes. It is chopped away. The consequence is that the extra jobs, the extra exports, the extra investments, the extra benefits to Canada which would have come from those performance requirements also disappear.

We can also talk about agriculture. Remember, agriculture was not supposed to be touched. What do we see? Where has our two-priced wheat gone? It has disappeared. It is surrendered because of this deal. The same thing applies to seasonal tariffs on vegetables and fruit. Agriculture has been hit just as every other sector has been hit. We did not hear the Minister talk about that, but that is part of the deal.

The United States has the right to retaliate against any cultural moves which we take to safeguard our distinct society in the future, but, no, we write it right into our agreement. We signed it. How could our Prime Minister (Mr. Mulroney) ever sign such a document permitting the United States to take action against this country if we take distinct steps to safeguard what is Canadian about our culture? But he did. He took those steps and signed it. If this Parliament accepts what is in this Accord, the consequences will be a tremendous axe hanging over our cultural industries.

One could continue with respect to the monopolies clauses, for instance, which make it impossible for any provincial Government in the future to set up an auto insurance scheme without paying compensation to the United States. These are the surrenders the Minister has refused to recognize or to admit.

• (1720)

[*Translation*]

And those are not the only things that this Government has done. For example, we must also say that this Government has decided to include in this Bill clauses to allow the federal Government to change any provincial law that differs from the contents of this document. For me, this is not equal federalism. It is unfair. It is unequal. It is very dangerous for all provinces in the future.

[*English*]

Those are the surrenders.

What did we get in return for those surrenders? We made no gains whatsoever. We had said that there were two key objectives. We had said first that we had to get exemptions from U.S. trade law and we had said second that we had to get agreement on what was an acceptable subsidy. Well, a funny thing happened to Simon on his way to the fair. Simple Simon met a pie man, perhaps, but we found that neither of those

objectives were achieved. Instead, we saw a save-face solution which sets up a panel system which will do absolutely nothing more than the court system presently does. The consequence is that in return for all our surrenders of liberty, we have not achieved any safeguards or secure access to the U.S. market.

We heard the Minister suggest this afternoon that we have secured tremendous safeguards. I ask you, Mr. Speaker, and those who are watching us on television today, to simply read the document, if you can get a hold of it. It is very hard to do so. The Government keeps it very close to its chest.

Mr. Thacker: You were criticizing us for too much information two days ago.

Mr. Langdon: But not this information. What the Government sends out is summaries which do not deal with the points which are in the actual deal itself.

Mr. Thacker: Do you agree with us printing more copies of the actual agreement?

Mr. Langdon: Absolutely. Print them, send them out. See to it that the Canadian people can actually see that there is no gain whatsoever with respect to secure access to the U.S. market.

What we have is a failure. It is a failure which will hurt the Canadian people very, very badly. It will put us in direct competition with southern U.S. states and the Mexican free trade zones where there are very low wages and poor or non-existent social benefits.

We will lose any chance of having local control of our future, either by communities or by country. Instead, Canadian corporations will use the U.S. competition which they will have to face to push hard to get our laws changed, to reduce our social benefits, to weaken our labour laws, to cut off our health and safety standards. We will see in the future a much, much tougher world which our people will have to face.

There is a different approach, an approach which could have been taken and yet was not taken. There is an approach which could, and I hope will, be taken after the next election. This approach first will make full employment the central goal of economic policy. It will use our resource wealth as a base to develop a more diversified economy. It will upgrade our industrial potential at the national level by taking seriously commitments to research and development. It will give some sense of strategy to our industrial plans for the future.

It is an approach which can encourage increased investment in Canada by cutting interest rates instead of raising them as this Government has been doing. It can encourage increased investments by using energy resources as an advantage to producers in our market and by assisting key industries, building block industries, to serve the domestic market and on the basis of that, to export of course to the United States but to export throughout the world.

We feel confident enough in Canada that we do not want to tie ourselves to this American market alone. We want to see instead an expansion throughout the world of Canadian business, of the exports of Canadian products and of the benefits of Canadian technology which we can develop here in Canada, not just through large business but through small firms as well. In fact, it is often small firms which are more successful in penetrating these new markets than large, rather hide-bound companies.

We want to see to it as well that foreign investment comes to Canada, of course, but that it provides the most possible benefit to Canadians, to Canadian jobs and to Canadian communities. That requires bargaining with those foreign investors, not just permitting them to come into Canada, take over a Canadian plant and shut it down because it is a competitor. This has happened far too often already.

We want to see the Auto Pact not as something about which we are worried, because Ontario has benefited from it. Instead, we want to extend the principle of the Auto Pact across the country to different sectors, to different regions, to see to it that there is a regional fairness which does not exist at the moment.

We want to work with other countries to restore health to our trading system so that fundamental reforms take place which assist the entire world. With these words in mind, I would like to move:

That the motion be amended by adding in line 9, immediately after the comma the following:

"including our valued system of social and regional development programs,"

The Acting Speaker (Mr. McKinnon): I will reserve on this subamendment and come back at 6.30 p.m. with a decision. The House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

• (1730)

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

TRADE

EXPORT OF WATER

Mr. Iain Angus (Thunder Bay—Atikokan) moved:

That, in the opinion of this House, the Government should enact legislation to prohibit the large-scale export of water from Canada to another country.

He said: Thank you, Mr. Speaker. I am happy to be able to rise and present this motion today, calling upon the Government to bring forth legislation that would prevent the large scale exports of water from our country to another.

The reason for the motion, Mr. Speaker, is that today there is no legislative mechanism available to the people of Canada to prevent a Government, whether it is this Government or the

one that replaces this Government, or another Government years from now, from arbitrarily allowing the large scale export of water. I liken it to a municipal and a provincial law, which is a zoning by-law, which establshes the rules but provides for the ability to change that in a public forum.

If this Government would live up to its policy statements—and I will come back to those in a moment—and enact legislation, it would be like a zoning by-law that would force the Government of the day, if it decided that for whatever reason the export of water was appropriate, to come back to this House to receive the approval of the duly elected representatives of the people of Canada.

There is no doubt that water is increasingly being recognized by Canadians as not just another resource, but as a common property of immeasurable value. It is increasingly becoming the focus of our attention, in terms of Government policy, and I suggest it will and should continue to do so.

Front and centre in this debate is the issue of water exports and inter-basin transfers. While this is only one aspect of the immensely complex problems facing us, in terms of water policy, it is an aspect which synthesizes the approach and the commitment to protecting our water resources.

I want to begin my comments today, Mr. Speaker, by commending both the Minister of the Environment (Mr. McMillan), and the Liberal environment critic. The recently released federal water policy states, definitively: "The Government of Canada emphatically opposes large-scale exports of our water". For this, the Minister should be commended.

As well, the Liberal critic, the Member for Davenport (Mr. Caccia), introduced a private Members' Bill a couple of years ago which called for a ban on water exports. While we had some problems with some of the aspects of the Bill, the sentiment was very appropriate, and I commend him for that.

I want, to read into the record some comments made by people who have examined this issue, have researched it, and have offered their thoughts for public consumption. The first is from the *American Review of Canadian Studies, 1986.* It is a paper called: *Canadian Water Exports, A Controversy in the Making* written by Geoffrey R. Weller, the Vice-President of academics at Lakehead University, in the community of Thunder Bay. He writes:

> The Canadian economy has long been heavily dependent upon the export of natural resources ranging from fur, lumber and grain to minerals of all kinds. Up until now water has been regarded differently and not exported in any large amounts. However, Canada is entering an era in which there is mounting pressure to change the generally held view of water as being beyond market forces and not available for export.
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> Canada is regarded by some as having abundant supplies while other nations have increasing shortages and Canada is seen as being, therefore, in a position to gain significantly from the export of a valuable commodity, much as if it were what might be called "blue gold".
>
> Perhaps the most notable exponent of the benefits of exporting Canada's water resources both directly and indirectly in the form of hydro-electric power is the current premier of Quebec, Mr. Robert Bourassa. Not only is he identified with the massive James Bay project but recently, with the publication of his book *Power from the North* and his becoming premier, he has been associated with a desire for further large-scale hydro developments in northern Quebec and the Kierans Grand Canal scheme.
>
> The latter involves making James Bay into a freshwater lake, diverting the water from there to the Great Lakes and from there to arid regions in the United States and Canada.
>
> There has been concern in Canada about the issue of water exports before but it has never been as great as it is at the present. Some large-scale schemes were proposed in the mid nineteen-sixties that caused public concern.

I remember well the committee called Damn the Dams, which formed in northwestern Ontario, to prevent the U.S. Army Corps of Engineers from proceeding to survey our watersheds, with a mind to developing a system to divert water through Lake Superior into the United States. Mr. Weller continues:

> In addition, books have occasionally appeared on the subject in the past two decades, most notably D. Bocking's *Canada's Water for Sale?*, in 1972, and Foster and Sewell's *The Emerging Water Crisis in Canada* in 1981, and these have kept some awareness of the issue alive. Water export never, however, really reached the forefront of the agenda of industry, environmental and other pressure groups, or government. This was partly because the schemes devised seemed so grandiose and fanciful, even in the era of mega-projects; partly because the need for water in dry areas was not seen as an urgent or immediate one (especially in Canada); and partly because water was regarded as a public good that was and should be free of market forces.

Many Canadians, hearing more and more of the degradation and usage patterns of water in both Canada and the United States, are becoming increasingly aware that water is not a limitless resource. It does possess considerable value, and may therefore be eyed covetously by those who are short of it and by those who can make money by exporting it.

A further reason water exports are being taken seriously is that the new orthodoxy in economics is no longer sympathetic to an object such as water being a public good, and free of market forces. Consequently, it is entirely possible that if it were to be viewed as a consumption good, like any other, it could well be available for export, under the right terms and conditions.

One of the elected representatives in the United States thinks that way. Jim Wright, who is now the Speaker of the United States Congress, wrote in 1966:

> There is to the north of us a stupendous supply of water, enough to satisfy our predictable wants for years to come, which is simply going to waste. We need the water. We need to develop the means of getting that water.

There are politicians south of the border who are looking northward. I would suspect, because of the increasing drought situations in the United States, as well as in Canada, that there, too, will be people who will be eyeing us, with envy, wanting to get our water.

An acquaintance of mine, a Professor at the University of Minnesota, in Duluth, UMD, is working in co-operation with Lakehead University, developing Nordic studies and developing Great Lakes basin studies. Douglas Nord, who is one of the professors there, heading the Political Study Section, wrote a paper entitled *Managing a Regional Resource, the Case of the Great Lakes.* In the section entitled "Marketing a Regional

Resource—Exporting Water From the Great Lakes", he writes:

> In speaking before a 1982 Great Lakes Water Conference former Wisconsin Governor Lee Sherman Dreyfus, observed:
>
> Over two hundred years ago Ben Franklin said, 'We know not what the well is worth until it runs dry'. We in Wisconsin, Minnesota, Ontario, Illinois, Indiana, Ohio, Michigan, Pennsylvania, Quebec, New York must now look to our well.
>
> God and the glacier created the Great Lakes but Ottawa and Washington, D.C., will try to claim it. If we don't stand together now and protect and preserve that which by historical chance belongs to the people within whose state and provincial borders these lakes exist, then I say we will be letting loose the greatest resource ever given to any people on this continent.

He further quotes a Canadian, Ralph Pentland of the Inland Water Directorate of Environment Canada who feared that:

> "Once the tap is turned on, you can't turn it off. If you start a diversion of water, you build up a whole economic infrastructure dependent upon that source of water . . . At that point, you can't stop. You've sold your sovereignty, your heritage and your future.

That is why I bring forth this motion today. I want the Government of Canada to come forth with legislation which will very clearly indicate in law—not in policy but in law—that our water is not for sale, that our water is not going to be massively shifted from Canada to another country. The country which would most logically come to mind would be the United States, although there is the potential for large scale shipments by seagoing vessels to move water elsewhere. I am concerned that while the Government may make all the right sounds in its heart it is not prepared to go the next step.

• (1740)

I would like to refer to comments made by the Prime Minister (Mr. Mulroney) when he was interviewed by *Fortune* magazine a couple of years ago. He indicated that Canada would consider water exports to the U.S. if such an idea were mutually beneficial and economically feasible. "Why not?", he was quoted as saying. That is the kind of response which makes me worried.

It is not only the Prime Minister. It is well known, also, that Canada's negotiator for the trade deal, Mr. Simon Reisman, is an avid supporter of the Grand Canal scheme. He told an Ontario Economic Council seminar a couple of years ago that linking water exports to trade would be a brilliant way of getting the U.S. enthusiastic about the trade deal. Did he carry out this brilliant idea? Well, the Government has steadfastly denied that there is any connection. It has repeated often that there is nothing in the trade deal which forces us to sell water to the United States.

You may have noticed that that is an interesting way of putting the case for the protection of our water. In fact, the Minister for International Trade (Mr. Crosbie) took the wind out of his own argument when he went on to say that there is nothing in the trade deal which forces us to sell anything to anyone.

The Government had the option of insisting that there be an exemption in the trade deal which would specifically exempt water exports. It has been suggested by senior government officials that the Government had, in fact, wanted a water exemption but that it caved in at the eleventh hour. Why? We can only assume that it was in order to get the U.S. to agree to a deal.

The Minister for International Trade can bluster all he wants, but as long as the trade deal simply looks at water as another resource, the same as all the others, it remains open to exploitation as a marketable commodity.

That is why I have put forward this motion. I am not asking for a lot. I am simply asking the government Members and the Official Opposition to give their support to this legislation so that we can protect our water and entrench that will in legislation.

There is a sense of urgency about this motion. Even if we were to begin today, with the best of efforts, to enact policy to protect our water, we would still be facing many years of continued pollution and overuse of a dwindling supply of accessible fresh water. Despite many years of warnings by environmentalists and scientists, as a nation we have been very slow to come to terms with the deplorable state of our water supplies. We have not grasped the urgency that this problem demands.

Perhaps this is due, in large part, to an understandable misconception about our water supplies. When you stand on the shore of Lake Superior outside my home in Thunder Bay and look out toward the horizon it is very difficult to believe that Canada is not a water rich country. However, that is exactly the case.

The Government's federal water policy sets out a compelling case in this regard. It points out that Canada, which occupies about 7 per cent of the world's land mass, has 9 per cent of renewable water, just about a fair share. However, about 60 per cent of that fresh water drains northward, away from our population, and is inaccessible. That which is accessible is mostly polluted.

There has always been a feeling that the need to get serious about protecting our water supplies was a problem for the future. Well, Mr. Speaker, the future is here. We cannot afford to put off any longer addressing this issue which quite literally is a matter of life and death.

I submit that the place to start is with a ban on exports. I say this for a variety of reasons. To begin with, water comes predominantly under the jurisdiction of the provinces. Any legislation, any progressive moves toward cleaning up and protecting our water supplies, must be subject to negotiations with provincial governments. However, water exports come under the purview of the federal Government. While I believe it is still beneficial to consult with the provinces on this matter, it is an area in which the federal Government can move

quickly, demonstrating leadership and setting the groundwork for the approach that must be taken.

Let me add to the argument the words of Robert Fournier, the Chairman of the Water Resources Committee. He says:

> Water is a vital element in Canada's past; it is equally vital for its future. Where once water determined the pattern of exploration and settlement, it now enhances the beauty and character of the landscape and plays a powerful role in Canadian identity. For all these reasons, and in the sheer abundance of our waters, Canadians can and do take pride.
>
> Thus it is cause for particular concern that the impact of current trends and future events on Canada's waters is uncertain. Climatic change, rise in sea levels, increasing abuse, and a potential export demand all place the future availability of water in doubt. This highlights the fact that Canadians are not owners of water, but hold only limited stewardship rights. Water returns to us both the benefits and disasters of our civilization. Technology can and does impact on our waters in more than one direction. Given the importance of water, the development and application of science and technology to assure wise management is vital to meet national needs.

The Minister, in his response to the federal water policy said:

> That is why the Government of Canada emphatically opposes large-scale exports of our water. We have another reason for our opposition; The inter-basin diversions necessary for such exports would inflict enormous harm on both the environment and society, especially in the North, where the ecology is delicate and where the effects on Native culture would be devastating.

I think it makes an awful lot of sense for us to support this motion in order to send a message to the Government that this House desires legislation which will control, prevent or restrict—whatever terms we want to use—the export of water from Canada to another country. I urge all Members of this House to give it their support and allow it to come to a vote.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, you have been around this House a long time and you know how the water issue stirs the emotions of all people including parliamentarians, and there is no exception today. The Member for Thunder Bay—Atikokan (Mr. Angus) has certainly done us a service by bringing forward his motion which is very simple and straightforward. It asks the Government to enact legislation to prohibit the large scale export of water from Canada. It could not be clearer than that. The message has been elaborated upon by the Member. I wish to thank him for his kind words and to express my support.

The timing of this motion, I hope you will agree, Mr. Speaker, is particularly appropriate because we are debating today the trade deal between Canada and the U.S.A. For that reason alone the issue of water becomes charged with emotion because there are in that trade deal certain commodities spelled out for exclusion from it but we do not see water among them.

I refer to the fact that there is in the trade deal a specific reference for exclusion from the application of what the trade deal would be all about to beer, lumber, and unprocessed fish.

• (1750)

Evidently one wonders if it was desirable for the Government of Canada to identify these three items. The chief negotiator for Canada has a record of making public statements in favour of major water diversions. Two years ago, the National Research Council made a grant of some $30,000 available to the Grand Canal Company, which now and then raises its head to propose a diversion scheme of monstrous dimensions and implications. Considering all of these precedents, it is no wonder that the question of water export becomes increasingly acute in parliamentary and political terms. Therefore, there is a convergence of legislative proposals that we are required to address here today.

Why should there be legislation? It is very simple: One does not want governments of the future to perhaps approve a measure of water diversion or export on a large scale without parliamentary approval. Presently, this is possible because there is no legislation to give Parliament these powers. We must deal with that vacuum. That is why the Member for Thunder Bay—Atikokan is moving his motion and it is for the very same reason that two years ago in February, 1986, we debated my Bill C-257 which had the same intention.

This matter is still unresolved, despite the fact that the Government has had an opportunity to examine and reply to the Pearse water report that was published in 1986. It has not taken the necessary legislative initiative to give a future Parliament the opportunity to intervene with the help of legislation and discuss any proposal of this nature emanating from the executive, as we are doing today with the trade deal. That opportunity is denied parliamentarians unless they have the required legislation.

The importance of keeping waters within the boundaries of Canada has already been stressed. Let me repeat for the record what was said in 1947 by then Minister St. Laurent about water export policy: "Can we in fairness to Canadian generations of the future allow such natural wealth to be diverted from our own territory and put to uses from which it would be extremely difficult afterwards to withdraw it?" That well expressed thought today finds a modern meaning in terms of dependence. Once we create a dependence for water in other national jurisdictions it becomes virtually impossible to turn the tap off.

The Member for Thunder Bay—Atikokan has already referred to General McNaughton's statement to this effect. Not only does the importance of water have an impact on the Canadian psyche, it is significant to the national identity of this country, particularly with respect to its economic uses.

Obviously, at the point we would become involved in large scale diversion and export of that water, we would also be exporting a considerable amount of jobs and economic interests. That is not in the short-term or long-term interests of Canada.

Evidently, the water that would be exported in a large-scale export would come from areas on which native people depend for their lifestyle. It would have a disruptive effect and would create an even greater dependence on non-aboriginal society. It would cause significant cultural dislocation. Therefore, it is no

wonder that native people have frequently expressed their natural and understandable opposition to water diversion. To them, water is part of their lifestyle and not just another commodity.

In conclusion, let me summarize the points that have been made in advancing this motion and other Bills during the life of this Parliament. It signals to the Government that it must come to grips with the necessity of putting forward enacting legislation on this very important subject.

Mr. John Reimer (Kitchener): Mr. Speaker, I am pleased to add a few comments to the motion which has been proposed that, in the opinion of this House, the Government should enact legislation to prohibit the large scale export of water from Canada to another country.

Let me explain the evolution of the federal policy on water since we formed the Government in 1984. In 1985, a year after we became the Government, the priorities and planning committee of Cabinet empowered the Minister of the Environment to act for the Government in formulating a federal water policy. He gave that matter a very high priority. Cabinet further decided that until this policy was in place there would be no major interbasin diversions or large scale exports of water.

The first step in developing the water policy was an inquiry on federal water policy headed by Dr. Peter Pearse of the University of British Columbia, which reported to the Minister of the Environment in September, 1985. Its mandate was to consider the nature of emerging issues, the state of the resource, future requirements for water, interjurisdictional dimensions and scientific and research expertise, with a view to ensuring enhancement of the health, well-being and prosperity of the people of Canada.

In conducting its work, the inquiry actively sought the views of provincial, territorial and federal Government Departments and their agencies, of private citizens and public groups, of industry and of the academic community. Between late September and early December of 1984, 201 presentations were heard in 33 days of hearings in 17 locations across Canada. Over 300 written submissions were received. In addition, the inquiry commissioned 22 research papers on special problems related to this topic. The inquiry made 55 recommendations in its final report entitled *Currents of Change*. Three of those dealt with water export. The inquiry concluded: "It would be imprudent for the federal Government to reject all exports out of hand". It went on to say that the Government "... should clearly set out the conditions that must be met for any proposal to be acceptable", and that there should be "clear procedures for assessing export proposals".

• (1800)

Those are three specific points made with respect to the export of water should Canada consider it. The inquiry simply said it would be imprudent for the federal Government to reject all exports out of hand, that we must clearly look at all of the factors that would be involved and all the procedures necessary.

In November, 1987, the Minister of the Environment (Mr. McMillan) released Canada's first comprehensive federal water policy statement. I would like to quote some of the comments made by the Minister at that time. He stated:

> The truth is that Canada, which occupies 7 per cent of the world's land mass, has 9 per cent of its renewable water. Further, about 60 per cent of Canada's fresh water drains north, while 90 per cent of our population lives within 300 kilometres of our southern border. In other words, to the extent that we Canadians have lots of water, most of it is not where it is needed, in the populated areas of the country. In those populated areas where it is plentiful, water is fast becoming polluted and unusable. The over-all problem in the country is compounded by drought in certain regions. Put simply, Canada is not necessarily a water rich country.

The Minister went on to say:

> That is why the Government of Canada emphatically opposes large scale exports of our water. We have another reason for our opposition; the interbasin diversions necessary for such exports could inflict enormous harm on both the environment and society, especially in the North, where the ecology is delicate and where the effects on native cultures could be very harmful.

The Minister further stated:

> The Government of Canada has the constitutional authority to block large scale export proposals. We can exercise this authority through various pieces of existing legislation. These include the Fisheries Act, The Navigable Waters Protection Act, the International River Improvements Act, and the International Boundary Waters Treaty Act.
>
> And, as the policy makes clear, the federal Government is reviewing existing laws, administered by various federal agencies, with a view to strengthening federal legislation, to the extent necessary, to fully implement the water policy. When this review is complete and if further legislation is needed to give effect to the federal policy against large scale exports of water, then that legislation will be placed before Parliament.

From these excerpts from the Minister's speech I think we can see that he has expressed some very serious concerns. Although we appear to have lots of water, it is in our far North and it drains towards the North, but it is in the South that we need it. Further, he is saying there is a very serious concern about the diversion of our water with respect to environmental factors, ecological effects and the impact that large scale diversion of water would have on our native population, particularly in the North.

The Minister went on to say that we have within our jurisdiction the ability to deal with this question and that when that review is complete, any further legislation that is necessary would be brought before the House. So I think the position of the Government is very clear. We are concerned with protecting our water and the impact diversion could have if we were to enter into any large scale export.

I would also like to make a few comments to the Member who introduced the motion. He talked about the timeliness of his motion, in his mind. I think he was relating the sense of his motion to the debate we are having on the free trade agreement. Much has been said in the House of late about the impact of the Canada-U.S. Free Trade Agreement on the export of Canada's supply of fresh water, and misleading statements have been made. I think it is important to say that

the free trade agreement explicitly recognizes that the Governments of both countries have the right to protect their environment and conserve their natural resources. Nothing in the free trade agreement affects the federal water policy announced by the Minister last November. That policy clearly states that the Government will not permit the large scale export of water or the diversion of Canada's rivers to the United States.

I find it interesting that just because something is not explicitly excluded in the free trade agreement, somehow it is implicitly included. With that kind of logic, the sun, the moon and the stars are included. With that logic, the Liberal Opposition is included. With that logic the NDP is included. I cannot understand why these people constantly get up in the House and tell us that we have to exclude it. It is not in there. They are trying to make people believe, through their fear and propaganda and so on, that somehow it is mysteriously there. My goodness, the air is not excluded so I guess we had better add that too. Some of the hot air those Members produce over there should definitely be included.

We have to come to grips with what is fact and what is not fact. We have to start to recognize what is clearly there. Water is not in the free trade agreement other than bottled water, and the tariffs on that will come off. We have every right and every power under the free trade agreement to preserve our natural resources, and we shall do so.

The Acting Speaker (Mr. McKinnon): We will now hear from the Parliamentary Secretary to the Minister of State for Science and Technology (Mrs. Duplessis).

[*Translation*]

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister of State (Science and Technology)): Mr. Speaker, I am pleased to see the Hon. Member's interest . . .

[*English*]

Mr. Angus: Mr. Speaker, one always assumes there is a rotation, and I would presume one of my colleagues should go next. I do not mean to interrupt the Hon. Member, but I say that just to keep the normal process.

The Acting Speaker (Mr. McKinnon): I thought the Member might have noticed that there were two members of the Opposition who spoke, and I am now recognizing two members from the government side.

Mr. Blaikie: Mr. Speaker, this is Private Members' Business, not government business, therefore, with respect to the rotation of government opposition there is not necessarily any hard and fixed rule. You are able to move about the Chamber in a way that is different from having to hear from the Government.

The Acting Speaker (Mr. McKinnon): It is not a hard and fixed rule, I agree. The Parliamentary Secretary.

• (1810)

[*Translation*]

Mrs. Duplessis: Thank you, Mr. Speaker. I am pleased to see the interest in Canada's water resources shown by the Hon. Member for Thunder Bay—Atikokan (Mr. Angus). The Government and indeed the vast majority of Canadians share his concern over large water export projects. Let me deal with these concerns for a few moments.

Canada is without doubt one of the most favored nations in the world for its abundant fresh water resources. However, despite what most observers think, these resources are far from inexhaustible or indestructible. The situation of our underground waters is not as well understood as that of some other countries, mainly because we have relied a great deal on our surface waters. Canada probably has more lake area than any other country in the world. Our lakes play a major role in regulating the flow of our waterways seaward, and they provide a rich habitat for our fauna and flora and for our own enjoyment. However, most Canadian lakes are a one-time gift we were left after the last ice age. They are not renewable, except at the expense of the streams and rivers that feed and drain them.

Hence, the best way to measure a country's water reserve is to measure the renewable water supply from spring water and ground water. If we consider the average annual flow, Canadian streams and rivers represent nearly 9 per cent of the world's renewable water supply, or roughly 100,000 cubic metres per second. Considering the population of Canada which is only 1 per cent of the world's population, this supply is indeed a generous gift of nature, but these figures are not so out of proportion if we compare them with Canada's surface area which corresponds to approximately 7 per cent of the world's territory. In any case, these figures are well below the 25 to 40 per cent of the world's water supply often attributed to Canada in new reports that neglect to make a distinction between renewable and non-renewable sources.

For the sake of comparison, the total run-off from American streams and rivers, including Alaska, is estimated at approximately 94,000 cubic metres per second, or nearly 8 per cent of the world's supply, while the renewable supply of the USSR is 139,000 cubic metres per second, or nearly 13 per cent.

Despite the apparent abundance of water in Canada, there are other factors that shape our perception of these water resources. For instance, about 36 per cent of annual precipitation in Canada falls in the form of snow, most of which stays as such for several months until spring thaw. There are times when the run-off is many times greater than average, sometimes causing flooding, while there are also times when it only amounts to a fraction of the average figure. The geographic distribution of water is another problem, in that nearly two-thirds of the total run-off flows North, far from the more populated regions in the South.

The variations in precipitation from month to month and from year to year also affect the availability of water, and this summer is a case in point. These variations force us to consider not only the average flow but also the less reliable flow on which we can count only nine years out of ten.

The message we get from all this is that the total flow of Canadian rivers and streams does not constitute a realistic estimate of the water supply available to Canadians. Today, however, we do, on the whole, have annual reserves that are greater than our draw-off at the national level.

Thermal generating stations and the manufacturing industry are responsible for the greatest draw-off. As for irrigation, not the quantity of water drawn off but the quantity consumed is important, and the fact that irrigation is concentrated in the arid Prairies. In this region, Mr. Speaker, irrigation represents 87 per cent of all water consumption. The use by the manufacturing and mining industries and by towns and cities is another major source of draw-off. This, however, is not the sum total of water use.

It is difficult and sometimes impossible to calculate accurately local water use so as to ensure the survival of fish and fauna, protect our heritage, and provide for recreation, navigation, and the dilution of effluents.

Like the rest of the world, we Canadians are barely beginning to realize just how much water we will need to maintain the natural habitat, especially in light of efforts made by environment defence organizations, reports such as Global 2000 and the World Environment Commission.

Mr. Speaker, we do not usually consider water in a continental context but I believe it would be appropriate to compare our situation with that of the Americans. However I am making this comparison after seriously reflecting upon the situation of water quality which might further reduce the supply of water that is acceptable and can serve for various uses. As I said earlier, we must also keep in mind the fact that we did not figure out local water needs.

An examination of the balance between reserves and consumption reveals that some Canadian regions already experience water shortages despite the fact that the world's renewable reserves exceed current consumption. The main region facing such problems is the southern part of the Prairies, particularly the north and south basins of the Saskatchewan River, the Red River, the Assiniboine River and the Milk River where they are considering proposed water supply storage facilities and small projects to transfer water between basins.

With respect to demand, water consumption trends closely parallel our two countries' demographgic densities and different needs. To meet the water consumption requirements of people, municipalities or thermal energy producing companies as well as those of the industrial and agricultural sectors, the United States now take from surface and underground reserves quantities of water which are about 12 times larger than those we use in Canada, yet they outnumber us 9 to 1.

Right now, thermal energy production and manufacturing activities in Canada account for most of the consumption. Irrigation projects rank first in the United States and if that trend should continue for a number of years it might lead to disputes between those who favour energy production and others who are more supportive of local consumption in the southwestern United States where most of the irrigation facilities are located.

Without Alaska, water reserves in the continental United States are 60 per cent of Canada's. If we consider reserves that are reliable nine years out of ten, the flow in the United States is declining even more and represents slightly more than twice the draw-off. At the regional level, the ratio is in many cases even less promising.

According to a national assessment carried out in 1978, the Americans predicted there would be serious water supply problems between now and the year 2000 in seventeen subregions, which means in most of the Great Plains and the Southwest. This explains the sustained interest shown by certain "unofficial" circles in Canadian water "surpluses" that would enhance the demography and economy of these regions.

Mr. Speaker, in concluding I may add that major water exports, including diversions from one basin to another, were discussed in the Federal Water Policy published by the Minister of the Environment last November. I would like to quote briefly from what the Minister said in his introduction to this policy, and I quote: "To put it bluntly, Canada is not a country with an adequate water supply. That is why the Canadian Government is firmly opposed to large-scale exports of water. There is another reason, however. The diversions between basins that such exports would require would be extremely harmful, both to the environment and to society, especially in the North, where the natural environment is fragile and such projects would have disastrous consequences for our native cultures".

Mr. Speaker, the Hon. Member's motion is generally in line with the present Government's policy on water exports. However, we already have substantial legislative power that we could use in this respect, and I am about to finish Mr. Speaker. We are now looking at the situation to determine whether we should reinforce those powers, and if that is the case, I can assure you that the present Government will take any action necessary to preserve our invaluable water resources.

• (1820)

[*English*]

Mr. Simon de Jong (Regina East): Mr. Speaker, I am delighted to participate in the timely motion of my colleague, the Hon. Member for Thunder Bay—Atikokan (Mr. Angus). We heard spokespeople from the Government, that is, the Parliamentary Secretary, and before him we heard from the Hon. Member for Kitchener (Mr. Reimer). Both government

Members made a great deal of the policy statement on water that the Minister of the Environment (Mr. McMillan) released in November. In fact, both Members quoted extensively from the remarks made by the Minister at that time.

Certainly, if one accepts what the Minister stated, and if one accepts those statements at face value, one could be assured that the Government indeed had the best interests of Canada in mind, that it was not going to be in favour of diverting water or selling water to the United States, and that they were dead set against any inter-basin diversion of water.

At the same time that those Hon. Members were speaking, at the same time that the government policy supposedly exists, the Government of Canada and the Government of the Province of Saskatchewan were involved and continue to be involved in a $1.7 million study on the South Saskatchewan River. Part of that study is diverting water from the South Saskatchewan River Basin to the Souris Basin. In that study there has also been some discussion of diverting water from the Qu'Appelle Basin to the Souris Basin.

The Government is now under the political gun of the Premier of the Province of Saskatchewan. Earlier in the day I called him an "environmental thug", and I stand by that statement. For entirely political purposes the Premier of Saskatchewan wants to build a power plant in his riding called the Shand Plant, which will be a coal-fired plant, and for that he needs water to cool that plant. He is proposing to dam the Souris River, and two dams and reservoirs are proposed: The Alameda being one, and the Rafferty being another.

The Souris River depends entirely upon run-off. If that dam had been built in 1912, the first year they started to measure the flow of the Souris River, those reservoirs would not have been full until 1948. That is how much water is in the Souris River. Various studies have shown that, if Mr. Devine's reservoirs are to fill up, he will need water from some other sources. Of course, the nearest source is thousands of acres of wetlands. He is going to drain that, with tremendous impact on the environment in that area, but that will not be enough, especially in dry years. The Government of Saskatchewan's own study shows that there is a 20 per cent chance of not having a sufficient amount of water in the reservoir.

One cannot go ahead with a project of over $1 billion with that high a percentage of chance that there will not be enough water. Of course, they are now actively studying taking water from the Qu'Appelle River and the Qu'Appelle Basin in the heart of my riding. There is not enough water in the Qu'Appelle River and the Qu'Appelle Basin. I could take you there, Mr. Speaker, and show you that the level of the water in the river and in those lakes has dropped.

If the plumbing is in and the Qu'Appelle Basin is going to be connected to the Souris, when it comes time to determine if water is going to be taken out of the Qu'Appelle Basin, and there is over $1 billion invested in a power project, one knows darn well they will be taking water out of the Qu'Appelle rivers and lakes.

There are studies undertaken by the federal Government and the provincial Government that will also divert water from the South Saskatchewan River Basin via Diefenbaker Lake into the Qu'Appelle chain down into the Souris River.

While the Government talks about being opposed to the inter-basin transfer of water, it is actually involved in studying that in order to allow Mr. Devine his political rewards by building a power project and the accompanying dams that have no economic justification, that are environmentally damaging, and the only reason is pure and simple pork-barrel politics. The Government and the Minister of the Environment have knuckled under to the political blackmail committed by the thugs in the provincial Government in Saskatchewan, and it is disgraceful. For government Members to rise in the House and assure us how virtuous the Government is in terms of water policy I call hypocritical.

The other aspect that is most disturbing is that when water is diverted and the connections are done between the Souris River, the Qu'Appelle River, and the South Saskatchewan River, the plumbing will be in place to divert water to the United States. By treaty we are committed to sending 50 per cent of the historic level of what flows through the Souris down into North Dakota. That means that in a dry year like this year North Dakota will be assured of a steady supply of water. No wonder the Americans are going to give $40 million to the Saskatchewan Government to help with that dam project.

Mr. Gustafson: For flood control.

Mr. de Jong: North Dakota first wanted to build this dam for flood control purposes, but they were not allowed to do so because of the environmental damage that the dam would have created. Canada, like any good Third World country will now have to suffer the environmental damage that the Americans would not allow on American soil. That is how subservient we are to the Americans under the present Government and the likes of the Premier of Saskatchewan, the Hon. Grant Devine.

The motion of my colleague is indeed a very timely one. I urge the House to accept it. If such a motion had been passed, and if the Government had the political will to ensure that water from the South Saskatchewan River and from the Qu'Appelle River would not flow into North Dakota, we would not need this. But the Government does not have the political will.

On one occasion I rose in the House and asked the Minister to give his assurance that water from the South Saskatchewan and the Qu'Appelle Rivers would not flow into North Dakota under the proposals that are being considered by the Government of Saskatchewan. He could not give us that assurance. In fact, he refused to give us that assurance. The only interpretation one can take from this is that the Government is actively considering diverting water from these basins, moving it into the Souris Basin which eventually will flow into North Dakota.

Water is the most precious resource of southern Saskatchewan. Government studies have shown that as the greenhouse effect becomes more of a reality, southern Saskatchewan faces the danger of becoming a desert. We must conserve and husband our water resources as best we can. The proposed reservoirs will mean that in an ordinary year there will be a 30 per cent evaporation rate of water. In a dry year like this year 60 to 70 per cent of the water in those reservoirs will evaporate over the summer period. That we maintain, is a wasteful use of a very scarce resource. Therefore, we call upon the Government to use its powers under the International Water Boundaries Agreement and to prevent this project from occurring.

• (1830)

The Acting Speaker (Mr. McKinnon): There are two minutes left. The Hon. Member for Mount Royal (Mrs. Finestone) has the floor.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I regret that I have no longer than two minutes, but in those two minutes I would like to make a few points. First, I would like to support strongly the recommendation of the Hon. Member for Thunder Bay—Atikokan (Mr. Angus) that the Government enact legislation to prohibit the large scale export of water from Canada. I would suggest that the Government return to the legislation that was brought to the House by the Hon. Member for Davenport (Mr. Caccia), Bill C-257, which would have given Parliament power over water exports and the diversion policy.

The problem is that the issue is totally unclear. The Minister has said that water is not in the trade agreement. Others have said that it is in the trade agreement. I believe that the Minister is wrong and that it is well hidden in the tariff schedules, like hundreds of other commercial goods.

I would ask the Government to take into consideration very seriously Section 22.01 which indicates that waters include natural or artificial mineral waters, aerated waters not containing added sugar or other sweeteners, not flavoured, and then ice and snow are added. If ice and snow are not water, I would like to know what is. I would recommend that the Government take another look at Section 22.01 or else acknowledge that it did put water in the free trade agreement.

All the talk about water policy of the Minister of the Environment (Mr. McMillan) is not in the form of legislation. I will conclude by drawing your attention to one last point, Mr. Speaker. Ontario wants and is proposing legislation that would protect its water supply. Under Section 8 of the free trade agreement, we have a problem.

I hope we will give serious consideration to these particular matters. They are very important to the well-being of Canada, not only in terms of decertification but in terms of cultural policy and the general well-being of Canadians.

The Acting Speaker (Mr. McKinnon): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 42(1), the order is dropped from the Order Paper.

GOVERNMENT ORDERS

[*English*]

CANADA-UNITED STATES FREE TRADE AGREEMENT IMPLEMENTATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Crosbie that Bill C-130, an Act to implement the free trade agreement between Canada and the United States of America, be read the second time and referred to a legislative committee, and the amendments of Mr. Axworthy (p. 16661).

The Acting Speaker (Mr. McKinnon): When we debated the trade Bill previously, we had received an amendment from the Hon. Member for Essex—Windsor (Mr. Langdon). Mr. Langdon moved:

> That the motion be amended by adding in line 9, immediately after the comma the following:
>
> "including our valued system of social and regional development programs,"

This amendment has been found to be acceptable from a legal standpoint. Are there any differing opinions? Then debate continues.

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, it is a great honour to take part in this historic debate. As the Prime Minister (Mr. Mulroney) and the Minister for International Trade (Mr. Crosbie) have made clear, this is much more than a debate about establishing a stronger, more secure trading relationship with the United States. This debate in fact is about building a stronger and more secure Canada, a Canada that is better able to meet the needs and fulfil the hopes of people in every part of the country in the 1990s and in the new century beyond.

I take particular pride in speaking in support of this legislation. It was three and a half years ago that the Minister of Finance (Mr. Wilson) brought forward on behalf of the Government a comprehensive agenda for renewal of the Canadian economy. At the heart of that agenda was the belief that Canadians must and would rise to the challenge of the increasingly competitive international environment in which we make our living.

This challenge was met by the Government, and we embarked on a wide-ranging series of actions to create a better economic framework for risk taking, for innovation and for hard work. Of course, this is what has always made the difference between economic success and failure, but we need a framework for that to happen, a framework in which Canadians have both the scope and the incentive to seize economic opportunities, to give their best to the creation of new growth, jobs and a higher standard of living.

[*Translation*]

That is why we acted to restore fiscal responsibility to the federal government; to reduce, through deregulation and privatization, the burden of government intervention; to foster a healthy and receptive climate for private sector investment; to make regional development more sensitive to local needs; and to establish a more effective policy for the promotion of science, technology and innovation.

To further improve the framework for growth and job creation, Mr. Speaker, we embarked on comprehensive tax reform to make the tax sustem fairer for individual Canadians and more effective in supporting productive economic activity.

The Bill we are debating today is another crucial plank in our program for economic renewal that will ensure Canadians the greatest possible scope for their economic efforts. The Canada-U.S. Free Trade Agreement will open up Major new opportunities for Canadians to benefit from expanded and more secure access to the richest market in the world.

The key word, Mr. Speaker, is benefit.

I want to outline the economic benefits that this bill opens up for Canadians in every part of the country.

[*English*]

The extent of these benefits is large. One of the most important benefits of the free trade agreement is lower prices and more choice for Canadian consumers. Our Department of Finance study estimated that the effect of the agreement will be to reduce over-all consumer prices in Canada by about 1 per cent by 1993, and these lower prices will in turn boost real personal disposal income and increase consumer spending.

As a result of lower prices and increasing wages, we are projecting a 2 per cent increase in consumer spending by 1993 over and above what would otherwise occur. Once all bilateral tariffs have been fully eliminated, the cost of consumer goods imported from the United States will be reduced by about 5 per cent on average. Business will gain from these lower prices and intermediate goods imported from the U.S that go into their production will also gain. Consumers in turn will benefit from lower prices on these goods. We hear a great deal about the other parts of the free trade agreement. Let us not forget that it means lower prices for consumers right across Canada.

As Canadian firms restructure and retool their factories to take advantage of new opportunities which will be brought to them through free trade, because we will secure strong access to the American market, business investment in plant and equipment is projected to rise by more than 4 per cent in real terms by 1993. Of course, that means economic activity, greater wealth and increased opportunities for employment.

The favourable impact of free trade on real personal incomes as well as on profits and consumer spending will translate into faster growth and job creation. As the Minister of State for Finance, that is a part of my responsibility, and free trade is part of promoting that. We estimate that 120,000 net new jobs will be created by 1993, the fifth year of the implementation of the agreement.

Just as important as the creation of new jobs is the fact that the thousands of existing jobs will be protected as a result of this agreement. These are jobs that would otherwise be jeopardized by increases in U.S. protectionism. This is too often forgotten. Not only will more jobs be created, but one of the greatest reasons for locking in a trading arrangement like this with the United States is to lock in access to the American market, and that will protect Canadian jobs.

In fact, the figures on job creation understate the over-all gains to be made. They are conservative in comparison to other reported estimates. There are many unquantifiable benefits as well that will further enhance the job gains to be made as Canadians take advantage of new economic opportunities that will be created.

Thinking of my own city, General Motors Diesel, for example, will be closing its locomotive plant in Illinois and expanding production in London. It could not do this if it were not able to move those locomotives back across the border into the United States with no tariffs and with less secure access. Another example is 3M which is also located in London. It has some facilities in Iowa that it is thinking of closing down and moving to Perth and London because they are closer to the over-all heart of the North American market.

Southwestern Ontario is one-day's truck drive from 62 per cent of U.S. payroll. We are beautifully situated in Canada to take advantage of new opportunities in the American market. We cannot quantify all of these opportunities, but they are there over and above the basic projections of the Department of Finance, and they also will, I think, increase further because of reduced production costs due to the rationalization that will occur. As a matter of fact, the third volume of the Macdonald Royal Commission points out that rationalization has already taken place in our economy just waiting to take advantage of free trade.

• (1840)

Some of this was put together before free trade in order to deal with the European and Japanese competition. It is in place. It wants free trade in order to be fully effective.

Lower prices for intermediate goods will make Canadian industries much more competitive as well, and let us not forget that. That, too, will create jobs not only in Canada and in the U.S. but in overseas markets as well. With a greatly enlarged market for Canadian goods, production in Canada could expand by almost 3.5 per cent by the time the agreement is fully implemented.

Among our industrial sectors, the favourable impact will naturally be largest for manufacturing. It used to be that that sector that was the weakest in Canada. It is here under free trade that there will be the best opportunities to take advantage of the economies of scale, and by the time the agreement

is fully implemented, Canada's manufacturing output should grow by about 11 per cent, according to the Department of Finance study's conservative projection. Even Canada's more highly protected industries can gain from the progressive elimination of tariffs.

It is quite right to stop and look at our industries that are sheltered behind high tariffs. What is going to happen to them? Well, these industries will gain because these are the same industries that tend to be highly protected on the other side of the border.

Petrochemicals are a very, very good example. Six of the 10 most protected industries in each country are common to both, and the remainder are in similar industrial categories. For many industries, tariff reductions will leave their relative competitive positions largely unaffected, but I would predict that huge American tariffs against our petrochemical exports are going to be removed in five years. In 10 years, this is going to be a bonanza for the petrochemical valley of the Sarnia area.

Our study shows that real income would rise by about 2.5 per cent once the economy is fully adapted to the free trade agreement, and this represents a permanent increase in real income of $12 billion in today's dollars. This is equivalent to a permanent real income gain of about $1,800 for a Canadian household of four, and this is not a one-time gain. This will be there year after year after year. That is what it means to the average Canadian household.

The free trade agreement is good in these macro economic senses, but it is also good for the different regions and provinces of Canada. The Atlantic region with its smaller manufacturing sectors will gain substantially because of the lower prices of manufactured goods purchased from other regions of Canada as well as the U.S. The FTA will also give greater scope for the further processing of resources. The fishery, food processing and resource-based industries, in particular, stand to benefit considerably. Now the Americans are quite happy to take the raw fish. Removing their tariffs on processed fish will allow us to do that processing. Trade liberalization will not only protect these industries and protect these jobs, but it will open the door to new opportunities and further expansion. That is the basic message.

[*Translation*]

Ontario and Quebec will gain through the increased and more secure access to the large U.S. market which will create more opportunities for investment and will allow their industries to reap the benefits of specialization and large scale production.

[*English*]

The energy agreement creates exciting new opportunities for western development. We know how keen westerners are on oil, natural gas, uranium and hydro electricity. Enhanced and more secure access to U.S. markets will allow the prairie provinces finally to really secure their export opportunities in the U.S. and to enhance them.

Further benefits will be gained as well through diversified growth of agricultural exports on the prairie provinces, and in a similar fashion the economy of British Columbia will benefit from increased opportunities. Tariff reductions will make mineral exports more competitive in the U.S. market. These reductions will increase the scope for further processing of minerals and other resource-based products.

Free trade will lead to more processing. That is also something that all Canadians have been hoping for. There is a great deal of appreciation, therefore, in all parts of the country of the benefits of the agreement, but there have also been misconceptions that the agreement is somehow not good for Ontario. I want to take just a moment to deal with this issue.

Ontario enjoys the advantages offered by quite a diverse economy. It has a strong manufacturing sector and a strong industrial sector in addition to well developed farming and natural resource sectors. It has a very balanced economy as a whole. "Booming" is the adjective that is used most often to describe Ontario's economy. A good part of the reason for this boom is the fact that Ontario has highly developed trade relations with the United States. We cannot deny that Ontario has deep relationships with the United States in terms of trade, and that has helped to produce this boom.

In recent years, all of this has had a cloud over it because of the threat of protectionism. Ontario has already experienced first-hand the pinch of U.S. protectionism, for example, in steel products. Protectionism results in lost jobs, weakened competitive abilities, higher prices and restricted growth. No Ontarian, no Canadian, no political leader regardless of political Party can remain indifferent to the threat of U.S. protectionism, least of all Ontario. Securing access to the U.S. markets and removing all tariffs between the two countries by 1998 augurs very well for many sectors of Ontario economy and particularly for the development of an even stronger, more competitive manufacturing sector.

I want to underline in this regard that the Auto Pact will be made stronger by the free trade agreement. If there is a spine that runs through the Ontario economy, it is the Auto Pact. With the conclusion of this agreement, auto workers, auto parts suppliers, automobile companies and consumers in both countries will benefit greatly from the liberalization of trade in this sector.

Since its inception 22 years ago, the Auto Pact has been subject to review and cancellation upon one year's notice. We cannot forget this. The Auto Pact will not be there forever. It can be cancelled in one year. By wrapping the free trade agreement around the Auto Pact, it has been preserved. It cannot be cancelled now without cancelling the FTA itself. Indeed, the agreement will expand free trade to include new sectors in the industry, replacement parts and tires.

• (1850)

[*Translation*]

Resource-Dependent Northern Ontario in particular has not always been able to share fully in the overall health of the Ontario economy. The reduction of tariffs, particularly of finished products, will help reverse that situation. It will expand export opportunities and provide increased scope for further processing in Canada of resource-based products.

[*English*]

Ontario farmers, whose output is the largest of all the provinces, will benefit by more secure access to U.S. markets. At the same time, the interests of the dairy, poultry, fresh fruit and vegetable producers have been safeguarded in this agreement and many more sectors stand to benefit as new opportunities arise to do business in the largest and richest market in the world, and that means new growth and new jobs.

We have also worked out something very interesting for all provinces, but especially for Ontario, a new code to cover trade in services, the first international agreement to accomplish this. At present, Canada's service industries employ 70 per cent of our labour force and are concentrated in Ontario. We know that the province is particularly strong in telecommunications, engineering, computer services, management consulting, insurance, and banking.

This is very important. When we think of trade we think of trucks filled with goods being taken across the border, but trade is also people with briefcases and training who can give advice, repair a product, or set it up. That will also be part of a new code for freer trade under this agreement. Much of Canada's future employment opportunities will spring from this service sector. Ensuring free trade in services will be crucial in providing further opportunities for people in all parts of the country.

Finally, I want to underline the fundamental importance of investment for the future of the Canadian economy. With or without the free trade agreement, Canadian business and industry can be competitive with the best in the world only by upgrading its capacity to produce high quality goods and services at an attractive price.

The key to improving that capacity is investment. The free trade agreement provides a powerful incentive for that. Many of the benefits which will flow from this free trade Bill are implicit in its provision. However, let us be clear that it is the response of Canadians to new opportunities that will determine just how successful this agreement will be. It is equally clear from the overwhelmingly positive response of Canadian business people that they are more than ready to meet the challenge.

Some opposition Members have made clear that they do not share the Government's confidence in this. They have not listened to the millions of confident Canadians who believe in their own ability to make the most of their opportunities. To those Members I say, look more closely at what Canadians have accomplished in the past three and a half years.

Ms. McDonald: You're selling out the country.

Mr. Hockin: Don't say we're selling out the country, look at what we have accomplished in response to the new approach that the Government has brought to economic policy. Look more closely at the competitive reality of the world we live in. Stop pretending that Canada can hide from that reality and still maintain the high standard of living and of public services which Canadians have come to expect.

Members opposite should stop dwelling on our weaknesses and insecurity of the past. They should start building on the strength and the confidence which will ensure Canada's economic future. They can begin that process by supporting this Bill.

Mr. Langdon: Mr. Speaker, it is, of course, not the weakness and our insecurity about which we are concerned but the immense weakness and insecurity within this trade deal as far as the future of a country is concerned.

I would like to ask a set of questions of the Minister which tie together. The first is a fairly crucial question. The finance study suggested that there will be 120,000 new jobs after five years. That finance study was carried out at a time when the Canadian currency was significantly lower than it is now. I would be interested to know what the change in the job impact would be at the present value of our currency which, I believe, is up by about 7 cents.

I would also be interested in the Minister's comments on the latest business lobby which descended on Washington led by one Robert Beeby, the President of Pepsi Cola International who, among other things, said the agreement is almost ideal. He dismissed critics who say that Canada and the United States are creating a regional trading block. He said, "That's what it is, let's not hide behind it". He went on to say:

> I think ultimately we're probably going to have a linkage of the currencies. If we sign this treaty, you know this just has to be, doesn't it.

That linkage of currencies would very rapidly wipe out, in the very model which the Minister is using from the Finance Department, any of the benefits about which he was talking.

The last point I want to raise with the Minister is his incredible statement that the Auto Pact has been made stronger. He says that the Auto Pact, which was subject to a one-year cancellation, is now stronger because it is part of an agreement which is subject to a six-month cancellation. That is an interesting leap in logic, especially since there have been changes in the way in which the Auto Pact can be put into effect from our side which prevent us from putting the Asian and European car producers, who get a significant market share in this country, into the Auto Pact itself.

If they were part of the Auto Pact they would have to meet 60 per cent Canadian content. That would be 60 per cent Canadian jobs, parts producers, contracts, and so forth here in

Canada. That is not something that is permitted any longer. It is a significant weakening of the Auto Pact along with the reduction of the tariff penalties which formerly supported the Pact.

I am especially surprised to hear the Minister say that, because he was chairperson of a committee which said in 1985 that the Auto Pact should not be touched. Yet the Auto Pact was very significantly changed. I would ask the Minister to explain that contradiction as well.

Mr. Hockin: Mr. Speaker, I am very pleased to respond to my hon. friend's question. He asks probing and serious questions which deserve a serious and extensive set of answers.

First, with regard to the currency, the study done by the Department of Finance pivoted, I believe—although I will have to get this verified—around an 80 or 85 cent dollar. He is asking what would happen to our competitiveness with the United States if the Canadian dollar went up higher. If he is suggesting that we should have a 50, 60, or 70 cent dollar secured forever, he will find very little support in Windsor or elsewhere for such a proposal.

In the first quarter of this fiscal year investment in Canada has been at record breaking heights. It was up by 17 per cent on an annualized basis in the first quarter. That is because of the great confidence people have in the Canadian economy. That means as well that we are importing more. As a matter of fact, our imports were up by 1.3 per cent over the first quarter of the previous year as compared with exports in which there was more than a 3 per cent increase over the first quarter of the previous year.

That has happened because there is so much confidence in our economy and our export performance is so strong that our dollar is strengthening. If free trade is a great success for Canada, the dollar will continue, little by little, to strengthen. This will, of course, be in relationship to the rest of the world. As we strengthen in relation to the rest of the world we can do what the Hon. Member has often told me we should do, that is, export outside of North America and be competitive against the rest of the world. Therefore, the strengthened Canadian currency is a result of confidence in the Canadian economy and nothing else.

The Member tied regional trading blocks to the issue of currency. He tried to create a scare by saying that we are trying to create a regional trading block which will eventually lead to a fixed currency *vis-à-vis* the United States. That is a hypothesis so remote that it really does not deserve an answer. First, we are not a market. We are not even negotiating a common market. The Hon. Member knows that the Common Market allows the free flow of labour and other elements of production besides goods and services. We are not negotiating that, and they do not even have fixed currencies among them. We are three or four steps from that.

• (1900)

The Hon. Member refers to the Americans. One moment they will believe the Canadian dollar is too low and the next they will say that it is too high. The Hon. Member may quote the President of Coca-Cola but he could quote someone else with a different view another month. They change, depending on the predicament they are facing. They do not want a Canadian dollar pegged to the American dollar. The Hon. Member could find just as many Americans, if not more, giving the opposite advice from what the Hon. Member just quoted.

The Hon. Member asked about Auto Pact cancellation. I listened carefully to him because he is from Windsor and has an interest in the Auto Pact. I noticed that he did not criticize too much what we have negotiated. He was somewhat worried about the rules of origin, but he did not mention that the rules of origin regulation will be on a stricter basis which, in fact, increases the amount of North American content.

It is also very interesting to note that he said the free trade agreement can be cancelled with six months' notice and therefore the Auto Pact is less safe than it was. He is admitting that the Auto Pact could be cancelled with one year's notice. The free trade agreement, which the Hon. Member has said will develop long-term structural relationships in this economy, will be very hard to change. That is what gives it much more permanence than six months. The Auto Pact is as secure as one could want, with its being included in the free trade agreement.

The Hon. Member asks about the Auto Pact in general. There is no doubt that this agreement improves upon the Auto Pact. We stated in the special joint committee report that we do not want the Auto Pact weakened. It is strengthened. I do not believe the Hon. Member is against strengthening the Auto Pact, which is what we have done.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, what we heard in both official languages was a sophomoric, mellifluous 20-minute adoration of what the dollar stands for and how values relate to the dollar. During his speech the Minister carefully avoided saying how this trade deal will affect Canadian wine producers, how it will affect shoe and textile workers, and how it will affect the computer industry. More important, the Minister failed to address the basic issues that have been put on the table in discussing the trade deal itself.

It seems to me that the trade deal is a test of credibility of politicians in the first place. The House will recall the statements made in 1983 by two important political figures then and, even more important, now. They were the Leader of the Official Opposition and the finance critic at that time, both of whom took a position that has been widely quoted here and in other places in opposition to any trade deal with the United States. Therefore, this very debate includes a test of the credibility of politicians who take a stand in the opposition and

reverse it 180 degrees when in power. What does that do to public opinion about our action? It certainly has an impact.

Second, the debate on the trade deal is one on values we hold dear as a society and as Canadians. On the one hand there is the mind set that only understands the dollar sign, as demonstrated this afternoon by the Minister of State for Finance (Mr. Hockin) in his speech. Nothing else counts except economic performance. That is the philosophical position that he and members of his Cabinet adhere to and which they have embraced in advancing this Bill.

The other side of the debate in dealing with Bill C-130 is not a question of the economy but a question of sovereignty. It is whether Canadians would hold more dear the notion of the dollar value or the value of sovereignty. That will be the test when we judge the very essence of this measure in the next election. The sooner there is an opportunity to do so by way of an election, the better. It is absolutely essential that this matter be debated and voted upon by Canadians during the next election, in light of the lack of credibility in statements made by the Prime Minister (Mr. Mulroney) and the Minister of Finance (Mr. Wilson), when they were in opposition.

Third, this debate on free trade puts before Canada a fundamental choice: The choice between going the route of continentalism as a nation, which has been rejected on a number of occasions in the last decades, or taking the multilateral trade path that allows us the advantages of trade through the GATT system with all nations of the globe.

Fourth, the debate on this Bill reveals the ineptness and incompetence on the environmental front of both the Minister of the Environment (Mr. McMillan) and the Government as a whole. This was demonstrated first by the complete silence of Environment Canada on the trade deal. It is one of the few Departments that has not produced any literature or document in support of the trade deal, and that should say quite a lot. Second, while the Minister of the Environment endorses the world commission report on environment and development, which is an environmental and economic report, while he endorses the National Task Force on the Environment and the Economy, he says that trade and the environment are not related and therefore has no comment to make about the trade deal with the United States.

Fifth, the debate on trade is one that exposes a massive energy sell-out on the part of the Government of Canada.

Mr. Hockin: Nonsense!

Mr. Caccia: The Minister says nonsense. I will put questions on the record and I will be very interested to hear his answers.

Sixth, and particularly important, it is a deal generating resistance by an increasing number of Canadians. That is mainly caused by the fact there are going to be losses in jobs because there will be, in the long term, a dismantling of our political powers and the uncertainty this trade deal is bringing about on the security of our social policies and programs. If we put together the basic elements that have to do with this trade deal, we can understand why the speeches of the Minister of State for Finance and the Minister for International Trade (Mr. Crosbie) are so disappointing and why 20 minutes is not enough to deal with this subject.

• (1910)

In the limited time available I will have to concentrate on the environment. It was in January, 1986 that the Canadian Environmental Advisory Council raised some questions with the Minister of the Environment (Mr. McMillan). The trade deal was just in its infancy at that time. It made some seven points, and I will briefly put them on record because they are interesting. These issues were raised, but they were never dealt with by the Government.

First, the council said there is an obligation for public consultation, input and education on the environmental implications of freer trade and the negotiations on which actions should be taken. What was done with that recommendation? Nothing. The council went on to say that there are no readily available comparative data on environmental standards and regulations in Canada and the United States and on the levels of implementation. It said that there is a need for comparative data on other environmental management programs, and urged that these be developed and established. This recommendation went by unnoticed.

Third, the council said that Canada should benefit from the experience of other nations in relation to the environmental implications of freer trade by reviewing the experience in other relevant areas such as the European Economic Community. Nothing happened on that.

Fourth, an expanded set of environmental principles was suggested by the council, which could be accepted and used as a guide by the negotiating teams during bilateral and multilateral negotiations. That recommendation went unheeded.

Fifth, the council said that to ensure that Canada's essential environmental concerns are protected, the Canadian negotiating team should be provided with a list of environmental non-negotiables. That was an eminently good suggestion which was not dealt with. It would have removed a number of anxieties and uncertainties that still exist here in this Chamber today. While the Government found it necessary to exempt beer, unprocessed fish and lumber, it did not include water in the exemptions. That is why we have this enormous question mark with respect to water. Why was water not included in the exemptions? I see the Minister walking out of the Chamber. Evidently, he has had enough.

This recommendation was made in January, 1986, not just a few months ago. Yet nothing happened. Nothing was acted upon. Finally, in view of the major role played by provincial Governments in renewable resources, which is a recognition of the constitutional reality of our country, environmental management and the commitment to provincial consultation, the council suggested that consideration should be given to

discussions on the environmental implications of freer trade by the Canadian Council of Resource and Environmental Ministers. Unfortunately, and it is highly regrettable, all the suggestions contained in the report by the Canadian Environmental Advisory Council, which is now two and a half years old, went by unnoticed. No attention was paid to it.

What happens then? We examine the document which is now the object of our debate and we find, for instance, a chapter on pesticides. In that reference to pesticides in the trade deal, the word "harmonization" pops up several times. It is given an important position because there has to be eventually a coming together of regulations and standards. But the word "harmonization" is loose and floating in the air because no one knows how to interpret it. What does "harmonization of pesticides" mean? Will it mean the adoption of your rules and regulations, Mr. Speaker, or will it mean mine?

I am inclined to agree with the view expressed by the Canadian Environmental Law Association in Toronto. In its issue of November-December it states, on the question of harmonization of standards, that, given the greater size and power of the United States Government and industry lobbyists, the standards to be set are more likely to serve American interests than Canadian. The negotiation of the deal, with no consideration of the environmental impacts, can give us no confidence in our Canadian negotiators' ability to hang tough in the face of any future American pressures to reduce our standards where they are higher. Nor should we rely on them to institute new standards to protect our particular environment. Further, who will decide and on what criteria which U.S. goods meet the objectives of Canadian environmental standards?

These questions could have been dealt with and answered in a satisfactory manner, I submit, if the report of the Canadian Environmental Advisory Council had been heeded and implemented at the time it was put to the Minister over two years ago.

Also with respect to the environment, we asked at the time of Estimates a number of questions of the officials from the Department. Unfortunately, it turned out that they were given no leadership by the Minister. They were left alone to decide whether or not and to what extent there will be environmental impacts as a result of the trade deal. Therefore, the net consequence of that lack of leadership has been the fact that Environment Canada has not carried out one study, not even an internal study, to determine what will be the net effect of the trade deal on our natural resources, on our environmental standards, on our assessment procedures and on the pollution control measures that at the present time exist in Canada and which could come under pressure once the agreement becomes law.

The situation is so bad that in the January-February issue of the *Network News* by the Ontario Environmental Network publication, I find the following subtitle: "We are to become the suppliers of the raw materials which Americans need, having depleted many of their own resources". This is a commentary, of course, on the implications of the sharing of natural resources, which may be criticized, perhaps, but nevertheless is the result of the darkness in which Canadians have been left over time on questions of such importance, particularly those who are keen and active in the field of the environment.

Time forces me to move on and deal specifically with the question of energy. I was really hoping the Minister of State for Finance would still be here. He denied that under this trade deal we would be entering North American energy markets in which we will be giving away our natural resources in such an unheard of manner. I am quoting from a publication that came out of Edmonton published by the Council of Canadians on February 11, 1988. I am glad that there is a Member from the West on the government side listening to this. It put forward some of the basic questions which deserve to be put on the record, such as the following.

• (1920)

"What a foolish strategy to abandon our ability to attract new jobs and new investment through new petrochemical plants, fertilizer plants, chemical plants, and the attracting of new energy-intensive industry. All other countries in the world use their energy for a comparative advantage to attract new business and create new jobs and to diversify their economies".

"How ridiculous to say that we are now going to continue to sell energy below replacement cost. How absurd to agree to supply non-Canadians even if Canadians run short. How nonsensical to weaken our tests for Canadian long-range energy needs. How preposterous to abandon the aspirations for establishing a self-reliant trade policy. How utterly irresponsible to say that our elected Government can no longer charge fees to produce higher revenue for export of energy. How ridiculous to sign an agreement to guarantee the *pro rata* export of hundreds of thousands of barrels of fine quality, accessible, low-cost Alberta crude, and accept a firm limit of 50,000 barrels a day of unusable Alaska sludge in return".

"How foolish to abandon energy pricing as a means of aiding regional development in Canada, or to abandon the ability to have a two-price energy policy, one for domestic consumers and another for export. How nonsensical to bargain away the control of our natural resources in return to access to a market that will soon be pleading for more Canadian energy".

That is quite a list of relevant questions that the Government has not even started to address in this debate. I am looking forward to hearing from the western Conservative Members in tackling that position.

It is therefore no wonder that at this stage there are Canadians who are developing a resistance to this trade deal, a group of concerned Canadians which consists of people such as retired public servant Ed Gallant; George Ignatieff, the former Ambassador to the UN and Chancellor of the University of

Toronto; John Halstead, a career diplomat who served as our Ambassador to West Germany and NATO; Roger Guindon, a former director of Ottawa University; Yves Dubé, former Dean of Social Science at Laval; Louis Blanchard, Director of the University of Moncton; Wallace McCain of McCain Foods, Farley Mowatt; and Mel Clark. These people are now developing opposition to the proposed trade deal because they see the destructive effect it will have on Canada's future as an independent nation.

What we are debating here is not a trade deal. We are here debating whether or not Canada should become integrated in North America and become part of a North American continental policy at the expense of the alternative that we have advanced in our Party, namely, a global approach, an approach that would enhance our capacity to reach out globally and not just within one continent.

Of course, to do that we need a national economic strategy, something which I am sure my colleagues in the course of debate will advance, flesh out and thus demonstrate that there is an alternative for Canada. The one that is being proposed by the present Government is not the road to go, namely, to withdraw behind the walls of fortress North America and abandon the rest of the globe, creating the impression that in North America alone lies our future. We are already sufficiently dependent on trade with the United States. If anything, we should find ways of expanding our interests and putting our eggs in many more baskets. We should ensure first and foremost that we do not abandon our capacity to define and determine our economic and political destiny.

This Bill is infringing upon the future of our capacity to make decisions that affect our independence and our ability to determine our future as a nation. In that sense, we would be committing a very serious mistake by adopting it.

Mr. Thacker: Mr. Speaker, I simply cannot let my friend get away with some of those comments, which were really quite outrageous. He knows better in his own mind. He surely remembers that the Depression of the 1930s was not really brought on by the climatic disaster we faced in the West. It was brought on when the United States Congress put tariffs up by over 40 per cent. Every other country in the world had to respond. Everyone was impoverished. In this country there were tens of thousands of young men and women who travelled back and forth across the country because they could not get a job. Why could they not get a job? Because no one could afford to purchase products. In 1935, Canada and the United States signed the agreement that started to reduce those tariffs. Jobs started to be created. The war came along. After the war we got into GATT.

The tariffs have moved from over 40 per cent down to something in the order of 9 per cent, which is now the average Canadian tariff. Every time we reduced those tariffs, more Canadians went to work.

The magic of trade between nations is that the wealth of everyone rises. It is during that reduction of those tariffs that we have generated enough wealth in the country that this Parliament could make independent sovereign decisions to bring in medicare, family allowances, social welfare programs and all sorts of regional development programs. The wealth of every Canadian has increased as a result of that.

The reality is that the U.S. Congress is becoming more and more protectionist. Everyone acknowledges that. If it drives those tariffs up again, we will lose jobs. It is one thing to say that we might go into a global situation, and I would like my friend to comment on that, but the fact of the matter is that the world is coming increasingly under trading blocs, pursuant to GATT. It is legal under GATT for two or more nations to get into a free trade agreement. Seventy-one nations in the world have got into free trade agreements. Not one has ever backed out of a free trade agreement. In every instance the smaller nation has benefited more than the greater one.

Ms. McDonald: They were not energy giveaways.

Mr. Thacker: Indeed with respect to Europe, and my friend is intimately aware of this, not only is there a free trade agreement, there is a customs union and a common market, which by 1992 will have 320 million people locked into a trading arrangement. Yet would anyone say that an Italian is any less Italian? That is just ludicrous. We are Canadian because we have a unique history in terms of our Constitution, our politics and our religion. We have a school system that is different. We have bilingualism and multiculturalism.

Ms. McDonald: And they are all threatened.

Mr. Thacker: All of these things will keep us Canadian.

There is nothing in the free trade agreement that stops Parliament from imposing taxes on our own people to do what we want to do that is uniquely Canadian. There is nothing in the free trade agreement that stops us from increasing taxes on ourselves. If we want to pay more to be able to tax money into the centre in order to fund a health care system, then we are entitled to do that, in the same way the Americans are free to leave the taxes in the hands of their people and to pay it directly. We happen to think that we are better.

I have one comment to make. In the environment field I want to assure my friend that Canada's ability to introduce environmental standards has not been affected by the FTA. There is no requirement in the FTA to harmonize environmental standards. The introduction of the Canadian Environmental Protection Act, which strengthens provisions for safeguarding the environment against toxic substances, is concrete proof that the federal Government is committed to taking whatever measures are required to protect the environment. Canadian standards are equal or higher than those of the Americans, and there is nothing in the FTA that will drive that down.

I will not go on because I do not want to abuse my privilege to comment. However, I could get into the energy sector and

show my friend how it was that his Party, which destroyed tens of thousands of jobs in western Canada as a result of an ill-conceived national energy policy, was not prepared to put on its own people in Ontario and Quebec in terms of electricity. Nor was he ever prepared to sell an automobile for one cent less than world price to us in the West? Yet he expected westerners to sell energy to him and his people for less than world price. We will never forget that, and we will never forgive.

• (1930)

Mr. Caccia: The Hon. Member states that there is no requirement to harmonize under the so-called free trade agreement. I must object to that statement which is incorrect and misleading. I am sure that the Hon. Member did not do it on purpose. Under the schedule for pesticides, Schedule 7, the word "harmonize" is used in the text of that schedule more than five times. By virtue of the presence of the word "harmonize", therefore, there is a reference to a requirement to harmonize. Evidently the Hon. Member has not read that section of the agreement.

Second, the question is one of profound difference as to what type of trade policies we want to have. On this side of the House we believe in diversifying our markets, not in retreating behind the four walls of continentalism. That is the difference between the Hon. Member and myself.

He started very well by making a strong case for GATT in his historical review as to what happened after the thirties, and we fully agree on that. GATT has been good for Canada. Why abandon GATT at this stage? Why not maintain our policy of diversification on markets? Does the Hon. Member realize that between 1984 when his Government came to power, and now, we have lost trade opportunities, and we have lost millions of dollars in exports to the Pacific Rim? Our exports have gone down because of our obsession with the U.S. market.

Does the Hon. Member realize that we have been retreating on almost every continent since 1984, because we abandoned the diversification policy of Canadian exports to concentrate only on the North American continent? That is where we differ. The Hon. Member has a profound belief that we should wallow in the comfort of a market in North America which, by indication of the basic statistics, is already on the decline. This is a retreat from the global scene. Instead, we should be taking a completely different tack. Instead of retreating within North America, we should be expanding and intensifying our efforts on all continents, and develop a policy of trade expansions and marketing policies all over the world. We are not. We have been retreating since 1984. We have been losing foreign markets. That is the reality.

If the Hon. Member denies that fact, then I would urge him to look at the statistics from Statistics Canada, which cannot be accused of being a figment of the imagination of the Opposition, and verify for himself what has happened in the last four years to Canadian exports. That is the result of the retreat and the mind set of the Government of today which believes that the future of Canada lies within North America, at the expense of the other opportunities that are waiting for us on other continents.

Mr. Deputy Speaker: The time for questions and comments has expired. Is there unanimous consent to allow the Hon. Member for Edmonton East (Mr. Lesick) to ask a question?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: The Hon. Member for Edmonton East on a question or comment.

Mr. Lesick: I was listening with keen interest to the dissertation of the Hon. Member for Davenport (Mr. Caccia), and the twisting of the ideals of free trade. We are supposed to be retreating into continentalism, or within our continent. We are not. We are ensuring that we do not lose trade in order that hundreds and hundreds of wood workers in British Columbia do not lose their jobs. We are endeavouring to agree on free trade and assured trade with the Americans so that we can work together with the Americans. They are our greatest customer, despite our greatest efforts to trade with the European Economic Community, Japan, the Pacific Rim, and China. In China we are increasing our trade, but we are having difficulties because of the protectionism within the European Economic Community. In some areas we are trading less. We are working harder than ever to trade with them. But at the same time let us not be blind and let us not think negatively about our greatest trading partner, the wealthiest country in the world.

As a Government we would be doing a disservice to the people of Canada if we, through looking far away, forgot our neighbour, overlooked our neighbour, and did not appreciate the fact that it has the wealth, the desire, the ability, and the need for Canadian products. Whether those products are manufactured in central Canada, or whether they are national resources, natural gas, oil, gasoline, petrol products from the West, lumber from Alberta, British Columbia, and from the central provinces, the Americans want them. They are asking for them. Why should we turn away from that?

The Hon. Member talks of the environment. In the last four years we have done more for the environment together with the Americans in a positive manner. We have worked hard. In November, 1987, the Great Lakes Water Quality Agreement was renewed. The federal Government of Canada, the Government of the United States, the New York State Government, and the Ontario Government signed an agreement toward resolving the problem of toxic chemicals in the Niagara River. Two months later the Government announced a series of Canada-U.S. bilateral measures to deal with the problems caused by the high level of the Great Lakes.

We are constantly working with our neighbours for the betterment of Canada, for the betterment of the United States,

for the betterment of all peoples here. It is important that we work together. We have and they need, therefore this trade is essential. The free trade agreement between the United States and Canada will solidify prosperity in Canada through increased trade.

Any country that trades is successful. Any country that trades becomes richer. We want to ensure the existence of this trade. That is why the Hon. Member knows, deep down, that without trading with the Americans, Canada will lose over one million jobs. I ask the Hon. Member, why does he not admit that free trade is better than what he is suggesting, global trade with people who cannot afford our products and who do not buy? This is where we trade. We want assured trade, and that is what this is all about.

Mr. Caccia: It would take too long to deal with every item raised by the Hon. Member. Coming from Alberta, I wonder if the Hon. Member is not upset to learn from the text of the agreement that we are at the eve of signing an agreement guaranteeing the *pro rata* export of hundreds of thousands of barrels of fine quality, accessible, low-cost Alberta crude oil, and accept a firm limit of 50,000 barrels a day of unusable Alaska sludge in return. How does that grab him as an Alberta Member? Does that convince him that this is a great deal with the Americans?

Moving to the other point the Hon. Member made, does he not realize that the Great Lakes Water Quality Agreement has been with us for a number of years, long before the Government and his Party were elected to power? Does he have any historical sense of what has happened in this country in the last few decades? Does he really believe that it is in Canada's interest to retreat behind the four walls of the North American continent and to tell the rest of the world that we are just part of this North American region and eventually we will be swallowed up by the larger of the two partners? Is that the kind of vision the Hon. Member has for his children and his grandchildren?

• (1940)

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, the debate on the so-called free trade agreement, Bill C-130, is a debate about the future of our country. It is a debate as to whether we will continue as an independent and distinctive country with the powers and capacity to make the decisions we want to make to control our environment, natural resources, culture and social programs and to provide jobs for Canadians from coast to coast and stimulate development in regions that have high rates of unemployment. It is about our capacity to make our decisions ourselves.

In effect, Bill C-130 is a constitutional amendment that itself cannot be amended and that will change the course of our history for the rest of time. Yet it is not being debated as such, it is being disguised as simply a trading arrangement with our American partners.

Many church groups, unions, voluntary organizations, women's groups and environmentalists have protested this trade deal. I simply want to refer to a statement made by one such group, the Anglican Church of Canada, incidentally my own church, which I think symbolizes very well what is at the core of what is wrong with this trade agreement. Four points were made in the Anglican Church's condemnation of the free trade agreement and its urging of federal reassessment of it.

> Economic plans must not affect negatively the most vulnerable members of our Canadian society or of our global family.

Surely it is the most vulnerable who will be affected, the people in regions which are economically underdeveloped and the people who depend vitally on social programs.

> Economic or social agreements should not be undertaken if they limit society's members from making future decisions on behalf of the common good.

We will be limited in the decisions that we can make in the future and certainly limited in the decisions we can make for the common good, because it will not be our society through our elective representatives who will make these decisions. It will be market forces and dispute settlement panels.

> Economic agreements should not be undertaken which reduce our ability as a society to be good stewards of our environment and rich heritage of natural resources.

There are serious environmental implications in the agreement. Natural resources including non-renewable resources will be treated as ordinary commodities, as widgets to be traded across our borders. They will not be regarded as part of our heritage, part of the environment that must be protected and over which future generations have a very reasonable and just claim.

Finally,

> ordinary citizens must be allowed an opportunity to understand what is at stake and to take part in a meaningful way in decisions of major importance.

That too is one of the aspects of the betrayal in this trade deal. Ordinary Canadians have not had the opportunity to understand this. Even the Premiers were deceived about vital aspects of the so-called trade arrangement.

People have not had a chance to go over the agreement. It is complicated. It requires books and books and appendices and appendices. The Government of Canada has not dealt squarely with Canadians. It has hidden the deal by calling it one that is merely about trade. It turned out to be not just about trade in goods but also in energy, investment, culture, services and social programs.

It is about how the federal and provincial Governments will or will not get along together, because in future, if the trade deal goes through, it will be the federal Government that will be bossing the provinces and municipalities and enforcing the trade agreement on behalf of the United States, the other party to the agreement. The federal Government will be forcing compliance on the provincial, municipal and territorial Governments. Indeed, if there is ever Indian self-government, Indians too will be affected because all these rights are given away in this shameless deal called the free trade agreement.

One of the worst parts of this deal is the part dealing with energy. That is one of the surprises in the deal. People did not know that continental energy would be part of the arrangement. It was supposed to be a deal involving manufactured goods and other ordinary subjects of trading arrangements that other countries have entered into. It was certainly not supposed to be about continental energy.

Even some of the advocates of the trade deal are worried about energy supply. The Ontario Natural Gas Association favours the trade deal because it can see that there will be opportunities to make money of it. We know that the owners and suppliers have interests which are very different from those of the consumers, just as the banks love service charges, but are they good for consumers? Money that can be made by selling non-renewable resources as a commodity is certainly to the advantage of the companies, but it is not to the advantage of consumers and it is certainly not to the advantage of young Canadians who will have to grow older in a very cold climate and in a country that needs its fuel resources very badly.

This advocate of the deal, the Ontario Natural Gas Association, nonetheless points out what the disadvantages of it are for Canadians. In effect, while the National Energy Board retains the authority to review export applications and to identify potential inequities or market anomalies, its ability to act appears to be severely limited. Once we start selling it, we will have to keep selling it. Proportionate reduction of this supply is permitted, but proportionate reduction is not quite as proportionate as one might think.

Canada now supplies approximately 5 per cent of the total natural gas consumption in the United States, whereas virtually the entire Canadian market is dependent on domestic supply. A 10 per cent reduction in natural gas supplies would affect fully 10 per cent of the Canadian market compared with only 0.6 per cent of the United States market in national terms. If we have to conserve our resources because of some kind of crisis, it would be only fair to cut back proportionately. It will not be fair, though. The cut-back for Canadians is very much greater than it is for Americans because they have other suppliers. We can hurt ourselves, but they will be largely untouched. It is a deal that is very much to their advantage but not to the advantage of Canadians.

In effect, the Canada-U.S. Free Trade Agreement creates a North American market for natural gas. The U.S. currently has a 10-year reserves-to-production ratio, while Canada has 30 years. If the United States has equal, unfettered access to Canadian supplies, the result is a combined 13-year ratio. We do not believe Canadians have yet realized that their natural gas supply security margin could overnight be more than cut in half, and this Government has not been square with Canadians and told them that.

The same could be said for conventional oil. I will not go into that example because there is not time, but that is a disaster too. Canadians do not know that the supply we have is a very fragile one and it will not last or we will have to go very much farther afield to areas which are much more difficult to work in.

The association says that it does not believe that sufficient consideration has been given to the impact of a rapid increase in the number of long-term, large volume contractual arrangements. This is a very serious matter indeed. Potential shortfalls could occur by the close of this decade. Has the Government talked to Canadians fairly about that? Yet we are treating this as an unlimited supply of a resource that we want to give away cheaply.

Another aspect of betrayal that Canadians did not know was in the trade deal and had to find out by reading the fine print over a period of time had to do with water. Water is not supposed to be in the trade deal, we were told by the Minister of the Environment (Mr. McMillan). He said, before the full text had been revealed: "The subject of water has never been negotiated in the free trade talks. The subject of water is not part of the free trade agreement, nor will it be". However, water is in the free trade agreement. Article 409 says that once you start to export a good you have to continue to export it. Anyone who begins to export will be obligated to continue.

• (1950)

The schedule to the trade agreement, Tariff Item 22.02, includes waters. The Minister responsible for International Trade tries to make a joke of it and make it sound as though we were only talking about soda water and fizzy pop. That is not so. We are talking about regular water; rivers, lakes, tankers full of water, water that we very badly need as well.

Once a mistake is made it cannot be unmade. One of the very bad parts of this deal is that it freezes those kinds of decisions. Instead of the situation of having a government which can be thrown out and replaced by another government which will change the policy, this decision will be permanent.

This is a subject about which I think our Liberal friends ought to be a little embarrassed because they have talked rather freely about the desirability of water exports and water in the trade deal. This is a subject absolutely vital to our environment. Yet there is no provision in the trade deal for protecting our water sources for purposes of protecting the environment. That is not allowed. It will be treated as any other ordinary commodity.

[*Translation*]

Mr. Speaker, Bill C-130 is no ordinary Bill. It is an amendment to the Canadian Constitution. This amendment affects twenty-seven Acts of Parliament. It is an amendment that involves a reduction in powers at the federal, provincial and municipal levels. The federal Government, which is party to the agreement, will become the U.S. Administration's agency for implementing the agreement.

The Premier of Quebec favours the FTA. He says that his Government will make the requisite legislative amendments,

and that the federal Government would not have to force him to do so. But what do we do tomorrow, about free trade and the present Quebec Government's policies? If these change, what do we do? The FTA constitutes a freeze on political change in this country. Once that choice is made, we can no longer make any changes. However, a government has no right to tie down future governments.

It is antidemocratic. People should have the right to replace a government and its policies with another government and other policies, something that would no longer be possible after the FTA is signed. The federal Government, supported by the Province of Quebec, will tie all future governments: federal, provincial and municipal. The issues involved are important and include energy, investment, culture, social programs and regional economic development. What if a Quebec government wants to launch a social program? What if it wants to promote economic development in a disadvantaged region? It would have to ask the federal Government to make new representations to the U.S. Administration. We would have to consider whether the proposed development constituted unfair subsidies under the terms of the agreement. This is against the level playing field principle. We would have to consider whether the measure constituted a monopoly prohibited under articles 2010 and 2011.

In that case, economic retaliatory measures by the United States are to be expected. Or the province may be ordered to compensate the U.S. companies involved for their loss of business, including any future losses. In any case, it won't be Quebec or Canada that will decide but the Canada-U.S. Trade Commission. Canada does not have a majority on this Commission, and Quebec would not be represented.

The sovereignty of Quebec is endangered along with Canadian sovereignty. Any government will lose the power to make decisions for its citizens. It would be a victory for the private sector and its values and a defeat for the people and the values of our society, especially social solidarity.

With the Meech Lake Accord, Quebec will again join the Canadian Constitutional family. How ironic! Quebec is joining the Constitution at the same time as the Constitution is being weakened by free trade. The men and women of Quebec must say no to this Agreement with the United States. We say yes to Meech Lake, yes to cooperation between the federal Government and Quebec and no to selling out our political sovereignty to the Americans!

[*English*]

This is profoundly a question of constitutional change. I think the Attorney General of Ontario put it very well in his analysis of the impact of the deal. He said:

> What does this mean to federal-provincial relations within Canada? The agreement threatens our traditional system in part by inserting a third party, the United States, with the right to insist on legal solutions to problems of economic regulation, problems that Canadians have tended to settle among themselves without recourse to legal remedies . . . The present agreement may effectively require that many provincial policies be approved by the United States before they are put in effect.

That is a shocking intrusion into the normal way in which we conduct ourselves in this country, the normal, co-operative arrangements with which we have achieved all of our social programs—sitting down, negotiating, and figuring out something which suits Canadians and Canadian conditions. I quote further:

> The free trade agreement between Canada and the United States has an extensive impact on the power of the provinces to control their economy. This impact is not merely incidental or temporary but involves a systematic reduction of the freedom of Canadians to make policy.
>
> As a consequence, the agreement effects a change of constitutional dimensions in federal-provincial relations in Canada, even though it does not touch the wording of the Constitution . . . The ability of the United States to insist on legal rights where Ottawa and the provinces have often compromised and co-operated fundamentally alters the Canadian tradition.

That is what is so profoundly wrong with this agreement. It changes how we do things. It changes the Canadian way, the way of solidarity, the way of co-operation. We do not want the law of the jungle. We do not want legal remedies and market forces determining everything. We do not want American crime rates. We cannot have it both ways. If we want to have our kind of society, we have to pay the price, and we have done so with our social programs. You cannot have the law of the jungle and do it that way.

I am sorry to say that there have not yet been any Conservatives who have bolted from the caucus. There have not been any who remember the Canada of Sir John A. Macdonald, the Canada of using the state creatively to find solutions to our problems. That has not happened.

However, I appeal to Conservatives across the country who did not vote for this Government in order to give it a mandate to bring in free trade, to Conservatives who love their country, to realize that it must now be saved by throwing out the Government. The Government is not going to vote free trade down. It has the power and is using closure. It is going to get free trade through. Perhaps the Senate will slow the process down, but the Government, with no mandate to do so, nonetheless has the power to change our Constitution forever if it gets away with it.

I hope that many Conservatives will regret the decision they made to bring in this Government. I hope they will see the betrayal of trust in so many ways, in patronage, lack of honesty, and lack of openness in all of these respects. I hope that these Canadians will want to keep Canada Canadian and will change their vote in the next election.

When they are deciding between the Liberals and the New Democrats I urge them to be very careful because the Liberals are not so sure about where they stand on trade. A former Liberal Minister of Finance was one of the instigators of it, and the Liberals in Quebec are supporting it actively. If Canadians want to be sure that this deal is defeated, they must support the New Democratic Party because we will tear up this deal.

In a few seconds remaining to me, Mr. Speaker, let me say that this is a profound decision about the future of our

country. We are not urging that the status quo remain. We are talking about having the power and the ability to change and to adapt to changing conditions. The world is changing and we must change in response to it. However, we must have the power to do that. This free trade Bill, C-130, takes those powers away from the federal and the provincial Governments. We must defeat the free trade deal, if not in the House, at the next election.

• (2000)

Mr. Lesick: Mr. Speaker, I listened with rapt interest as the Member for Broadview—Greenwood (Ms. McDonald) gave her dissertation about her Party's view of what they believe Canada should be like. I share her concern that we must look after our social programs.

The previous government, together with the New Democratic Party, gave us many social programs and spent money like it was water under the bridge. As our deficit ever increased, they never said how they would pay for their programs.

Our Government agrees that we need social programs, but we will pay for them. In the last Budget we were a fraction of a percentage point within paying for all our debts, including all our social programs. We can only look after our social programs with strength, trade, good management and employment. We cannot pay for our social programs with wishful thinking or myopic views whereby we look after ourselves and no one can touch us. We will only be vassals of the Americans if we are weak and think only of ourselves.

We have proven that we are stronger today than ever before as a result of good management of the economy which this Government is providing for the first time in 40 years. We can address all the concerns the Hon. Member has raised by good management, and a free trade agreement that allows greater trade with the strongest nation in the world, the United States.

The Hon. Member's figures dealing with energy are fictitious. We have more oil reserves in Alberta than all the Middle East combined. A 30 or 40-year oil supply is a figment of her imagination. We have enough oil in Alberta itself to supply the United States and Canada until our grandchildren are grandmothers and grandfathers. We only have to develop it and sell it. Furthermore, we control what we sell. It is only given away if we are weak and myopic. Nothing is given away by this free trade agreement. It is a guarantee to provide our citizens with prosperity and the opportunity to work while controlling our destiny.

The Hon. Member talked about social programs and energy. We need to provide leadership through knowledge, and good business and labour management so that Canadians will have confidence that we can trade effectively not only with the Americans but with the rest of the world.

Ms. McDonald: Mr. Speaker, I have seldom heard such nonsense in many of the points that were made. I will attempt to answer them.

The Hon. Member talked about controlling the deficit when, in fact, there are still deficits in the area of $30 billion in Conservative budgets every year. A good example of social programs and deficit control is CCF and NDP Saskatchewan governments which pioneered social programs and reduced the public debt. They proved it is possible to have humane and fair government while balancing the budget. I challenge anyone to follow the example of Tommy Douglas and his successors there.

The Hon. Member talked about oil. My examples concerned natural gas and social programs because I only have 20 minutes in this debate to talk about the future of Canada. One cannot cover all the issues. While I chose to talk about natural gas, oil is another question.

The Hon. Member believes that there is an ample supply of oil. That may be true when one includes such far-away places as the Beaufort Sea and other fragile areas in terms of the environment, the tar sands where oil is difficult to retrieve, and oil in the offshore where it may ruin the fishery. The large amounts of oil about which the Hon. Member talks are not readily available.

The Hon. Member said oil would be available until our grandchildren grow up. I remind him that civilizations have lasted for thousands of years and the sun will not burn out for another four billion years. He should not set his sights so short as to say that the oil companies should sell off all the oil in two generations. We are talking about shortages within the next 10 years, which is a dangerous prospect. Although the Hon. Member suggests that there is a lot of easily available energy resources, they are non renewable resources for which even the oil companies predict there will be shortages within the next 10 years.

Even the producer provinces are disadvantaged by this trade deal. The Constitution clearly specifies that these natural resources are under provincial jurisdiction. Yet their right to control these resources is being taken away by this trade deal. They will not have the opportunity to charge lower prices within the province to stimulate economic development and create jobs. They will lose power to create manufacturing while we will be more dependent on selling the resources quickly at the lowest possible price. I suggest that is not a wise use of natural resources.

The Hon. Member brags about social programs. His Party opposed every one of them and only gradually came on board when public opinion polls showed they would be thrown out if they continued to oppose them. Indeed, the Conservatives moved to deindex the family allowance and tried to deindex the Old Age Pension. The Conservatives lost an election over the Old Age Pension because the Senate turned it down. This Conservative Government would have been thrown out if it continued its plan to deindex the Old Age Pension.

Social programs were on the table and were referred to as disciplining monopolies by the Americans. I do not begrudge the Americans their way of operating. The United States is a

sovereign country and can do what it wants. However, we have chosen to do things differently in Canada and we have our social programs, including the Old Age Pension, Canada Pension Plan, Family Allowance, unemployment insurance and medicare. We would not have had medicare if a free trade agreement was in place at that time.

Social programs are challenged in several ways. One is the unfair subsidy section of the deal. We will not know for some five to seven years whether the Americans will consider these as fair or unfair subsidies.

They are also challenged under the monopoly section of the free trade deal. I hope other Members will address that aspect, in which provincial governments must beg the federal Government to make representations to the Americans. They may be ordered to compensate American companies for loss of business because profits to corporations are the most important consideration in the free trade deal, not services to people or planning a humane society. If an American corporation will lose money, then it is a violation of the free trade deal. That could interfere with social programs. This free trade agreement is a travesty. It is inhumane and should not be allowed.

[*Translation*]

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, I welcome the opportunity this evening to take part in a debate that is very important to this country. Free trade with the United States is neither a luxury nor an intellectual exercise. It merely states the obvious. First of all, Quebec sends two-thirds of its exports to the United States. Second, two million jobs depend directly on our trade with our neighbours to the South. Third, our access to this market of 250 million people must be protected and guaranteed by an official and duly-signed agreement.

Of course, our opponents got carried away by their rhetoric. They maintain that we are selling Canada's independence in order to gain access to the U.S. market. Mr. Speaker, Canada exists by the will of its citizens, and we underestimate Canadians if we think their will is particularly vulnerable.

The Canada-U.S. Free Trade Agreement was not signed on a whim. It was the fruit of careful negotiations during which we did not give in on essential matters.

The agreement does not put any restrictions on grants to businesses or on regional development. Marketing boards will continue to exist, which means that Canada will retain the right to determine its agricultural marketing programs.

The agreement also provides for a dispute settlement mechanism. As for the adjustments that will be necessary in certain businesses, my colleague, the Minister of Transport (Mr. Bouchard) and I announced the creation of an advisory committee on adjustment last January. Mr. Speaker, the committee chaired by Mr. Jean de Grandpré will ensure that Canadians take advantage of the new opportunities offered by free trade, while identifying any adjustment problems that may arise.

• (2010)

The agreement signed with the United States provides the catalyst Canadian business needed to go the extra mile and rise to new heights. With the agreement, Canadians and Quebecers have gained secure and permanent access for their products in key sectors, including agriculture, resource processing, manufacturing, energy and services, all of which will be given a fresh boost.

More secure access to the U.S. market will make Canadian industries more dynamic, more innovative and more competitive, because being able to count on access to this market will give investors the necessary confidence to create new companies, consolidate existing ones and meet the competitive challenge.

The economic impact of the FTA has already been assessed. Experts at the Department of Finance predict an increase of 2.5 per cent in the real income of Canadians. This represents $12 billion more in the Canadian economy and the creation of at least 120,000 new jobs over the next five years.

Mr. Speaker, it is up to the investors and the entrepreneurs, to this country's businessmen and women, to make these figures come true.

Free trade is a challenge, not for government, but for all Canadians who will have to make sure they get the most out of this agreement.

Mr. Speaker, for four years Canada's economy has outclassed the economies of all other major industrialized countries in terms of growth and job creation. We want to use free trade to secure the future economic development of this country.

Mr. Speaker, speaking of job creation, I wish to point out that as Minister of Regional Industrial Expansion, I am very interested in small and medium-sized business, needless to say. While big corporations have been streamlining their operations for several years now, small and medium-sized businesses have taken up the slack and are the real driving force of the economy throughout Canada. These companies with less than 100 employees account for 99 per cent of all Canadian companies and 70 per cent of jobs created, on average. Furthermore, they generally spend more on research and development, proportionately, than big corporations.

It is therefore not surprising that they can adjust quickly to technological changes and also transform their industrial infrastructure very rapidly if market conditions change suddenly.

So, Mr. Speaker, I listen to small businesses. Naturally, I talk to them about free trade and do you know what they tell me, these men and women who one would think would be vulnerable and afraid? They are eager for tariff barriers to

come down completely. They are eager to see a significant reduction in non-tariff barriers. Yes, these men and women want to take on new markets in the United States and then new markets elsewhere. They have been preparing for months to face this new challenge.

These business men and women are looking for new forms of partnership with the Americans, and also with other countries. They are searching for new markets. In short, they are eager to diversify and broaden their customer base.

My colleague, the Minister of State for Small Businesses and Tourism and Minister of State for Indian Affairs and Northern Development (Mr. Valcourt), agrees with this; it is his role to defend the interests of small business in Cabinet. Neither he nor I have met systematic resistance to free trade, quite the contrary! Our small businesses have learned to be increasingly competitive. Believe me, Mr. Speaker, they are more than eager to fight on a new trade front, and why not! In many fields already, there is a kind of free trade.

The Canadian and U.S. markets present opportunities shown by these rough figures: 80 per cent of our Canadian exports go to our southern neighbors, while 70 per cent of our imports come from the United States. And I will say something that we too often seem to forget: four fifths of our exports to that country are duty-free. So why a free trade treaty, you will ask me. It is to complete the picture and to ensure access to a market of 250 million consumers. It is to make sure that we can continue to deal with the Americans, and rather than charge into it, we will have 10 years for both sides to adjust.

The complete lowering of tariff barriers will therefore be the end of a long process. The purchasing power of Canadians will gradually increase over the period, by 3 to 12 per cent, according to economists who have estimated the impact of free trade on the standard of living of our fellow citizens.

Have you thought about what salary increase you would need to increase your net purchasing power by 3 to 12 per cent? We will achieve these gains with the help of the country's small and medium-sized businesses that will have to be more productive and offer consumers a wider choice of products. This is also true for U.S. consumers, because they too will have access to more Canadian goods, from which they will of course benefit. One must not forget, Mr. Speaker, that in any agreement, especially one dealing with trade, both partners' interests must be satisfied. Just because Canada will derive great benefits from free trade does not mean that the United States is not entitled to something in return!

• (2020)

I would also like to point out that one provision of the Agreement facilitates the two-way movement of several occupational groups between Canada and the United States. In fact, it is a set of clauses that are very favorable to the service industries, in other words, the products and services that support exports.

Mr. Speaker, I would like to say a few words on how I see the economic outlook. At the same time, the enterprising spirit that the Government of Canada is always trying to encourage will be stimulated by the prospect of an almost completely open American market; this will contribute to job creation and consolidate Canada's trading base. And a sounder economy automatically means stronger national finances. Citizens who are better able to take charge of their affairs will, I am sure, become better Canadians. Men and women who are more sure of themselves and their abilities and much more certain of their future and their children's and grandchildren's.

The Free Trade Agreement also guarantees us the privilege of keeping our social programs and the right to launch new ones. In short, Mr. Speaker, we will continue to do as we please in our own country. And that, to my mind, is the best definition of sovereignty.

Finally, Mr. Speaker, farmers in the main fruit and vegetable-growing regions expressed some doubts about their ability to adapt to the new rules. We therefore agreed to the temporary restoration of customs duties for these crops over a 20-year period, if these growers experience hardship due to the transition.

The Government negotations have never been one-sided. We consulted the representatives of the major farmers' associations and we really took their demands to the negotiating table as much as possible.

Again, I would like to summarize briefly the four main objectives of our negotiations with the United States. First, guaranteed access to the U.S. market; second, trade rules that will eliminate improvisation; third, a binational mechanism for speedy settlement of our respective national problems; and fourth, maintaining our institutions that reflect our indentity.

Mr. Speaker, these objectives have been realized. They are the very backbone of the Bill before the House today. These objectives, now that they have been realized, are the cornerstone of the future for generations to come.

Mr. Speaker, today I want to appeal to the solidarity of all Canadians. Let us forget our differences, and once we have this unprecedented agreement with our most important trading partner, we can legitimately aspire to take our place among world trade leaders. I am convinced that this first step will pave the way for any further developments we may wish to add. Tomorrow, Mr. Speaker, depends on today's plans.

Mr. St-Julien: Mr. Speaker, I would like to direct my question to the Minister of Regional Industrial Expansion and Minister of State for Science and Technology and Member for Berthier—Maskinongé—Lanaudière. He is not often referred to in those terms, Mr. Speaker, but the Federal Liberals and Canada's New Democrats claim that Canada will lose its right to have regional development programs. However, not long ago, the Minister announced a joint program with Quebec for remote regions. The purpose of this program is to help the regions in Quebec, both the outlying and central regions.

Mr. Speaker, I can say that our vast region, including the two other Members, gave this new program an enthusiastic reception. I am sure the Liberals must have been very embarrassed, considering the fact that they completely neglected this region for twenty years because they thought it was too big.

Mr. Rossi: Mr. Speaker, these are obvious plants, as they say, but the Hon. Member's comments are not relevant to the debate on free trade. I would ask him to stick to free trade and stop making propaganda for the Conservative Government.

Mr. St-Julien: Mr. Speaker, the Hon. Member referred to plants, but I see my personal notes and that is what counts.

An Hon. Member: They are ashamed!

Mr. St-Julien: Mr. Speaker, when we talk about this shameful situation that lasted for twenty years, we see them rising in the House and reacting, especially one Member from Montreal who never set foot in this great Northern region.

To get back to this program which represents an injection of $91 million in Abitibi, Témiscamingue, Pontiac, Gatineau and Labelle, comments received thus far from the three Members concerned were that people were really enthusiastic about this joint program with the Province of Quebec. In addition to this new program, other opportunities are being offered to entrepreneurs in my region and throughout Quebec and I am referring to free trade. My own riding gets the full benefit of open and direct access to the U.S. market. The United States are our biggest market, and the FTA will make that market secure. Mr. Speaker, if we really take the trouble to read the agreement and understand it, we notice that Quebec, and of course Abitibi, Témiscamingue, Pontiac, Gatineau and Labelle, have everything to gain under free trade, as was pointed out by the Premier of Quebec, Mr. Robert Bourassa, and by the majority of Quebecers.

I would like to ask the Minister of Regional Industrial Expansion what other regional development initiatives he will be announcing very shortly, such as the recent announcement of the creation of this new department.

Mr. de Cotret: Mr. Speaker, I would simply like to comment briefly on my colleague's remarks. I would like to suggest that his comments were very relevant to the debate, because a few minutes ago we heard comments from the Opposition that regional development was clearly affected by the free trade deal. Of course this is not the case. It is not the case when we look at this Government's program that has a tremendous stake in regional development, as evidenced by the Bill establishing the new Department of Industry, Science and Technology.

Let me summarize briefly, Mr. Speaker, some of the initiatives we have taken over the last year on regional development: we can refer to the Atlantic Agency, the Western Diversification Program, the Northern Ontario Regional Development Program, in addition to the more than $1 billion program that has finally been announced jointly with Quebec just recently, a program that was being negotiated at the same time we were negotiating free trade. So there we have a program and a series of initiatives that clearly show the legislation now before the House in no way hinders the Government's ability, alone or jointly with Provincial Governments to undertake new and major initiatives concerning regional development.

I would also like to emphasize that the free trade deal, as submitted in the legislation, in no way hinders Provincial Governments nor the Canadian Government under those agreements to extend grants to corporations in the same way various levels of Government could do before, should I say, the proclamation of the legislation now before the House.

Therefore, on those two levels, I would like to reassure Hon. Members opposite—there is absolutely no danger for Canada, there is absolutely no obstacle to the freedom of action of the Canadian and provincial Governments in those areas.

• (2030)

[*English*]

Mrs. Finestone: I have listened to the Minister of Regional Industrial Expansion (Mr. de Cotret)—who also wears a few other ministerial hats. I would very much like to believe the Minister. I would like to believe the Government. I would like to feel comforted that my concerns as a Canadian, and general Canadians out there, are being protected and considered by you and your Government when you go to negotiate.

Mr. Fretz: Order.

Mrs. Finestone: What I would like to know from you, Mr. Minister—

Mr. Fretz: Order.

Mr. Rossi: Why order? Are you the president?

Mr. Fretz: Through the Chair.

Mrs. Finestone: What I would like to know from the Minister, through the Chair, is if cultural industries were not on the free trade table, if cultural industries were protected, supposedly, somewhat like logs and beer, why was it not clearly identified in Bill C-130? As this is the thousandth day coming up that you have been involved in the free trade agreement and there are 1,000 pages of documentation—

Mr. Fretz: Mr. Speaker, I rise on a point of order. I would ask that you listen to what the Member is saying. She is referring to the cabinet Minister as "you". The Hon. Member should know, since she has been here for a considerable length of time, that her questions and comments should be addressed to the Chair.

The Acting Speaker (Mr. Layton): The Hon. Member for Mount Royal (Mrs. Finestone).

Mrs. Finestone: If cultural industries were not on the free trade table, if cultural industries are to be protected and maintained, how come in a document presented to the U.S. Government, put together by the Senate and the Congress, and presented to the Executive to determine the directions of this Bill, we have as an objective clearly enunciated—and it only took them 18 pages, not 1,000—which states that the elimination of direct investment screening—is the Member not the Minister of direct investment screening? I would like to ask the Minister whether he intends to continue investment screening in the cultural industries.

Mr. de Cotret: There are a number of issues raised by my hon. colleague. I would like to return to something I said in my opening comments. Throughout the negotiations we were very careful to ensure that our institutions that make Canada what Canada is today would be safeguarded. I can give the assurance to my colleague that, to the best of my knowledge after having gone through those negotiations, and I was on the trade executive committee throughout, I am personally convinced that all our institutions, whether we are talking about cultural industries, social programs, agricultural policies, and what makes Canada Canada, are certainly preserved.

In relation to the very specific question raised by my colleague at the end of her comments, I refer her to the Investment Canada Act. It is very much a piece of legislation that is in force, and also the Baie Comeau policy. We certainly intend to apply the Baie Comeau policy and the Investment Canada Act.

[*Translation*]

Mr. Langdon: Mr. Speaker, I have two short questions, because we do not have much time. The first is directed to the Minister: How can the Minister state there is no danger for our regional support when we have five or perhaps seven years to reach an agreement on the matter of support that may be acceptable to both countries?

[*English*]

It seems to me if one takes this seven years, or possibly five years, it is quite conceivable within that period of time, in fact quite likely given some of the information that my colleague, the Hon. Member for Mount Royal (Mrs. Finestone) was referring to, that the United States will attempt to limit as strictly as possible the subsidies which are permitted to both countries with respect to regional development.

I would like to ask the Minister, as a Member from Quebec, how it is possible for him to justify Clause 6 within the Bill itself. It indicates that it will be possible for Parliament at any time, with reference to any Bill or any regulation, including those of the provinces, to pass a regulation or law to overcome those provincial regulations or laws and make them conform with the trade deal.

How is it possible to see that as a fair and just system of federalism when there is so much power in a sense grabbed by the federal Government through this approach?

[*Translation*]

Mr. de Cotret: Mr. Speaker, the Hon. Member somewhat lacks faith in the future. And above all he greatly lacks faith in the Canadian people. He also greatly lacks faith in the relations that exist between the Canadian Government and provinces. Therefore, in answer to his second question, as I understand it, Mr. Bourassa and Mr. Parizeau both are strong supporters of the free trade deal. Both stated publicly it was of real benefit to Quebec. It was essential to Quebec's future.

Therefore, Mr. Speaker, there is no concern about that in my view. On the other question, I can assure the Hon. Member there may be negotiations in the future, there are always negotiations, but in the area of regional development, subsidies to corporations, we can do in the future exactly what we could do in the past.

[*English*]

The Acting Speaker (Mr. Layton): The period for questions and comments has expired. The Hon. Member for Mount Royal (Mrs. Finestone) on debate.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I rise to participate in this debate. We are discussing here the future of Canada, a change in the way the country will function, and a very significant trade deal which is essentially a change in the constitutional concepts of this country. We are talking about implementing legislation in Bill C-130.

If we look at Bill C-130, at the very outset we understand why I refer to the fact that this is almost in the same nature as a constitutional change.

Clause 8(1) states:

> Notwithstanding anything in any other Act or law, in the event of any inconsistency or conflict between
>
> (a) this Act, or any regulation made under this Act, or the Agreement . . .

That this Act will have a primacy. I heard the Minister's speech which preceded mine. I have listened, asked questions, and I have wanted to be a believer. Basically and fundamentally I believe in freer trade. I believe in a country that should open up and be consistent with its growth and development over a long period of time. Trade is the nature of Canada. But this is not a good trade deal. This is not a free trade deal. It is a terrible contract. It is a contract which damages Canada, which damages Canada's integrity, and which damages Canada and Canadians' right to make their own laws. It is an interesting conundrum.

• (2040)

According to Part I, Clause 8, Canadian law is subject to the free trade agreement. I have before me a document that was released on Friday, May 27, put together by Senator Bensten of the U.S. Senate Finance Committee and Congressman Rostankowski of the Committee of Ways and Means of the House of Representatives entitled "Finance and Ways and Means Committee's Recommendations on the U.S. Canada

Free Trade Area Agreement, its Implementing Bill". This document has been sent to the White House.

This 18-page document sets out what the Americans see for themselves in the free trade agreement. This is the direction that it is being recommended the administration take, though it is not the implementing legislation. However, both Houses have come to agree on this direction and are telling the President how to proceed.

It upsets me to hear some of the questions being asked by the Ministers and the Parliamentary Secretaries. These questions indicate to me that there is little understanding, knowledge or reading of the temperament of our good neighbour to the south. A good neighbour it may be, but good trading partner it is not with respect to the free trade agreement, this concept of what is in the best interests of Canada. It is not in the best interests of Canada.

The first thing we see in this document to which I referred is the relationship of the free trade agreement to federal law. It provides that in the event of a conflict between U.S. law and the free trade agreement, U.S. law shall prevail. It is interesting that we wimps here in Canada say that the free trade agreement will prevail. In the United States, American rights under the Constitution come first. The elephant spoke, and did we mice roll over? We forgot to get out of the way of the elephant.

This is the thousandth day of the debate. We have a thousand pages of documents supposedly outlining the process. I loved the debate we had earlier informing us that water was not part of the free trade deal. Then I read into the record how Section Item 22.01 included ice and snow, and I always thought that they were made up of water. There was somewhat of a lack of veracity and forthcomingness there.

Article 16(10) of this 18-page document is called "International Agreements". If Members of the House would learn how to read, they would be outraged by this. I cannot understand how the Hon. Member for Abitibi (Mr. St. Julien) and Hon. Members from points north, south, east and west of northern Québec can say that they fully support and agree with the free trade agreement. First, they have not seen the American document. Second, I am sure they have not bothered to read this document that was just sent to the White House.

Those Hon. Members did not know what Article 16(10) of this document indicates. It says that they authorize bilateral negotiations to liberalize investment rules, require consultation with diverse U.S. interests and establish the following negotiating objectives, and the first is the elimination of direct investment screening. I just finished asking the Minister about direct investment screening. He spoke with great pomp and circumstance about Investment Canada which he has denuded. He spoke about his book publishing policy which he has not applied.

Article 16(10) goes on to talk about the extension of the free trade principles to energy and cultural industries to the extent not now covered. This is here in black and white on page 9 of this document. I recommend that the Ministers and Hon. Members read it carefully and take it back to their ridings. I recommend that they show it to their riding executives and see if they will be jumping with joy for the loss of Canadian rights to self-determination.

Government Members can says that we need only five days of debate because this is such a simple, fundamental principle. Yet here we can see where the free trade principles are being extended to energy and cultural industries to an extent not now covered. I suggest that there are a series of very important cultural initiatives that need to be protected if we want to keep any part of our market. If the Government had been straightforward, it would have acknowledged that the cultural industry was on the table or it would have given it the kind of exemption that was given to beer and logs and to ships by the U.S.. However, the Government did not do that. Now we will find that in the next five to seven years, every one of those subsidies will be subject to change.

In Article 16(10) of this document, point 3, "International Agreements", it mentions elimination of technology transfer requirements and other performance requirements not currently barred by the free trade agreement. I hope the Deputy Prime Minister (Mr. Mazankowski) is listening to this. I would like to have him explain what that means to videos, VCRs, new technologies and electronic book publishing. Does he think that members of the Canadian public are so stupid that they do not understand that they are in jeopardy because the things that define us as Canadians are those things that are found within the book publishing, film, sound recording and broadcasting industries?

It is a sheer disgrace that the Prime Minister (Mr. Mulroney) is trying to make Canadians feel as though they are entering into a free trade agreement when it is nothing of the sort. I would strongly recommend that Canadians read this document.

Let us not forget that Senator Bensten and Congressman Rostankowski presented this document as a joint effort. Article 2005, "Cultural Industries", says that the President shall endeavour, if he takes remedial action, to fashion a response that discourages creation of similar barriers in third countries. The Prime Minister has handled Canada as if it were a wimpy country. First he was a wimp with respect to how he would handle social policies. Thank goodness, the grey and white-haired people of this land stood up and made him back down on the deindexation of Old Age Security. We need them to come up here and talk to him again.

If we take action against big American corporations, particularly with respect to film and cultural industries, they will take an action that will be a blockbuster to teach us a lesson so that third countries will not do likewise. This reminds me of a magazine entitled *Cinema Canada*. The May 1988 edition at page 19 has an article about something called the

domino game. I suggest all Hon. Members read what Mr. Jack Valenti wrote on pages 19, 20, 21 and 22 of this magazine.

The head of the Motion Picture Association of America, Jack Valenti, told fellow members of that association and the President of the United States what they should do, and that is exactly what President Reagan did. Jack Valenti told the President that the Canadians banished from the free trade agreement U.S. films, television and home videos. Because of Canada's insistence, films, television and home videos were exiled from the free trade agreement. I thought they were not in it in the first place. How could they have been exiled?

• (2050)

The Canadians refused to go forward with the agreement unless American movies, television programs and home videos were kicked out. So that is precisely what they did, they kicked them out. The chief crisis in Canada is a matter of survival for the U.S. film industry, says he. Mr. Jack Valenti says that if we Canadians have the nerve to threaten and propose any kind of action the Americans should have swift retaliatory action to ensure the survival of the U.S. film industry.

Can you imagine the survival of the industry if Canada wants to have some part of non-proprietary film distribution in this country? I think, if it wasn't so sad, we could laugh. This is what he has ended up by saying, Mr. Speaker. It goes on to talk about the damage of the proposed Canadian restrictions. He is talking particularly about the film industry. He says: "the Canadian proposal has world-wide ramifications for the U.S. movie industry".

If Canada gets by with imposing trade restrictions on how U.S. film companies operate in Canada, that pattern will surely have a ripple effect and quickly spread to other countries. France, Germany, Italy, the United Kingdom, Japan and other countries could decide to adopt the Canadian proposals in their country. If this occurs, our $1.1 billion annual trade surplus, derived from the export of U.S.-distributed films, would be severely shrunken, perhaps by several hundred million dollars. The U.S. movie industry would suffer a massive economic haemorrhage. That is just in case we Canadians would like to make a mistake and be masters somewhat of our own destiny in the field of cultural development.

It is a sad day in this country when all we are prepared to do is to examine, over a very short period of time, very serious legislation that will have a serious impact on many sectors of our economy. I chose to look strictly in the short time that I had at some of the aspects of the cultural industries. My concern is the trust that this country can put into this Government. Can Canadians trust a trade deal signed by a Government that tried, but luckily failed, to blind-side our seniors with old age pension cuts, a trade deal signed by a Government that socked Canadians with more new taxes than ever before in the history of this land? The last count was $27 billion out of our pockets.

The Chairman of the Standing Committee on Communications and Culture is discomforted. He should be outraged at what is happening to the cultural industries. I think it is very important that we have the opportunity to debate the implications in this Bill, to debate at length and at large, what is happening. If you look at the so-called American irritants with which this Government has dealt, with respect to cultural industries, they neutered the well conceived Canadian-owned book publishing policy, they effectively suppressed the Canadian film industry, a good, solid Canadian film industry, not only through the kind of legislation but also through the cutbacks on capital cost allowance for film production. They watered down, as I said, our film distribution policy. I would like to know what else we expect with our new upcoming broadcast policy with respect to Canadian content. What are we doing and what else do we have to do to please these American cousins?

I really feel we have taken a terribly weak-kneed approach to our relationship with the United States, and it is an approach that has forgotten that Canadians are a strong, proud, unique, independent people, spread across a massive land mass, speaking two languages, in a multicultural milieu, who have aboriginal backgrounds and who have a lot to be proud of and a lot to promote, and who have no reason to take a back seat in the development of trade with the United States, of course, but with other parts of the world as well.

I would suggest to you that it is ironic, we did have free trade with the United States and the cultural industries, but we are not going to have free trade any longer, with the way things are set up.

Should we have left without getting something back from the Americans in this policy and in this undertaking? When you look at the fact that 77 per cent of all news-stand periodicals sold in Canada originate from foreign countries, primarily the United States, 61 per cent if mail copies are included. Three out of every four books sold in Canada are published outside of Canada, mostly originating from the United States. Foreign controlled companies account for three-quarters of the revenues generated by movie distribution companies in Canada. We are talking in the billows. Ninety-seven percent of the screen time across this country is booked for Americans with a sprinkling of other foreign country films.

What other western country has only 3 per cent of its film time taken up in its theatres by Canadian films? The eight largest sound recording companies in Canada are foreign owned. Nine out of ten recording companies in Canada use foreign master tapes. Depending on the market, anywhere up to 70 per cent of Canadian English language television viewing time is spent watching non-Canadian programs, primarily U.S.

By the age of 12, Mr. Speaker, researchers tell us that the average Canadian child has seen 10,000 hours of American programs and a bare 2,000 hours of Canadian programs. What does that say with respect to the future development of this country? One has to realize, if one is looking at a very

pervasive mass medium, that can have a very serious impact on the formation and the thinking and the development of the philosophy and the mentality of our children.

The Canadian market, for all intents and purposes, with respect to the cultural industries in particular, is absolutely an American gravy train. If we want to have the right to choice, and that is what I am talking about, the right to choice, then we need to have options. We need policies that will maintain the right to options and choices.

However, according to what we have just finished reading under Section 2005, they can take a sledge-hammer and literally kill us by making an example out of us for third countries. I find that this is a very serious problem that is not being dealt with in the way that is most conducive and helpful. I should really talk about the textile industry in my riding, and the apparel in my riding, and how this Government can't be trusted even in that area. They were promised great help from this Government and ended up getting peanuts. That is another area. Never mind cultural industries. What did they do to the fishing industry and to the lobster industry? The Government should be ashamed of itself. How can we possibly trust it to negotiate this agreement, even if it had been a good agreement? Unfortunately, it is a rotten one.

• (2100)

This document also deals with retransmission rights. This Bill contains the implementing legislation for that. The essential elements of the retransmission rights are not well addressed. There is no definition of local and distance signals or small retransmission systems. These definitions are, for the most part, controversial elements and are being left to cabinet regulations. Four major issues are being left to cabinet regulation including directions to the CRTC.

Why is the Government not forthcoming? If the Government does not want to do it through a Bill and legislation, then it should at least print the regulations rather than leaving them in secrecy. It should be stated forthrightly for the Canadian public to make decisions on.

This is a disgrace. The Government should be ashamed of itself. I hope that when the Canadian public votes they will remember this by putting their X in the proper place on the ballot sheet.

Mr. Langdon: Mr. Speaker, I have listened with considerable interest and admiration to the speech of the Member for Mount Royal (Mrs. Finestone). I would like to say two things. First, one of the great myths which this Government, among many others, is throwing out about the trade deal is that it does not touch culture. It, of course, has all sorts of clauses in it which touch upon the cultural concerns of Canadians and key factors which maintain the distinctiveness of our country. It includes points affecting the recording industry, the printing industry, and a wide range of segments of our cultural heritage.

Second, as I suggested earlier, there is a tremendous axe which hangs over any cultural initiative which we might choose to take in the future. The need for these cultural initiatives is evident when you look at the status quo at the moment with respect to Canadian culture. Only a miniscule level of Canadian films are actually distributed among our movie chains. There is only a miniscule proportion of Canadian material played on the radio and only a miniscule portion of Canadian artistic activity given its place in this country.

No other country in the world would put up with a situation of having the great bulk of what is seen on its television sets, a high proportion of what is seen in its newspapers, and the great proportion of what is seen in its movie theatres coming from foreign countries. Yet that is the situation in this country. It cries out for action and new initiatives. Yet, if new initiatives are taken under the measures in this trade deal, they themselves will be subject to commercial moves by the United States in an attempt to counteract them.

Is the Member for Mount Royal as shocked as I am by the notwithstanding clause and its potential for damage? We have talked to quite a number of cultural groups in the last few weeks and have felt the deep concern of virtually all of them. Has the Member likewise had that sense of concern communicated to her? Does she believe that the Government's claim that culture has been left off the table is in any sense justified?

Mrs. Finestone: Mr. Speaker, I very much appreciate that question. If the Government thinks it has pulled the wool over the eyes of the cultural industry; the artists, the singers, the songwriters, and other creative intellectual peoples in Canada, it is sadly mistaken. I suggest that Members opposite read a book called *If You Love Canada*. They would find out that there is not a sector of the Canadian artistic community, from the music creators to the film producers, the actors, and the technicians, which is not concerned. That is why I feel so sad that there is this tremendous insensitivity.

I appreciate the Member's question about the notwithstanding clause because it is pretty obvious that, aside from a few Members of the Cabinet, government Members have not bothered to understand the implications behind the notwithstanding clause. As I said in my speech, it is very clear that it is to discourage the creation of similar barriers in third countries. In addition, all subsidies will have to be rethought over the next five to seven years. As I believe the Hon. Member for Essex—Windsor (Mr. Langdon) once said, the hobnailed boot fell, but only one of the pair.

We were told to be quiet and not to worry for the moment. However, this document from the Congress to the White House indicates very clearly that subsidies are to be negotiated and renegotiated in the energy and cultural sectors. Read the document. I do not understand how government Members cannot read what the Americans are saying.

For the sake of my children and my grandchildren I would dearly love to believe them. This is a sixth generation Canadian talking to government Members they are deaf as can be. It says: "extension of the free trade agreement principles to energy and cultural industries to the extent not now covered". It could not be clearer than the noses on their faces if they would only read or look in the mirror.

I am very concerned because a whole series of Canadian cultural development subsidies are at risk. They include the book publishing development subsidy, the postal rates subsidy, the museum assistance program, the Indian cultural development and art program, the Canada Council program, the Telecom program, funding for the development of our recording industry, public use payment for authors for their works in public libraries, cultural initiative grants, performing arts assistance, capital cost allowance—rotten as that may be right now—and broadcasting subsidies for our public sector. All of these have been put in place by Governments over time. They had to fall into the lap of the Prime Minister (Mr. Mulroney) with his lack of comprehension of Canadian pride. That is why we are in this juggernaut right now.

The Member is perfectly right. Our cultural industries mean Canada. The Americans wrap themselves in their defence flag. The only defence we have as Canadians is our cultural uniqueness, and that the Government does not understand.

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, I rise to speak on Bill C-130, the Bill which proposes to put into effect the treaty which the Prime Minister (Mr. Mulroney) signed at the beginning of the year with the President of the United States. The Bill consists of 123 pages which propose to amend 27 statutes of the Government of Canada ranging from the Western Grain Transportation Act, the Seeds Act, the Meat Inspection Act, the Meat Import Act, the Loan Companies Act, the Excise Tax Act, the Bank Act, the Canadian Wheat Board Act, the Canadian Agricultural Products Standards Act, the Canada Grain Act, the Canadian and British Insurance Companies Act, and on and on.

• (2110)

The Minister for International Trade (Mr. Crosbie) described this treaty as a revolution. I believe he is right. It is a neo-Conservative revolution that proposes to turn over our existing society.

The Minister for International Trade is talking about a movement that espouses freedom, as do most revolutionary movements. In this case, however, it is freedom for corporations and multinational firms. It is freedom so that they can get the Government off their backs, become deregulated and take their profits wherever they wish. It is freedom so that they will not be forced to provide services in outlying rural areas of our country, like those I represent. It is freedom so they can make their money wherever they choose, whenever they choose.

It means privatization so they will not have to compete with government agencies, which they say is unfair competition. Corporations say it is unfair to compete with companies like Air Canada that has the highest return on investment of all three airlines in this country. They want to be able to share in those profits. However, they call for privatization when Crown corporations happen to lose money, using the argument that they cannot compete and will be forced to cut their prices accordingly.

The third leg of the neo-Conservative revolution is tax reform. Corporations have succeeded in convincing many Conservatives that the corporate sector should pay no income tax, using the argument that profits should go to shareholders who should pay the tax. Unfortunately, most developed countries have a practice of maintaining retained earnings, which then become earnings which have virtually no tax. Under those circumstances, large multinational corporations with almost no taxes have a distinct advantage over ordinary business people who try to enter the market and compete against them. The Conservatives are attempting to invert the way the economy functions.

This is a complete change from the economic theories of the western countries in the last 80 years. One of the best examples to describe the system of economic development we have been following is Henry Ford. Just prior to World War I, Henry Ford decided to pay his workers another $1 an hour, something which his competitors and federal industrialists questioned. His workers seemed to have a place to stay warm, seemed not to be too hungry when coming to work, and seemed to have enough clothing. They asked Henry Ford why he would give them more money when they would only waste it or save it. Henry Ford said that they may save the money, but they probably will buy cars with it. He used that theory to increase the amount of cars he sold.

Successive Governments have followed that policy of increasing incomes through such things as the minimum wage, better services to people, better education, health care and standards of living to the benefit of everyone. Productivity and the economy increased and everyone lived better.

The new Conservatism seems to be shifting in the other direction and focusing its attention on reducing labour cost and input costs, avoiding taxation, and turning the economic development strategy on its head. That is what Margaret Thatcher, Ronald Reagan and our Prime Minister are attempting.

The Prime Minister has been following his three tenets of Conservative philosophy: Deregulation, privatization, and tax reform. However, I believe he has been pressured into making this a long-term proposition by corporations who are concerned about what may happen if the Conservatives lose the next election. Their solution was to persuade the Government to sign a free trade agreement with the United States because American Governments have been easier to manipulate than most other Governments, especially those in Canada.

When I heard the Minister for International Trade this afternoon, I could not help but recall an old Al Capp comic of *L'il Abner* because Senator Fogbound immediately came to mind. I remember him thundering: "What is good for General Bullmoose is good for the U.S.". Of course, he was parroting the famous line by one of the big business people of the era who said that what is good for General Motors is good for the United States. It is still true in the United States that what is good for big business is good for the U.S.A., because big business essentially controls the policy of the United States.

If we are linked with the United States through a treaty, then Canada is not very likely to be able to back out of some of the changes the Government has attempted to make. The agreement goes much beyond the removal of a few tariffs between our countries. If that was all there was to it, the hue and cry would be loud and sharp but not so prolonged.

I was told by one analyst that there are 21 segments to this agreement, 11 of which have nothing to do with tariffs. They are more concerned with setting prices, control and deciding the future policy of the country. They have nothing to do with a normal free trade agreement. Rather than reassurance from big business, there are phrases in the Bill, such as those at page 99, which state: "Every reference in those provisions to Canadian shall be read and construed as a reference to American", and "every reference in these provisions to non-Canadian shall be read and construed as a reference to non-Canadian, other than American". There are statements like: "Canadian-controlled shall be read and construed as a reference to American-controlled". It is a blatant attempt to combine the two countries and make American policy, American law and the whole American ethos one with Canada.

The Minister for International Trade said that he was proposing this legislation which he described as a revolution to save the country from stagnation and save it from the New Democratic Party. During Question Period today I heard members of the Government say that there was no stagnation of this country, but that we had a healthy and vibrant economy. The free trade agreement is not even in effect, so what is he fighting against? Perhaps he is fighting against the NDP and against our policy of interfering in the economy for the good of people, so that we can look forward to improving living standards and health care, services and education.

That is what we see with the Japanese and the European economy. Japan probably epitomizes a country that interferes in the economy. It is probably the closest thing to the antithesis of a free trader that exists on the earth at the moment, and who has the leading economy? Who has the highest living standards by most measures right now? It is the Japanese, and many of the European countries are right behind them. By one standard of measuring economic growth I saw recently, the United States was either ninth or tenth, and rested in about the same place in terms of living standard.

• (2120)

Why is it that the Government insists on trying to push us into this particular kind of deal except for ideological reasons which I have spelled out? What is it that it is saving us from? When the Government began these negotiations it said it was saving us from countervail actions. We all recall that there were countervail actions against our softwood lumber, our shakes and shingles, hogs, pork, salt fish, raspberries, specialty steel, potash, and those were just while the negotiations were going on. What did we come out with? Did we get saved from countervail actions such as those? No, we did not. We had the same process in place. We did not change it. But the Government is now happy with the agreement. I wonder why.

The Government told us it was entering into the negotiations to get a better dispute settlement method, that the dispute settlement system had to be changed and improved. Did we get that? No, we did not. We got no change at all. It is the same dispute-settling mechanism with one little change, after it is all over, we can drag it out even longer by putting in a tribunal which will decide whether or not U.S. law was adhered to.

We were told that with these negotiations we would get greater access to the U.S. market. Now that it is all over, is that what is going to happen? Before the negotiations began, we had access on about 80 per cent of our trade, free of tariffs. We had access to most of the U.S. market. If there was an inequity between the access to the American market and their access to our market, it was in our favour because their tariffs were slightly lower than ours. Now that the walls are coming down, it means, by my simple deduction, that they have better access to our market as a result of this agreement. Most people who have spent any time analysing the deal agree.

We have been told the Government had to do it because it was saving Canada for future generations and it just had to stop what was going on. We have been reasonably well off and we seem to be growing quite fast, but the Government has to put a stop to that. It is not good enough. It was stated by the Minister of State for Finance (Mr. Hockin) that this will result in lower cost of consumer goods. Think about it for a moment, Mr. Speaker. Think about the neo-Conservative philosophy that demands and expects lower wage rates, lower resources, access to lower priced raw materials. Why will consumer goods be lower? Most of them are set by oligopolies that generally price what the market will bear. I submit they will be lower because there will be lower demand. People will not have as much money to spend and therefore prices will be lower. Is that such a good thing? I think not.

We have argued with, I think, correctness, according to the agreement after we analysed it, that signing this agreement and approving this legislation will tie us not only closer to the American economy but would subject us to American power, influence and policies. The Hon. Member for Lethbridge—Foothills (Mr. Thacker), said: "Do not worry. We will still be able to tax ourselves". Hurrah. What good is being able to tax

ourselves if we are limited in how we can spend the tax dollars?

Mr. Thacker: Sovereignty.

Mr. Althouse: What sort of sovereignty can we have if we cannot any longer increase our unemployment insurance programs or our health care, if we can no longer form Crown corporations, which this agreement says we cannot, if we cannot engage in regional development for those areas which are badly hit by economic disruption? We cannot do that because they are a form of subsidization, and we have signed in blood that we will not subsidize. We have said we will not subsidize, that we will follow the same rules and the same processes they have in the United States.

I believe that if the Hon. Member wishes to argue, he would spend his time better reading more than the thousand pages that have been produced at this point between the two parties.

Mr. O'Neil: I have read more of it than you have.

Mr. Althouse: We were told that this was a better way than maintaining our own independence and trading with all of the world, that we should restrict ourselves to this one country, focus all our attentions there. We still insist that this country would be better, more independent, more wealthy, more healthy and in a much better financial, fiscal, economic and political shape if we maintain that kind of choice.

What we are arguing is that we need a real choice. What the country needs is a real revolution continuing on the paths to which the New Democratic Party has been trying to direct us.

Mr. O'Neil: Revolution?

Mr. Althouse: Without that kind of revolution or evolution, we will not have the continuation for future generations of better incomes, better security, a better country in which we live.

Mr. O'Neil: Higher taxes.

Mr. Althouse: I want to complete my remarks by saying that I am a third generation farmer from Saskatchewan. When I took over my land, I was taught well. I was told that my job was to maintain the land and to manage it for future generations. I have attempted to do that in my career as a farmer.

I see my duty as a Member of Parliament towards this country to be very similar. I think we have to maintain our land and manage it for future generations. This agreement, in my mind, ignores the future generations. It does not permit them to manage it in a way that we were able to manage it. It restricts the amount of policies future generations will have open to them, and I cannot support this treaty with the United States. For me, this is a sell-out of future generations. It is a sell-out of their future right to govern Canada. It is a sell-out of their future right to develop their economy as they wish. It is a sell-out of the rights of their inheritance of this great, still independent land.

Mr. Langdon: Mr. Speaker, I was surprised, perhaps, by my colleague's speech tonight which was very much looking at the philosophic choices which this deal is presenting to us and the losses to this country of future independence and freedom of choice. That is really, I guess, what the trade deal debate is all about. I want to ask the Member, since he is one of the few farmers in the opposition side of the House—

Mr. Thacker: He is the only one.

Mr. Langdon: You should not talk about the Hon. Member for Prince Albert (Mr. Hovdebo) in quite that way. I suggest it would be very useful, especially in view of the commitment this Government made to farmers across this country, that agriculture like culture, like the Auto Pact, would be off the table, that they would not be negotiated and then end up being sold out just like other parts of the agreement.

I would like to ask my colleague if he would spend just a few minutes telling us about some of the damage which farmers across this country, in his view, are going to endure as a result of this unfair trade deal.

• (2130)

Mr. Althouse: Mr. Speaker, I will try to be brief. I made a speech on this on an Opposition Day several months ago. At that time I spent most of the full 20 minutes I had describing that. However, I think there are a number of things that disturb me a great deal about the deal as it applies to agriculture.

My friend will be aware that a great many of our agricultural products have been traded freely across the border with the United States, products such as red meats, agricultural implements, chemicals and fertilizers. Quite a number of agricultural items have been traded freely.

Those that were not are those with which we have some disadvantage geographically and, therefore, economically in competing, namely, fruits and vegetables, and poultry and dairy products. Some of the things that our Government proposes to do with this trade agreement are very hard for me to accept.

Show me, Mr. Speaker, another trade agreement wherein a country has guaranteed another country that that other country will be able to ship in "no less than 7.5 per cent", in this case, of the poultry requirements of that country. It is not that there is a window of opportunity there but that it shall be "no less than", and into perpetuity. What a way to stifle economic development in one's own country, to invite in 7.5 per cent of one's own poultry consumption needs from another country and to write that into an international agreement stating that it will never be less than that. It may be more. In fact, it probably will be more if this Government stays in power.

Why put such a thing in an agreement? It is there. We did not get any such reciprocity. Even those in the oil and gas industry who think that this agreement is a good thing because

it gives them access to the United States market, which they had, will see that there is not a line in the agreement stating that they will get "no less than 10 per cent" of the total market in the United States. This is utter foolishness and utterly unnecessary.

We have also pretended that marketing boards are not in danger. Yet anyone who thinks ahead or can analyse can realize that there is no way we will be able to maintain the slightly higher prices in our country because of our higher costs and still maintain our processing industry. I think that the McCains have put that very clearly. They have quite publicly stated their options. They have said: "If we are going to make frozen pizzas and frozen chicken dinners with product produced in Canada under supply-management which comes to our factory at a slightly higher rate than what we could get in the United States, then we have no choice but to move our factory, our processing plant into the United States". They go on to state: "Unfortunately, it is easy to move a factory, but it is not easy to move our workers." It is virtually impossible to move our farmers. Thus they will be left sitting there in Florenceville or Portage la Prairie without a factory to haul their product to and there will be no point in their continuing to produce chicken, potatoes or cheese.

Those are the problems with the deal. The Government says that marketing boards are still in place, and they are. However, they will not be able to exist for very long. The Government says that the Wheat Board is still there, and it is. However, the Government has taken away a great many of its powers which kept it a substantial institution which was able to do a good job.

These are some of the items that I think have created long-term problems for farmers and about which farmers are very upset.

Mr. Thacker: Mr. Speaker, I would like to have the views of my hon. friend opposite with respect to the NDP position on the multilateral negotiation. I think it is fair to say that members of that Party argue against the free trade agreement which really just reduces the tariffs further than they have already been with the Americans. As well, it puts into place a dispute settlement mechanism. There are rules to govern our trade rather than it being subject to the whim of a very whimsical Congress which, at the moment, is responding to the very powerful interest groups in its own country.

Members of the NDP often talk about the GATT and how we need international diversification. However, under the GATT Canada is truly being pressed on all fronts. I am wondering how the Hon. Member can square with that. Our grape growers are being hurt by the GATT rather than by the free trade agreement.

Mr. Althouse: I am glad the Hon. Member for Lethbridge—Foothills asked that question. It brings out a fact that is sometimes ignored by both sides of this argument.

I have functioned in trading with the United States as a farmer. Even though we had free trade in the commodities that I was trading in it was not any field of roses, so to speak. There were always disputes and tough spots. There were times when one could expect to have one's product stopped at the border. That was with free trade, with an agreement that had been in place for 45 years at that time. The dispute settlement mechanisms have not really changed. The methods that the Americans have to stop this trade have really not changed as a result of this deal.

If we are to be international traders then we have to be prepared to put up with occasional interruptions in trade by the recipient country, whether it is in the United States, Japan, China or the European Economic Community. It does not matter very much whether one is under GATT or a bilateral agreement, these things will happen.

I think the Government fooled itself into thinking that it could improve those minor disruptions and reduce them by signing this agreement. When we analyse what it has got with the agreement, we find it has not got anything any different in reality than what we had before. The words have not improved. They are no stronger than they were before. The process is no different from it was before. All the Government has done is to kid itself that it has something better than it had before. There will still be opportunities for disruptions of trade at the border, at the behest of anyone from pork growers to a feed council to a processor. The U.S. is even more subject to political pressure in terms of its trade policy than we are. That has not changed. Nothing in this agreement can change that.

Congress is not changing its attitude. It is not changing the Constitution or its expectations with respect to what it sees as its role in trade. Thus disruptions will continue to happen after the new agreement comes into effect, or if we stay under the existing agreement. We will have the same problems under the GATT as well. The only advantage under the GATT is that we have an opportunity to form alliances with other members who are being treated by some of the same countries in the same way. We are no longer the only little country dealing with a big country which chooses to act in such a way. We can form alliances with other countries which are similarly affected and eventually we will get some justice.

Mr. Thacker: Mr. Speaker, I disagree in principle with the Hon. Member. I believe the binational dispute panel will be a far better mechanism than what exists now. Now, we have to go to the courts. If we feel that there has been an abuse, we have to go through the court system in that country. It is the judges of that country who deal with these disputes. At least if we have a binational panel we will have a couple of members on it, as will the United States. There will be a neutral chairman. That in itself will stop all sorts of these frivolous actions in which the Americans have been responding to pressure groups. For example, consider the lumber issue wherein one year the Americans lost and the next year they won on the very same grounds. I do not think that that would

happen if a binational panel were in place. I think that that is a significant difference.

• (2140)

Mr. Althouse: I think the Hon. Member should read the agreement a little more carefully. If the U.S. initiates the complaint, we still go through its court system the same as we do now. If we put in the complaint, then it works under our system. As I read it, the only time that the bilateral dispute-settling mechanism comes in is after all the decisions have been made and they get a chance to review the court process and see if American law was complied with or, if it was on our side of the border, if Canadian law was complied with.

We have never had any argument about whether or not American law was being complied with. The argument was with the American law.

[*Translation*]

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister of State (Science and Technology)): Mr. Speaker, I am pleased to take part in this debate of historical significance for the future of both the workers and businessmen of the Louis-Hébert riding as well as for all those who want Canada to have a future consistent with the skills of our people and the industrial, economic and technological potential of our country.

We have before us a bill which faithfully incorporates the elements of the Free Trade Accord which was signed between Canada and the United States. If I may, I should like to point out its purpose:

> 3. The purpose of this Act is to implement the Agreement, the objectives of which are to
>
> (a) eliminate barriers to trade in goods and services between Canada and the United States;
>
> (b) facilitate conditions of fair competition within the free-trade area established by the Agreement;
>
> (c) liberalize significantly conditions for investment within that free-trade area;
>
> (d) establish effective procedures for the joint administration of the Agreement and the resolution of disputes; and
>
> (e) lay the foundation for further bilateral and multilateral cooperation to expand and enhance the benefits of the Agreement.

There is nothing in this bill which was not part of the Agreement signed by the Prime Minister and the President on January 2. We have now reached the turning point. What motives will influence our destiny? Fear and insecurity? Or confidence and a powerful thrust towards the future? That is the choice we have to make. In this debate on free trade we see a confrontation between right wingers and forward looking idealists whose vision of Canada is altogether different.

I can assure you that most people in my riding and my province support the Agreement which was signed between Canada and the United States. Although Quebec City is called the Old Capital, the men and women who live there are not prisoners of the past, they have modern ideas, and they have both the wisdom and good sense to look beyond the old walls surrounding them.

Quebec businessmen are demonstrating a similar open-mindedness. For instance, when dealing with free trade, the President of Shermag, the most important Quebec furniture manufacturer, remarked: "It is a matter of attitude: either you freeze or you charge ahead ". Well, Mr. Speaker, that is exactly what free trade is offering to our workers and our entrepreneurs, the tools to succeed not only in North America, but also in Europe and in Asia.

We can find that same spirit and confidence everywhere in Quebec. Alain Dubuc, a reporter from *La Presse*, is a very good example. He stated: "Quebec will greatly benefit from the agreement. We can even say that our province has hit the jackpot." All recent surveys show that a strong majority of Quebecers are in favour of the agreement. Moreover, the results indicate that young people are the most supportive. Why? Because the young people of Quebec are looking to the future, seeking individual freedoms and opportunities on the world market. In fact, we are in the second stage of the Quiet Revolution. In the first stage, Quebecers were able to assert themselves in their own territory.

We have now reached the second stage, the conquest of the foreign markets. In fact, numerous Quebec firms, small and large, are already making progress in the American market and increasingly in Europe and Asia. The confidence Quebecers feel towards the Free Trade Agreement speaks for the maturity and the competence of our entrepreneurs and workers. All those strongly in favour of free trade have realized that we have the economic, technological and industrial capability to take full advantage of a market ten times our own. Moreover, those supporters of free trade know that in order to be recognized as one of the economic and industrial leaders of the world, we need to have privileged access to a market of at least 100 million people. Well, the Free Trade Agreement between Canada and the United States would give us privileged access to a market of 250 million consumers.

Those who would say no to this historic agreement would in fact be turning thumbs down on the growth and competitiveness of our industries and the jobs they provide. Basically, free trade is nothing short of the liberalization of Canadian and Quebec businesses.

Having been a member of the Special Joint Committee of the Senate and the House of Commons on Canada's International Relations which, during the summer of 1985, held hearings throughout Canada on the possibility of concluding an agreement between our two countries, I can tell you that these hearings made us realize that most Canadians in all sectors of activities were in favour of such an agreement. We heard all groups and individuals anxious to give evidence—cloose to 300 witnesses. The hearings enabled us to find out what Canadians thought and wanted before our Government

undertook serious negotiations with the Americans, the negotiations which finally led to the agreement we are talking about today.

Throughout the hearings most witnesses invariably raised the issue of the very strong American protectionist trend which was a source of very deep Canadian concerns—and I need only refer to lumber, potash, chicken, just to name a few. In addition we ought to keep in mind the fact that, as I speak, 175 legislative measures and the famous omnibus bill—all protectionist initiatives—are pending before the American Congress and the Senate. We therefore had to act promptly to counter this protectionist movement which can be traced back to a number of factors, not the least of which is undoubtedly the slow and vacillating worldwide economic recovery after the recession of the early 1980s, and which is also due to the transition period now being experienced by the international economy.

The Free Trade Agreement therefore offsets and protects Canadians against these measures which Americans were advocating and would have continued to impose had the FTA not been signed.

The importance of trade relations between Canada and the United-States also concerned the Trudeau government, which set up, in 1982, the Royal Commission on Economic Union and Development Prospects. This Commission chaired by Donald Macdonald, former Liberal Cabinet minister costed Canadians 20 million dollars . . . Its report, published in 1985, concluded that Canada had to negotiate a Free-Trade Agreement with the United-States.

Let me tell you what this important and voluminous report had to say on the matter: "The world offers Canada enormous challenges and opportunities. Jobs in Canada are threatened by the rapid growth of imports from developing countries, by changes in trade policies and by internal pressures on our trading partners in favour of new forms of protection. Inversely, the growth and technical progress in foreign countries open up new export opportunities and allow us to obtain cheaper and better goods.

Further on, the report says: "The pursuit of Canada-U.S. free trade is not at odds with efforts to strengthen and improve the existing multilateral framework. Rather, Commissionners see it as a complementary approach, involving concentration of our efforts and scarce resources on our most important market.

We see multilateral negotiations proceeding in parallel. In our view, such a two-tiered approach is the best way to ensure that Canadian industry will win sufficient acccess to foreign markets to invest and grow with confidence. At the same time, it will allow us to open our market in an orderly fashion and thus ensure that trade policy does its part in encouraging the development of a more competitive and more productive economy.

Following this introduction, here are the recommendations made in the Macdonald Commission Report: "Canada is sufficiently strong and independent, however, to pursue bilateral initiatives, including better economic relations with the United States, within the framework of multilateral relations.

Commissioners recommend that the Government of Canada, at the same time it undertakes an initiative at the multilateral level to eliminate trade barriers, open negotiations with the Government of the United States to reach agreement on a substantial reduction of barriers, tariff and non-tariff, between Canada and the United States."

The report goes on to mention that "such an agreement would have to stand within the terms of article XXIV of GATT, protect Canadian culture and that an approach should be developed to use measures of contingent protection by establishing a new Canada-U.S. intergovernmental body to settle potential disputes."

That is what the Macdonald Report recommended.

To show that the free trade agreement is good for Quebec and Canada, and that the overall approach followed by this Government is successful, let us remember that Donald Macdonald, a previous member of the federal Cabinet and chairman of that Royal Inquiry, as well as Gerald Regan, the former Liberal Minister for External Trade, today are among its strongest supporters.

The free trade agreement opens to us Quebecers the door to futur success. And Quebecers have seen all the opportunities that agreement opens up for Quebec. Premier Robert Bourassa is a strong supporter, as well as the former Ministers of Finance Mr. Parizeau and Mr. Landry. Robert Campeau, one of our greatest Canadian entrepreneurs stated, and I quote:

> Free trade is the single most important political action in Canada since the turn of the century.

The chairman of Telemedia, Philippe de Gaspé Beaubien, stated:

> That agreement is the key to our future prosperity and strength as a country.

In Quebec we have shown our know-how over these last 30 years, both provincially, nationally and internatinally. Our confidence has led to major economic development and success stories like Hydro-Quebec, Bombardier . . .

• (2150)

[*English*]

Ms. Dewar: Mr. Speaker, I rise on a point of order. Citation 309 of *Beauchesne's Parliamentary Rules and Forms* indicates that the growing practice in the Canadian House of Commons is that a Member must address the House orally and not read from a written, previously prepared speech.

Mr. Gormley: And you've never read a speech, Marion?

Ms. Dewar: No, I never have.

The Acting Speaker (Mr. Layton): The Hon. Parliamentary Secretary has the floor.

[*Translation*]

Mrs. Duplessis: ... La Laurentienne Insurance Company, and so on and so forth.

Mr. Speaker, engineering firms such as Lavalin, SNC, Roche and Associates, and ADS here in Quebec, to name a few, show our capacity to achieve major goals, and we must be especially proud of that.

However, we should not stop at that success, however outstanding. We must constantly push forward, and this is why, on the strenght of past experience, we must have confidence in our potential, and unite our efforts to provide our young with a promising future.

I will never insist enough on that point. The conclusion of that agreement does not mean we can quietly wait for the rest of the world to come to us. We will not sell our products because people like us.

Mr. Speaker, on two occasions I have interrupted, which used part of the time available to me.

Mr. Prud'homme: Mr. Speaker, quite the opposite, I was trying to help. I was watching in the lobby the speech made by my colleague from Quebec, and it seemed to me that the Hon. Member for Hamilton Mountain (Mrs. Dewar) ...

[*English*]

The Hon. Member for Hamilton Mountain (Ms. Dewar) made a point of order referring to Beauchesne's, saying that the Hon. Member was reading, but I think we are all wrong. The Hon. Member is not reading her text, she is using copious notes.

The Acting Speaker (Mr. Layton): The Hon. Parliamentary Secretary has the floor.

[*Translation*]

Mrs. Duplessis: People are not going to buy our products because they like us but because they are high-quality products that are competitive on international markets. That has been Canada's strength in the past and will be in the future as well.

We must break out of our isolation and go out to conquer new markets. This is an appeal to collective excellence. We say to Canadians: Dare to be the best, and I have no doubts about how Canadians will respond to this appeal. We are people who like a challenge, especially Quebecers.

I am very concerned about the future of the science and technology sector, and I am convinced that our high-tech industries cannot survive without privileged access to U.S. markets. As the President of the Canadian Technology Association said so eloquently: "The market for computers, telecommunications and information technology is international, and if you don't aim for the international market, sooner or later somebody else will come and wipe you out on your domestic market".

That is a harsh truth, Mr. Speaker. If we want to compete with the Americans, the Europeans and the Japanese, we need the basic elements of international competitiveness. The most critical factor for Canadians is to have free and secure access to the richest market on earth.

As Parliamentary Secretary to the Minister responsible for Science and Technology, I am interested in research and development and the industrial applications of research. This Government, together with the provinces and all parties concerned, has for the first time in Canada's history developed a national policy on science and technology. The Prime Minister has taken an active part in preparing this policy and in the subsequent follow-up.

We know for a fact that Canada's great challenge is not scientific or technological research as such but the industrial applications of this research. Our businesses and high-tech industries must produce for a market of at least 100 million people to operate on a profitable a basis. This is just what the Free Trade Agreement offers us.

Before concluding my speech, I would like to talk about the impact of the Agreement on Canadian women. Mr. Speaker, I find deplorable the campaign of fear, if not terror, waged by some Opposition Members and union representatives. It is one thing, Mr. Speaker, to oppose a Government project. It is something else to lie knowingly to millions of women in order to terrorize them.

What are they telling Canadian women? That they will lose their jobs; that our health and welfare system will be destroyed; that the violence one finds in the streets of Detroit, New York or Miami will come to the streets of our great cities; that we will not be able to have child care facilities.

Frankly, Mr. Speaker, one would have to be desperately cynical to wage such a campaign! We know, because we have the final text of the agreement, that all those statements are imaginary. Nothing in the agreement affects our health and welfare system. Nothing in the agreement threatens our social programs, including child care. Nothing in the agreement changes our Criminal Code, our legal system and our social values. I conclude, Mr. Speaker, it will not take too long ...

On the contrary, the Free Trade Agreement will help our economy grow more and create more jobs than ever. This means that we will have more wealth to distribute through our social programs. It also means that women will have better opportunities to pursue their careers or launch their own businesses.

I am proud of this great Bill introduced by the Government to implement the Accord and I intend to vote for it. It is a declaration by the people of Canada of their confidence, abilities and national maturity.

The Acting Speaker (Mr. Layton): It being ten o'clock, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 10 p.m.

HOUSE OF COMMONS

Wednesday, June 22, 1988

The House met at 2 p.m.

Prayers

[*English*]

BUSINESS OF THE HOUSE

Mr. Lewis: Mr. Speaker, there have been discussions among the Parties and I think you would find that there is unanimous consent for the House to call now for Statements by Ministers with respect to a statement by the Secretary of State for External Affairs followed by replies from both opposition spokespersons, an agreement to proceed to Statements by Members and Oral Questions for the usual period of time, after which the House shall proceed to the deferred division, and that any time taken on the Minister's statement and replies be added to the end of the day in the usual manner.

Mr. Speaker: The House has heard the Hon. Minister of State. Is the House in agreement?

Some Hon. Members: Agreed.

* * *

• (1405)

NATIONAL SECURITY

EXPULSION OF SOVIET OFFICIALS FROM CANADA

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I rise to report on a matter of national security.

On the Government's instructions, a senior official of the Department of External Affairs informed the Soviet Ambassador on June 15 that seven Soviet officials were to leave Canada within 48 hours, and that one official, who was then outside Canada, would not be allowed to return to this country. Those seven officials left Canada on June 17. A further nine Soviet officials, who had already left Canada on completion of their assignments, were declared *persona non grata* and will not be permitted to return to Canada.

With the consent of the House, I will now table a list of the names of the Soviet officials concerned, and the Soviet establishments in Canada where each worked. I regret that the only copy being tabled is in English. However, a French translation will be tabled immediately it is received by myself.

The Government acted after thorough investigations and analysis which led us to an inescapable conclusion that the Soviet officials concerned had engaged in unacceptable activities which were a threat to the security of this country. I do not intend to provide details of these activities except to say that some appeared designed to secure clandestine access to classified information or sensitive technology with commercial or military application.

Another operation was intended to penetrate the RCMP Security Service and, subsequently, the Canadian Security Intelligence Service. We are confident that Canadian security was not compromised.

Investigations are continuing in a number of the cases in question. I am confident that Canadian authorities have acted to preserve our security, and that the House would want me to express our appreciation to those authorities.

The 17 Soviet officials were not engaged in a single, large conspiracy, but several unrelated Soviet operations which were the subjects of parallel but distinct investigations. The investigations were complex and occurred over time.

Last Tuesday, the Government decided to take action on all the cases at once to bring them to an end.

[*Translation*]

Hon. Members may be aware of speculations about the Soviet citizen who was with the Secretariat of the International Civil Aviation Organization in Montreal.

I can now confirm that Mr. Yuriy Smurov has decided to apply for resident status in Canada, with his wife and daughter. His application is being examined by the Employment and Immigration Commission. I am advised that Mr. Smurov gave our security services useful information. However, I do not intend to elaborate on the kind of information provided.

[*English*]

Sir, we have impressed upon the Soviet authorities the seriousness with which we view the improper activities of Soviet officials and warned them against any resumption. The Canadian Government will not tolerate any activity by foreign powers which undermines the security or the sovereignty of our country.

At the same time, we indicated to the Soviet Union that we were prepared to put this matter behind us and get on with the

business of conducting our bilateral relations in accordance with our mutual interests.

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. André Ouellet (Papineau): Mr. Speaker, I want to thank the Right Hon. Secretary of State for External Affairs (Mr. Clark) for his statement this afternoon. I must say that we on this side of the House had been expecting a statement for nearly five days, especially since in the past, the Secretary of State for External Affairs has tended to make such statements far more quickly.

Yesterday, at the end of the Fourteenth Economic Summit of G-7 countries in Toronto, the Prime Minister (Mr. Mulroney) confirmed that eight Soviets had been expelled for improper and unacceptable behaviour. We also heard that the eight had engaged in industrial espionage.

Today's statement by the Secretary of State for External Affairs, five days later, is of course welcome, and we thank him for it. However, there are still several question marks, although I realize that in the circumstances it may be difficult to reveal certain aspects of this matter.

In recent years, cases of industrial espionage have become increasingly frequent. Western advanced technology continues to attract industrial spies. In fact, the industrial espionage carries a high cost, not only for the industries and companies that are the target of such activities but also for the competitive position of a country like Canada.

• (1410)

[*English*]

Espionage, whether at the level of national security, at the level of industry, or at the level of scientific research, is reprehensible and deplorable. It strikes at the very heart and sovereignty of our country and leaves Canadians feeling helpless and vulnerable.

I recall that in 1978 the Hon. Don Jamieson, the then Secretary of State for External Affairs, rose in the House to reveal the details of a Soviet attempt to infiltrate the RCMP. At that time no risk was posed to our national security, and thanks to the alertness and effectiveness of the RCMP this Soviet espionage activity was nipped in the bud.

Today the Secretary of State for External Affairs (Mr. Clark) has revealed a few details of another disturbing espionage incident. Although we have obtained his reassurance that there was no threat to national security, we are nevertheless still extremely concerned about the impact that this may have, not only on our relations with the Soviet Union but also on the Canadian industries which will be the true victims of these deplorable actions by the Soviet Government. I would like to deal briefly with both those issues.

[*Translation*]

In the last few years, the Soviet Union has taken steps to reform both its domestic and foreign policy. East-West relations are becoming increasingly cordial, but we have to ask ourselves why the Soviet Union continues to threaten Canadian sovereignty by engaging in industrial espionage. One also wonders whether the Soviet Union is serious about its desire to improve relations with Canada.

The Secretary of State for External Affairs tells us that he sent a protest note to the Soviet government. I hope the Minister is willing to table the text of this diplomatic note in the House, as Minister Jamieson did in 1978, at the specific request of the Leader of the Opposition at the time, who today is the Secretary of State for External Affairs. I hope he will do what Mr. Jamieson did at the time.

The second point I referred to earlier concerns the victims of these breaches of security. I am sorry the Secretary of State for External Affairs did not bother to tell us whether the industries affected by this espionage were informed of the fact, but I hope the Government is considering ways to prevent any recurrence.

[*English*]

The timing of the announcement is, for us, something difficult to understand. Although the Secretary of State for External Affairs has not said anything about it, we suspect that there were probably consultations with the Americans or with other allies in this regard, wondering how Canada would cope with a possible retaliation that is normally the case when such action is taken by the Soviet Union. I hope that the Secretary of State for External Affairs is prepared to cope with this, without undermining at all the good reputation and position of Canada world-wide.

• (1415)

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I would like to begin by thanking the Minister for making a statement in the House on this matter, as is his custom.

We in the New Democratic Party, based on what we know at this time, have no criticisms to make of the Government's action. We trust that this is something the Government has good reason for doing.

We are glad the Minister was able to say that Canada's security was not compromised. We regret, as does the Government, that this kind of unacceptable activity has been carried out by Soviet officials within Canada, putting Canadian security, sovereignty, and industry at risk.

These kinds of activities are always regrettable, Mr. Speaker, but given the new era in Russian domestic and international affairs being ushered in by Mr. Gorbachev, it is even more regrettable. Perhaps this is what the Minister had in mind when he said on behalf of the Government that he was prepared, to put this matter behind us and look forward to a new day when the spirit of *perestroika* and *glasnost*, the INF

treaty, and the recent Summit in Moscow will result in a world in which this kind of international intrigue is the stuff of stories about the bad old days and no longer grist for current affairs or the undermining of vital relationships between countries.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

IN MEMORY OF JEAN ROCHON

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, Jean Rochon died yesterday. He dedicated his whole life to public affairs. He was first elected as Member of the Quebec Legislative Assembly in 1935, then as Member of the Parliament of Canada for Laval in 1962, 1963 and 1965 and for Ahuntsic in 1968. In 1972, when he could easily have been re-elected, he graciously gave up his seat to help elect one of the first women Members from Quebec to Ottawa, Jeanne Sauvé, who today is our gracious Governor General.

The people of Montreal, Laval and Ahuntsic wish to remember a good servant, Jean Rochon.

Some Hon. Members: Hear, hear!

* * *

SENIORS

PUBLICATION OF GUIDE TO FEDERAL PROGRAMS AND SERVICES FOR SENIORS

Mr. Marcel R. Tremblay (Québec-Est): Mr. Speaker, a few days ago, I received a new guide to federal programs and services for seniors. This publication was made possible by the seniors themselves. In discussions that the Hon. George Hees had with seniors and their representatives over the past several months, they suggested publishing this complete, detailed guide that would include all possible information on the federal programs available to them.

This guide will be available for the next six weeks at some 6,000 supermarkets in Canada. It may also be obtained by filling in the order form attached to last month's old age security pension cheques.

Mr. Speaker, I would like to invite all seniors, especially those in Québec-Est, to obtain this guide, which I am sure will be very useful to them.

S. O. 21

[*English*]

FORESTRY

SPRUCE BUDWORM INFESTATION IN BRITISH COLUMBIA

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I wish to bring to the Government's attention, especially to the attention of the Minister of State for Forestry and Mines (Mr. Merrithew), the extremely serious infestation by the spruce budworm in the forest lands of central British Columbia.

Within the Kamloops forest district alone, defoliation by the spruce budworm has exceeded 800,000 hectares, a doubling of the invaded area since 1986. Locations of the infestation include Heffley, Old Fadear Mill, Louis Creeks, Clearwater, Little Fort, Barriere, Adams Lake, Paul Lake, and Little Shuswap Lake areas, the Highland Valley, the Bonaparte Plateau, the Chase Region and many others. Recent Canadian forestry service reports indicate that an additional 600,000 hectares are under intensive budworm attack at this time.

This serious crisis is posing a major threat to the timber resource in central British Columbia and I urge the federal Government, through the Minister of State for Forestry, to initiate a special joint federal provincial emergency program immediately to combat this infestation in an effort to preserve these valuable timber lands and especially to maintain the thousands of jobs dependent upon this very important resource.

* * *

TRADE

HOG EXPORTS TO UNITED STATES

Mr. Felix Holtmann (Selkirk—Interlake): Mr. Speaker, a recent preliminary American trade ruling, once ratified, will have major benefits for Canadian hog producers. It is recommended that the existing American countervail duty on Canadian hogs be cut in half, going down 2.2 cents per pound from 4.39 cents per pound. This reduction will be retroactive to March, 1985.

• (1420)

This decision is of extreme importance to Manitoba hog producers. Manitoba exports a large number of hogs to the United States every year.

The preliminary ruling is also evidence of our need to continue to work toward establishing solid duty-free trade relationships for all of our commodities we trade with the United States. By establishing a good trading relationship, all of Canada will benefit from the solid economic gains free trade has to offer.

Manitoba hog producers know the benefits of free trade with the Americans. How can the Opposition suggest to them that export duties are good for their industry? Manitoba farmers do not believe in the Opposition's nonsense.

S. O. 21

Canadian hog producers produce the best bacon in the world, Mr. Speaker.

* * *

HUMAN RIGHTS

REPORTED VIOLATIONS IN SINGAPORE

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, the human rights situation in Singapore is rapidly deteriorating, and the Canadian Government should be doing more than merely monitoring the situation.

Since 1984 there has been a noticeable decline in human rights in Singapore. For the first time in 20 years, in 1984 two opposition Members were elected to Parliament. Prime Minister Lee was said to have been disturbed by this development and is still upset that he does not control all the seats in Parliament.

Last May 22 people, mainly young church workers, students, lawyers and artists, were arrested for supposedly being involved in a Marxist conspiracy to overthrow the Government. Subsequently, international human rights groups rejected the charges as a pure fabrication stating that these individuals were merely exercising their civil rights within the law. After providing the Government with televised confessions of their involvement in this alleged conspiracy, all but one of them were released.

Eight of these people were recently rearrested by the Government after they stated that their confessions were false and were the product of long hours of interrogations and beatings. Once back in prison, however, the Government quickly succeeded in having the dissidents retract their stories of coercion and mistreatment, and they are still incarcerated.

Canada cannot sit idly by and watch the ongoing human rights abuses in Singapore, a state which is also a member of the Commonwealth.

* * *

[*Translation*]

NEW DEMOCRATIC PARTY

FREE TRADE—RESULT OF BY-ELECTIONS

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, the socialists suffered four major setbacks this week.

The G-7 countries endorse free trade and say it is a historic example to be followed throughout the world.

This is an expert opinion that is worth much more than the incredible statements from the socialist intellectuals.

The Prime Minister of the United Kingdom proved to us here in this House this morning that collective wealth and a better standard of living are made possible when citizens are free in a system that allows for creativity, ability and excellence.

Closer to home, in Lac-Saint-Jean, although he was looking for an upset, the socialist candidate lost his deposit.

In the riding of Anjou in Quebec, the provincial leader of the socialist party got 483 votes, 2 per cent of the total. He too lost his deposit.

Mr. Speaker, our society no longer wants the crazy world of Broadbent.

* * *

[*English*]

BANKS AND BANKING

ROYAL BANK—FEE CHARGED FOR CREDIT RATING SEARCH

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, today's bank special features the Royal Bank, Hanmer branch. My constituent, Marie June Ewen, had a loan at the branch and it was practically paid off this spring when she decided to renew the loan and increase it to pay her property taxes and insurance. She made that arrangement on May 9 and the bank deposited the amount into her account on May 11.

When she received her May bank statement, lo and behold, she noticed a service charge, $7 to register the loan, and $3. When she went to the bank to inquire about the $3, she found out from the manager of the bank that this was "the federal Government, by regulation, had asked for a credit rating search," and the bank was charging her $3 for the search.

This is another example of why we need an autonomous, independent ombudsman such as was recommended by members of this caucus.

* * *

TORONTO ECONOMIC SUMMIT

NEWSPAPER SUMMATION

Mr. Alan Redway (York East): Mr. Speaker, according to *The Toronto Star*, the winners at the Economic Summit included our Prime Minister (Mr. Mulroney) because he showed that he could wheel and deal with the world's best, Toronto because it hosted this summit, and Canada because the summit was a superbly staged affair. This must be so, Mr. Speaker, because *The Toronto Star* says it is.

• (1425)

Another winner appears to be our environment because the Summit leaders encouraged all countries to sign and ratify the ozone layer treaty, urged priority action on water pollution and acid rain, and endorsed the concept of sustainable development. It is unfortunate, however, that any reference to the environment was conspicuously absent from President Reagan's speech last night.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

REQUEST FOR UNIFORM SYSTEM OF ADMISSIBILITY TO BENEFITS

Mr. Gilles Grondin (Saint-Maurice): Mr. Speaker, during the last weeks, I have received many requests about the variable eligibility weeks for unemployment insurance benefits.

The problem is the following: In my region, the unemployment level reaches 11.4 per cent. However, in some subregions, the level is above that. Now, the waiting period for the subregions is based on that of the region. Instead of having a waiting period in accordance with the subregion unemployment level, which is often higher, some people have to wait longer because of the lower unemployment level for the whole region. People living in these subregions are therefore penalized whenever their unemployment level is higher than the level for the region.

Because of this unfair situation, people generally feel dissatisfied.

The Committee on Labour, Employment and Immigration prepared a report in which a specific solution to that unacceptable situation was recommended.

I therefore ask the Minister of Employment and Immigration (Mrs. McDougall) to act on that recommendation so that a uniform system may be put in place which would not wrongfully penalized the citizens of this country, and especially my constituents.

* * *

SPORTS

SEOUL OLYMPIC GAMES—REQUEST THAT CANADIAN BADMINTON FEDERATION CORRECT ALLEGED INJUSTICE TO DENISE JULIEN

Mr. Guy St-Julien (Abitibi): Mr. Speaker, the Canadian Badminton Association has no respect for athletes from Quebec. In not letting Denise Julien of Rouyn—Noranda take part in the Olympic Games in Seoul, it belittles our athletes and their parents, our volunteers and coaches as well as the Abitibi—Témiscamingue and Quebec sports organizations. When it asked Denise Julien to compete in the last Pan-American Games, she won the Triple Crown.

Mr. Speaker, the Canadian Badminton Association used the Pan-American Games results to apply for a place in the Seoul Olympic Games. Journalist Luc Adam of *La Frontière* wrote: "Injustice! Injury! Insult!" There is still time for the Association to redress that grave injustice against Denise Julien who has probably been the most dedicated champion of Canadian badminton in the past few years.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

DESTRUCTION OF RAIN FORESTS

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, Canadians join with environmentalists the world over to deplore the rapid depletion of the rain forests, especially the tropical rain forests so vital to the maintenance of existing patterns of wind and rain. At present rates of destruction there will be little left after the next five years. Yet it is we, in the cooler, non-tropical areas, who are likely to suffer the most from the climatic changes predicted with the loss of our global air conditioner.

We in the developed world are most responsible for this depletion in the name of progress and development. Canadians indeed help to finance this destruction through aid projects financed by the World Bank. We even give tax relief to Canadians living abroad to organize this slaughter in the name of development.

We live in a fragile, interdependent world. We must reassess our role in financing rain forest destruction. We must, with environmentalists everywhere, become part of the solution to this urgent global environmental problem. We must end our own complicity and work with others to protect the rain forests for our own sake and that of the whole world.

* * *

NATIONAL FILM BOARD

DEMAND FOR WITHDRAWAL OF FILM *THE KID WHO COULDN'T MISS*

Mr. Gordon Taylor (Bow River): Mr. Speaker, is the National Film Board a law unto itself? If not, how much longer is the Government of Canada going to permit this Board to defame one of our greatest military heroes?

Scores of Canadian Legions and thousands of Canadians have asked the NFB to withdraw the odious film, *The Kid Who Couldn't Miss*. The Board refuses and thinks that placing

the words "docu-drama" at the beginning and offering to produce another film on Air Vice-Admiral Bishop will erase its guilt.

This film denigrates Billy Bishop, pains his living relatives, and defames every man and woman who wears or ever wore the Canadian uniform.

If the National Film Board still refuses to withdraw this disgraceful film from circulation, I ask the Government to appoint a new Board that will listen to the people.

* * *

• (1430)

BY-ELECTIONS

VACANCY IN ROSEDALE CONSTITUENCY

Hon. Bob Kaplan (York Centre): Mr. Speaker, the people of the Toronto area have watched with interest while the by-election unfolded in Lac-Saint-Jean. Why has the Government not yet called an election in Rosedale? Why are the people of Rosedale jeopardized by not having a Member of Parliament representing them here? Furthermore, why are they jeopardized by not having the government formula of largesse and generosity which accompanies the Government's style for calling by-elections, with $164 million of new promises in Lac-Saint-Jean and over $1 billion indirectly?

Does the Prime Minister (Mr. Mulroney) have a good friend left whom he has not yet taken care of? If so, let that friend run in Rosedale. I urge the Government to direct its promises into the much needed area of housing where, in the past, federal government assistance has been very valuable.

* * *

[*Translation*]

SAGUENAY—LAC-SAINT-JEAN

150 YEARS OF HISTORY—GREAT RALLY OF THE TREMBLAYS—TRIBUTE TO FOUNDERS

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, the Saguenay-Lac-Saint-Jean region will be holding an important event this summer as we celebrate our first 150 years of history. All sorts of activities and events will be taking place throughout the summer. Among others, this week the Saguenay-Lac-Saint-Jean will be hosting the great rally of the Tremblays which will coincide with our "*fête des Québecois*" festivities on June 23, 24 and 25. Did you know, Mr. Speaker, that Tremblay is the surname of almost 15 percent of the people, some 45,000 in all, in the Saguenay-Lac-Saint-Jean area?

On the occasion of this 150th anniversary, Tremblays from all over the world will congregate to the Saguenay-Lac-Saint-Jean to celebrate together our 150 years of history. Alexis Tremblay, familiarly known as "Picoté", was one of the founders of our region. Some 150 years ago, Alexis Tremblay decided that the Saguenay-Lac-Saint-Jean would be where his family would take root, and it did, Mr. Speaker!

In the name of all my colleagues here in the House, I would like to pay tribute to this great family on the occasion of its anniversary celebrations being held this week in Saguenay-Lac-Saint-Jean.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

HELSINKI ACID RAIN AGREEMENT—NON-SIGNATORIES BRITAIN AND UNITED STATES

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, how could President Reagan and Prime Minister Thatcher agree to the Toronto Summit communiqué calling on strengthened international co-operation among all countries to protect the environment when the United States and Great Britain have not signed the Helsinki Protocol to cut acid rain-causing sulphur dioxide emissions? How could Reagan and Thatcher keep a straight face while agreeing to the Summit statement at a time when they are stalling negotiations in Geneva on another acid rain-causing pollutant, nitrous oxides?

Our natives speak of people with forked tongues. If Reagan and Thatcher do not speak with forked tongues, then they should practise what they preach by joining Canada, France, West Germany, Italy and 17 other nations in signing the Helsinki Agreement on Acid Rain. Next, they would instruct their negotiators in Geneva to reach an international agreement to control acid rain caused by nitrous oxides.

We heard statements on the environment from summits before. Neither Reagan nor Thatcher has so far showed any willingness to put their theory into practice. Will they this time?

Mr. Speaker: I should advise Hon. Members that Question Period, which will now begin, will end at approximately 3.20 p.m.

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

UNITED KINGDOM PRIME MINISTER'S COMMENTS ON CANADA-UNITED STATES FREE TRADE AGREEMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, we on this side of the House share the great respect there is in this country for Prime Minister Thatcher and we

value our relationship with Great Britain. We were glad to welcome her to this House of Commons this morning.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): My question is directed to the Deputy Prime Minister. Did the Prime Minister of Canada have prior knowledge of the text of the speech—

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): —delivered by the—

Some Hon. Members: Oh, oh!

An Hon. Member: You have to do better than that.

Mr. Speaker: The Right Hon. Leader of the Opposition has the floor.

Mr. Turner (Vancouver Quadra): Did the Prime Minister of Canada have prior knowledge of the text of the speech delivered by Prime Minister Thatcher to Parliament this morning? If so, did the Prime Minister, despite his own views and despite the views of his Government, advise her that her comments on the trade deal with the United States were inappropriate—

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Foster: Right on.

Mr. Turner (Vancouver Quadra): —were inappropriate in that she interfered in our national debate on an issue that is likely to dominate the next general election in Canada?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, that is the most insulting question I have ever heard in the House of Commons.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

An Hon. Member: Answer it.

Mr. Forrestall: Shame on you.

Mr. Mazankowski: The Right Hon. Leader of the Opposition should be ashamed of himself. The answer is no.

Mr. Turner (Vancouver Quadra): I would hope that the Deputy Prime Minister would have been proud enough to stand up and defend the sovereignty of this nation.

Some Hon. Members: Hear, hear!

REQUEST THAT GENERAL ELECTION BE HELD

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, Canadians admire and respect Great Britain and we admire and respect the United States. However, I want to tell the Deputy Prime Minister that we are no longer a colony of Great Britain and we do not want to become a colony of the United States.

Some Hon. Members: Hear, hear!

Ms. Copps: Right on!

Mr. Turner (Vancouver Quadra): I want to say to the Deputy Prime Minister and the Prime Minister that Canadians no longer need the advice or approval of any foreign power as to how we will conduct our external and trade relations. We need nobody else to help us make up our minds as to how we will solve Canadian issues.

The Government's trade deal with the United States is an issue to be decided by Canadians in Canada, debated by Canadians in Canada.

Mr. McDermid: It is before the House right now.

Mr. Turner (Vancouver Quadra): My question is for the Deputy Prime Minister. Under the circumstances, does the Prime Minister not think the time has arrived to go to the Canadian people on this issue and have Canadians decide the trade issue with the United States now, before we go any further with this issue in Parliament?

• (1440)

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): What we are seeing is an act of desperation, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Minister.

Mr. Mazankowski: What is fundamentally different between the Liberal Opposition and members of the Government—

An Hon. Member: We stand for Canada!

Ms. Copps: Right on!

Mr. Mazankowski: —is the Prime Minister, the Cabinet, the members of the Government, all have respect, and show it, for visiting dignitaries. Whether it is the Prime Minister of England, the President of the United States, the President of France, the Chancellor of West Germany, we treat our visiting dignitaries with respect. We give them the honour they deserve, and I am surprised that the Hon. Leader of the Opposition would not do likewise. I find that very, very strange.

He says this issue should be debated in the House of Commons. I agree. The Opposition has used every trick in the book to prevent it from being debated in the House of Commons.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: If the Leader of the Opposition was so interested in the debate, he could have been here yesterday to debate the issue when it was brought to the floor of the House of Commons.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Right Hon. Leader of the Opposition.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I don't notice the Prime Minister here to report on the Summit or to defend himself today.

An Hon. Member: He'll be here.

Mr. Turner (Vancouver Quadra): I hope so.

Mr. McDermid: You got the report and you don't like it.

Mr. Speaker: The Right Hon. Leader of the Opposition.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I want to say to the Deputy Prime Minister that if any Prime Minister of Canada, 15 years ago, had showed up at Westminster, the mother of Parliaments, and delivered a speech recommending to Great Britain, or advising Great Britain, whether or not to choose the Common Market, or join the Common Market, he or she would have been thrown out of Westminster and told to go back to where they came from.

Ms. Copps: Right on!

Some Hon. Members: Right on!

Some Hon. Members: Hear, hear!

[*Translation*]

FREE TRADE AGREEMENT—MANDATE TO NEGOCIATE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, it is not up to Great Britain to tell Canada what to do.

Some Hon. Members: Right on.

Mr. Turner (Vancouver Quadra): The Deputy Prime Minister was wrong to take the applause from his Conservative backbenchers today and this morning as a sign of approval from the Canadian people. The approval of a foreign visitor, however distinguished he or she may be, cannot replace that of the Canadian people.

Some Hon. Members: Right on!

Mr. Turner (Vancouver Quadra): The Prime Minister never received a mandate from Canadians to negotiate this trade agreement with the United States. Everyone knows very well that he never mentioned the agreement, that he did not mention free trade during the last . . .

[*English*]

Mr. Speaker: I would ask the Right Hon. Leader of the Opposition to put his question.

[*Translation*]

Mr. Turner (Vancouver Quadra): And he himself, his own behaviour during the race for the leadership of the Conservative Party and at the convention—he was against free trade. So I ask the Deputy Prime Minister: Does the Prime Minister, despite the advice of his Conservative friends, not realize that the Canadian people are entitled to speak out now either for or against this Agreement with the United States?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I find the analogy of the Right Hon. Leader of the Opposition rather perplexing when he talks about how he would deal with visiting Heads of State. If we were to use his analogy, we would have to throw out all the Summit Leaders. We would have to run them out of the country because they all very strongly support the free trade agreement.

Some Hon. Members: Hear, hear!

Mr. McDermid: You're whipped and you know it.

Mr. Mazankowski: I can only assume either he's going through his second menopause or he's cracking up, one of the two.

Some Hon. Members: Oh, oh!

Ms. Copps: You're sick!

Mr. Turner (Vancouver Quadra): They still think we are a colony of the United Kingdom.

QUERY WHETHER PRIME MINISTER INVITED TO WESTMINSTER TO SPEAK ON NORTHERN IRELAND

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, following the line of questions, we still have not received answers from the Deputy Prime Minister when questions were posed about whether the Canadian Government in fact had foreknowledge of what the Prime Minister of Great Britain was going to say in relation to an issue that is crucial to the domestic position of this country and the rights of Canadians to make the decision. We simply want to ask, was an agreement made before the speech that, if Prime Minister Thatcher was to speak as she did on the trade issue, the Prime Minister of Canada was going to be invited to Westminster to speak on the Northern Ireland issue next week or next month?

Some Hon. Members: Hear, hear!

Ms. Copps: Supporting the IRA.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I answered that

question. If you could tame the jackals behind you, you would get the answer.

Mr. Axworthy: The bad temper of the Deputy Prime Minister and his comment about Members of this House should not be construed as an answer.

GOVERNMENT POSITION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): What we are simply asking is this fundamental question. Why is the Government of Canada using the opportunity, a privilege, in fact, for people to appear in this House to talk about issues of mutual interest—

Mr. Hnatyshyn: Order!

Mr. Axworthy: —to propagandize its own initiatives? Why are you abusing the privileges of this House?

Mr. Foster: Right on!

Mr. Jelinek: Have you ever heard of free speech?

Mr. Speaker: The Hon. Minister.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, we invite the Speaker, we together as Members of Parliament invite visiting dignitaries to come to this House and to address us. We do not vet their speeches, Mr. Speaker.

POSSIBLE SCENARIO FOR VISIT BY CANADIAN PRIME MINISTER TO GREAT BRITAIN

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Deputy Prime Minister. The issue involved, I want to say to the Deputy Prime Minister, is not a matter of vetting speeches, it is whether a guest of the Parliament of Canada, not the Government of Canada, should come to this Chamber and make highly partisan, highly divisive speeches about domestic matters. That is the issue, I say to the Deputy Prime Minister.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Considering that Mrs. Thatcher was a guest of the Parliament of Canada, not the Government of Canada, does the Deputy Prime Minister think it would be appropriate in reciprocating this gesture, that the Canadian Prime Minister go to Great Britain, take three issues that are of great debate—and I won't prejudge who is responsible in Great Britain—the division of Great Britain between a rich south and an increasingly poor north, the destruction of British universities, the destruction of the British health system, and make a speech and talk about those things? If not, what right does she have to come here and meddle in Canadian affairs?

• (1450)

Some Hon. Members: Hear, hear!

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I can only interpret that question, as I am sure all Canadians would interpret it, as a direct attack upon the Prime Minister of Great Britain.

Some Hon. Members: Hear, hear!

Mr. Broadbent: It is, you are absolutely right. That is what it is.

Mr. Mazankowski: And his Members applaud.

Mr. Speaker, if the New Democratic Party—

Mr. Tobin: Don Mazankowski, "the wild colonial boy".

Mr. Mazankowski: If the New Democratic Party and, in particular, the Leader of the socialists, want to take issue with the contents of the speech that was delivered to the House today, they are perfectly entitled to do so. We notice as well that certain members of the New Democratic Party took issue with the contents of a speech that the President of the United States made in this country in this same House of Commons. They were perfectly entitled to do so.

I remind the Hon. Leader of the New Democratic Party that the Prime Minister went down to the United States and spoke to the joint Houses of Congress—

Ms. McDonald: And nobody showed up.

Mr. Mazankowski: —and talked very frankly and very bluntly—

Mr. Fulton: The House was empty.

Mr. Mazankowski: —about the United States position with respect to environmental issues. We did not hear any whining and complaining from the United States. You are nothing more than a whiner and a complainer.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member for Oshawa.

Mr. Broadbent: Mr. Speaker, I just say to the Deputy Prime Minister that I would rather be a complainer for the people of Canada than a colonial Conservative for the Prime Minister of Great Britain.

Some Hon. Members: Hear, hear!

[*Translation*]

CANADIAN AFFAIRS—PRINCIPLE OF NON-INTERVENTION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Deputy Prime Minister did not answer the question. The vast majority of Canadians are against the policy of buying nuclear submarines. Both Opposition Parties are against the policy, but Mrs. Thatcher nevertheless decided to meddle in our domestic affairs.

My question is this: According to the Deputy Prime Minister, does our Prime Minister have the right to go to Great Britain and comment on the situation in South Africa, yes or no?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there is a tradition that was established for the first time in England, a tradition of free speech, and that tradition is also very strong here in Canada. It is a Canadian and a British tradition. The Prime Minister of Great Britain exercised that right of free speech here in the House of Commons today, as her predecessors have done in Britain. We on the Government side have a great deal of respect for the principle of free speech, and as the Deputy Prime Minister just said, it is a policy we ourselves followed when the Prime Minister of Canada visited the United States and spoke frankly and directly about acid rain. That was the same kind of approach, and it was in fact recommended by the socialist party here in the House.

[*English*]

Mr. Broadbent: Mr. Speaker, before my last question to the Deputy Prime Minister I want to say to the Secretary of State for External Affairs that he should remember what his Leader at the time said about Charles de Gaulle meddling in Canadian affairs. Look that up, Mr. Clark.

Some Hon. Members: Hear, hear!

CONTENT OF U.K. PRIME MINISTER'S SPEECH

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I want to ask the Deputy Prime Minister this, since he did not answer the question. Does he think it is appropriate as a House Leader in Parliament that a Prime Minister of Canada would go to Great Britain and make a speech and devote more than half the time on British domestic issues that are highly divisive?

Some Hon. Members: Oh, oh!

Mr. Broadbent: Will he answer that question? Does he think it is appropriate? If not, would he inform Mrs. Thatcher that her behaviour in the Parliament of Canada was unacceptable to the people of Canada?

Some Hon. Members: Hear, hear!

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker,—

Mr. Broadbent: Have an election on this.

Mr. Riis: Stand up for Canada just once.

Mr. Broadbent: The last colonial Party in Canada.

Mr. Riis: Stand up for Canada just once, Joe.

Mr. Axworthy: How many subs did you buy?

Mr. Speaker: The Hon. Secretary of State for External Affairs.

Mr. Clark (Yellowhead): Mr. Speaker, the basic fallacy here of course is that the question of trade is simply a domestic issue. The question of moving toward more liberal international trade, as the elected Leaders of the Summit just indicated in Toronto, is a matter of fundamental importance to all countries in the world, and an appropriate matter for the Prime Minister of Great Britain or, indeed, any other freely elected Leader to speak of.

I must say that if Hon. Members opposite think that Prime Minister Margaret Thatcher lets other people tell her what to say, then they know a different Margaret Thatcher than I do.

Some Hon. Members: Hear, hear!

Mr. Axworthy: Why didn't you say something back? Why are you caving in?

Mr. Speaker: The Hon. Member for York South—Weston.

* * *

PAROLE

RELEASE OF PENITENTIARY INMATE WITH HISTORY OF PSYCHIATRIC PROBLEMS

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is for the Solicitor General. It involves the case of Joseph Roger Fredericks, who has a history of psychiatric problems dating back nearly 30 years. He also has a dangerous criminal record.

In November of 1984 he was convicted of gross sexual assault on an 11-year old Ottawa boy. He was sentenced to five years in penitentiary. He was released on day parole in November, 1987. In March of this year he was released on mandatory supervision.

• (1500)

In a letter to Mr. Fredericks dated November 16, 1986, the National Parole Board stated: "You have earned the support of the institution and the case management team. We believe the risks of releasing you are assumable".

On Monday Mr. Fredericks was charged with the first degree murder of an eleven-year old Brampton boy.

I would like the Solicitor General to explain to the House what went wrong. How was it possible for this man to be released? How was it possible for a dangerous sexual psychopath to be released prior to his sentence expiry?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I certainly agree that what has happened here is a terrible situation. Yesterday I expressed the sympathy of all concerned to the family.

I certainly do not intend to indulge in a review of this man's record when the case is presently before the courts, and when the man has been charged. I think the Hon. Member should be much more temperate in his remarks in the House in that regard. A man is considered innocent until proven guilty, notwithstanding how abhorrent the crime may be.

The man was released on mandatory supervision, which I may remind the Hon. Member was something I have recommended be abolished in the parole reforms which I brought forward last week. I can also advise the Hon. Member that I have asked the head of Correctional Services Canada to do a complete audit on this file for me. I expect to have that by the first of the week.

QUERY ON REASONS FOR RELEASE

Mr. John Nunziata (York South—Weston): Mr. Speaker, in July, 1986, Parliament was recalled in an emergency. According to the Government that emergency was to deal with dangerous offenders who were being released on mandatory supervision. Parliament passed Bill C-67. The Department of the Solicitor General had the authority to detain this man, yet he was released a year and a half before sentence expiry.

How was it possible for this man to be released? Would the Solicitor General not agree that, in the circumstances, given his record, given the fact that he had psychiatric problems dating back 30 years, his Department ought to have exercised the authority that Parliament gave to him two years ago, and detained this man?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I would like to point out to the Hon. Member that the authority was not given to the Solicitor General. The authority was given to the National Parole Board.

I have already advised the Hon. Member that I have asked the head of Correctional Services Canada to get the file, do a complete audit, and report to me. I expect to have that report early next week.

* * *

EXTERNAL AFFAIRS

UNITED KINGDOM PRIME MINISTER'S ADDRESS TO JOINT SESSION OF PARLIAMENT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is directed to the Government House Leader, from one House Leader to another House Leader. I wish to ask him a serious question, because I do not think he responded to the questions put by my Leader. My Leader asked whether or not he, as a House Leader of Parliament, felt it was appropriate for the Prime Minister of the U.K. to be a guest of Parliament and raise the type of issues that she did.

Does he believe that it would be appropriate for our Prime Minister to go to Britain, not address a Conservative gathering, but address the Parliament of Britain and talk about highly divisive domestic issues? Does he really think that that would be an appropriate thing for our Prime Minister to do?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, as the Secretary of State for External Affairs stated in response to an earlier question, the trade deal is an international treaty which has implications world-wide. If that is what the Hon. Member is referring to, surely she is within her right to express a view, as have all seven summit leaders who, incidentally, strongly support and welcome the free trade arrangement.

I also noted that the Prime Minister of Great Britain had some criticisms about Canadian agriculture. Is the Hon. Member taking issue with that? She said what was on her mind. As the Right Hon. Secretary of State for External Affairs has suggested, she speaks with an open mind, and she speaks as she wishes. I am sure that all Hon. Members would wish her to be that way.

GOVERNMENT POSITION

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, may I suggest that Margaret Thatcher did not speak with an open mind, but spoke what was on a Conservative mind. That was the mind that she was talking about.

The trade deal with the United States is not like the drought situation in western Canada. It has not passed Parliament. It was not raised during the last general election a single time. The Prime Minister even stated that he was against it. The people of Canada want an election on this deal.

My supplementary question to the Deputy House Leader is the following. When Charles de Gaulle was in Canada raising domestic issues, not in the Parliament of Canada, the Government of the day spoke out strongly against his intervention. Why is the Government not prepared to stand up for Canada and speak out strongly in favour of Canada on this issue?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, may I remind the House of Commons that not many nights ago Members of the House from all Parties gathered here to take part in a special debate about a proposed regulation to be implemented by the Parliament of the United Kingdom respecting fur labelling, which affected Canada, in the same way that the movement towards international trade agreements will affect the life of Great Britain.

We had a right to speak about the fur industry in this Parliament. Margaret Thatcher, as the Prime Minister of Great Britain, and indeed all of the summit leaders who gathered at the Economic Summit, have a right to express themselves on important issues that affect international trade.

It may be that the Hon. Member for Kamloops—Shuswap does not agree with the view of the Prime Minister of Great

Britain. The Prime Minister of Great Britain, in this free country, in this free Parliament, has the right to express her views.

Some Hon. Members: Hear, hear!

* * *

PAROLE

RELEASE OF PENITENTIARY INMATE WITH PSYCHOLOGICAL RECORD

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question refers to the Fredericks case, and to the Solicitor General's responsibility for the application of Bill C-67, for which he is the responsible Minister.

In this case we have an individual whose criminal and psychological record was such that, if anything, the Minister should have known that this was a case where Bill C-67 was designed to be of use.

Does the Solicitor General take any responsibility at all for ensuring that this legislation, for which the Government recalled Parliament in the middle of a summer break, will in effect be applied, and why it was not in this case? Is he not responsible for his Department?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I certainly do not require the services of that Hon. Member to remind me of my responsibilities as Solicitor General.

As I have already explained in answer to an earlier question, I have gone to the head of Correctional Services Canada and asked that a complete audit be done on that file. As a matter of fact, I spoke to him again at noon today. He tells me that the audit has started, and that he hopes to have it in my hands in a few days. I will then be in a position to give an answer. Certainly I cannot at this point, because the audit has not been completed.

REQUEST THAT REPORT TO MINISTER BE TABLED

Hon. Bob Kaplan (York Centre): Mr. Speaker, may I ask the Minister to give an undertaking that that report, when received, will be tabled in the House unedited?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I would again like to remind the Hon. Member that I am certainly prepared to carry out my duties in a proper way. The audit is being done. I will review the report and make my decision at that time.

• (1510)

ENVIRONMENTAL AFFAIRS

SASKATCHEWAN DAM—QUERY ON NEED FOR TREATY WITH UNITED STATES

Mr. Simon de Jong (Regina East): My question is addressed to the Minister of the Environment. My understanding is that before the Minister of the Environment could issue a licence to allow the construction of the Rafferty and Alameda Dam he first had to conclude a treaty with the United States concerning the quality and quantity of water for Manitoba and to make sure that waterfowl and water quality requirements are met.

Can the Minister of the Environment tell us whether such a treaty had been concluded with the United States before he signed the licence?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the premise of the question is wrong. It is not necessary to have such an international treaty before the permit is issued. We are negotiating with the relevant jurisdictions and we expect a treaty to be completed very soon.

OBSERVANCE OF LICENCE CONDITIONS

Mr. Simon de Jong (Regina East): My understanding is that it would be a condition of the licence that certain water quality and quantity standards be met.

If Saskatchewan does not live up to those requirements and those conditions of the licence, does the Minister expect Saskatchewan to dismantle the dam?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, very stringent environmental conditions were woven into the fabric of the permit. Those conditions will have to be met. If not, the permit will be revoked.

* * *

FISHERIES

COMMERCIAL HARVESTING OF CLAMS ON WEST COAST BEACHES

Mr. Ted Schellenberg (Nanaimo—Alberni): Mr. Speaker, in her excellent and inspiring speech to the House of Commons this morning, the Prime Minister of Great Britain failed to mention the problem with clam diggers in British Columbia. I would like to raise that now.

The Minister of Fisheries should be aware that hundreds of pounds of clams are being commercially harvested from recreational beaches on the West Coast. For a $10 licence fee well organized teams of 30 or 50 pillagers can systematically take as much as they want, go anywhere they want, and haul out the harvest by the truck load.

Where is the protection for the recreational clam digger? When does the Minister intend to control and protect the beaches of British Columbia properly?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I certainly agree with the preamble to the Hon. Member's question. I am glad that he was able to raise such an important issue relating to bivalves on his beaches.

In the past three years there has been a tremendous increase in demand for the beach clams of British Columbia and that, coupled with the influx of a number of new Canadians who have been able to obtain commercial licences to harvest these clams, has led to considerable pressure on local residents of British Columbia beaches.

We are at present developing new regulations which, in fact, will bring in size limits, and toughen up restrictions as to bag limits and the activities of these beach clam diggers, both commercial and recreational, so that the Hon. Member's interests and those of all British Columbians will be properly respected.

* * *

[*Translation*]

CANADA POST CORPORATION

INCREASED COST OF CERTAIN SERVICES—GOVERNMENT POSITION

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, in the absence of the Minister, my question is directed to the Parliamentary Secretary to the Minister responsible for Canada Post.

Mr. Speaker, if you think that the banks are going overboard with service charges to their customers, Canada Post should get first prize for charging Canadians exorbitant rates for their postal needs.

How could the Government authorize increases from $1.59 to $15 for a change of address, Mr. Speaker? Is the Government competing with the banks?

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, the Hon. Member for Saint-Léonard—Anjou forgot to mention that for the first time since the Canada Post Corporation was established, it will make a profit, and it is making a profit today by substantially increasing it services. That is what the Hon. Member tends to forget when he talks about Canada Post.

[*English*]

REQUEST FOR EXPLANATION OF CHANGE OF ADDRESS FEE INCREASE

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, Canada Post increased the service by delivering mail to the supermailboxes by closing post offices in rural Canada. Canada Post is behaving worse than the banks. How can it justify an increase from $1.59 to $15 for a change of address? Will the Parliamentary Secretary ask the Minister to appear before the Government Operations Committee to explain this scandalous increase?

[*Translation*]

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I fail to understand why the Hon. Member for Saint-Léonard—Anjou insists on giving us false information.

Since this Government came to power, 2,000 new service outlets were opened in Canada, and when asked about the service, Canadians say they are very satisfied, Mr. Speaker, and that is what the Hon. Member always tends to forget in his questions.

* * *

[*English*]

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—TORONTO SUMMIT DISCUSSIONS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is for the Secretary of State for External Affairs. In discussing the trade deal with Summit leaders, did the Minister tell those Summit leaders or their representatives that the deal stops us from using performance requirements like Britain does, that it stops us from bargaining with foreign investors like France does, that it stops us from having two-price agricultural products like Japan does? Did he, in fact, tell those leaders about the surrenders which this trade deal has within it?

Mr. Shields: What about two-price oil?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, obviously the leaders at the Summit know more about the trade agreement with the United States than the Hon. Member does.

Mr. Broadbent: Now, answer the question.

Mr. Langdon: I am interested to hear that deeply informed answer from the Parliamentary Secretary.

PRIME MINISTER'S POSITION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I want to ask the Secretary of State for External Affairs the following question. The trade deal with the United States has never been endorsed by this House of Commons. It has never been given a chance to be judged by Canadians themselves.

Why did the Prime Minister of Canada pressure so hard to get Summit leaders to endorse this deal when he has not permitted Canadians themselves to have a say in the deal?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the reality is that leaders of the Summit who know the importance of making progress against protectionism of their own initiative in their own interests, and knowing that it is in Canada's interest, themselves vigorously endorsed the free trade agreement between Canada and the United States—

Mr. Broadbent: Read the transcript.

Mr. Clark (Yellowhead): —not simply on its own but because of the signals it sends to the rest of the world that the way for this world to prosper is to bring down barriers and not to build them up.

* * *

NARCOTICS

TRACING ILLEGAL DRUG PROFITS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I find it insulting that the Conservative Party of Canada cannot fight its own battles.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: The Liberals like to fight.

Ms. Copps: I have a question for the Deputy Prime Minister. It concerns another grand pronouncement of our Prime Minister in the Economic Summit's announcement of the war on drugs. The Canadian Government's war on drugs has all the force of a pop gun.

Why specifically on the one hand does the Secretary of State for External Affairs say that we have to put in place mechanisms to trace the laundering of money while on the other hand the Government of Canada rejected recommendation 22 of the all-Party committee which required Canadian banks to report transactions of $10,000 or more, which would have permitted us to follow the tracing of drug money?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am glad the Hon. Member raised the question because it allows me the opportunity to say that the Liberal Party knows how to carry on fights, but unfortunately they are all internal.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: I would like to point out to the Hon. Member for her own benefit and edification that, if she would check with her justice critic, she would find out that we have probably the most progressive legislation with respect to the seizing, freezing and forfeiture of the illicit profits of crime of any country in the western world. I think that we can give leadership in terms of our international obligations and are, in fact, entering into arrangements with other countries in the G-7 in order to make sure that we have a very strong and effective set of laws to crack down on people who make a profit on drugs. I hope the Hon. Member will assist us in getting this legislation through the House so we can have Royal Assent early.

NATIONAL DRUGS STRATEGY—FEDERAL FUNDING

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the Liberal Party does not sink so low as to use the kind of language which the Deputy Prime Minister uses.

Some Hon. Members: Oh, oh!

• (1520)

Mr. Speaker: Perhaps the Hon. Member could put her question.

Ms. Copps: We don't use "menopause" as a slight across the floor of the House.

Mr. Speaker: The Hon. Member will put her question.

Ms. Copps: I have a very specific question. Does the Government really expect the people Canada to believe that we are conducting a war on drugs when in the fiscal year 1987-88, after the Minister of National Health and Welfare announced the multimillion dollar National Drugs Strategy, the amount of money to the Province of Ontario, Canada's largest province, dedicated to drug rehabilitation was less than $25,000? Is that not an absolute joke?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, when the Prime Minister made his statement in Vancouver on the drug crisis, that Hon. Member along with other members of her Party said that there was no crisis, there was no need for a drugs strategy, and she condemned the Prime Minister at that time. Today we hear this version. Every time there is a different version. She is as consistent as her Leader.

This weekend, for instance, the first international anti-doping conference is being sponsored by the Canadian Olympic Committee. Additionally, this year $70 million will go for rehabilitation for youth.

That Hon. Member, if I can still use that term loosely, really should not be believed around here too much, because anything she says is only partisan. It is ridiculous and it is idiotic.

Some Hon. Members: Hear, hear!

PRIVILEGE

WITHDRAWAL OF COMMENT DURING QUESTION PERIOD

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I rise on a question of privilege. During the course of Question Period the Deputy Prime Minister (Mr. Mazankowski) referred to the Leader of the Opposition (Mr. Turner) as either suffering a second menopause or of being a crackpot. Although menopause may not be included in the specific list of unparliamentary remarks, it is an absolute insult to women. It is a sexist remark, associating the word "crackpot" with the word "menopause". I would ask the Deputy Prime Minister to withdraw that statement.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, if those words are unparliamentary, I will withdraw them.

* * *

[*Translation*]

PRIVILEGE

RESPECT FOR BILINGUALISM

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I rise on a short question of privilege. Earlier today, before we had that unbelievable but very warranted discussion the kind of which I had not seen in my 25 years in this House, the Hon. Secretary of State for External Affairs (Mr. Clark) tabled a document. I must recognize, having taken a copy in English, that it is very short. But my question, Mr. Speaker is not whether that document is very long or very short, it deals with a sacred principle in this House on which I always insist. That principle is that no document should be tabled in only one of the two official languages, especially by a Minister of the Crown.

However short, the document was tabled in English only. I object. And the reason for that is, as I have always stated in my 25 years in this place that if there is a Department that should be aware of bilingualism, it is the Department of External Affairs, which must reflect the policy of bilingualism on every occasion and in every area.

If that Department could not find the time to translate two short pages on undesirables, even though we have been knowing since yesterday the Minister would be rising today to table the document, I wonder what is going on in External Affairs. I let that go by. Mr. Speaker, this is unacceptable, and I repeat unacceptable from any Minister of the Crown, but especially from the Department of External Affairs.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I accept the intent with which the Hon. Member spoke. I believe he fully recognizes all I have done in my public life in order to encourage and respect the official languages. I regret having submitted to the House today something that was initially in one official language only. The document now lays on the Table in both languages. And I remain committed towards the respect of Canada's official languages.

GOVERNMENT ORDERS

[*English*]

THE CONSTITUTION ACT, 1867

CONSTITUTION AMENDMENT, 1987

The House resumed from Tuesday, June 14, consideration of the motion of Mr. Hnatyshyn:

WHEREAS the *Constitution Act, 1982* came into force on April 17, 1982, following an agreement between Canada and all the provinces except Quebec;

AND WHEREAS the Government of Quebec has established a set of five proposals for constitutional change and has stated that amendments to give effect to those proposals would enable Quebec to resume a full role in the constitutional councils of Canada;

AND WHEREAS the amendment proposed in the schedule hereto sets out the basis on which Quebec's five constitutional proposals may be met;

AND WHEREAS the amendment proposed in the schedule hereto also recognizes the principle of the equality of all the provinces, provides new arrangements to foster greater harmony and cooperation between the Government of Canada and the governments of the provinces and requires that conferences be convened to consider important constitutional, economic and other issues;

AND WHEREAS certain portions of the amendment proposed in the schedule hereto relate to matters referred to in section 41 of the *Constitution Act, 1982*;

AND WHEREAS section 41 of the *Constitution Act, 1982* provides that an amendment to the Constitution of Canada may be made by proclamation issued by the Governor General under the Great Seal of Canada where so authorized by resolutions of the Senate and the House of Commons and of the legislative assembly of each province;

NOW THEREFORE the House of Commons resolves that an amendment to the Constitution of Canada be authorized to be made by proclamation issued by Her Excellency the Governor General under the Great Seal of Canada in accordance with the schedule hereto.

SCHEDULE

CONSTITUTION AMENDMENT, 1987

CONSTITUTION ACT, 1867

1. The *Constitution Act, 1867* is amended by adding thereto, immediately after section 1 thereof, the following section:

"2.(1) The Constitution of Canada shall be interpreted in a manner consistent with

(a) the recognition that the existence of French-speaking Canadians, centred in Quebec but also present elsewhere in Canada, and English-speaking Canadians, concentrated outside Quebec but also present in Quebec, constitutes a fundamental characteristic of Canada; and

(b) the recognition that Quebec constitutes within Canada a distinct society.

(2) The role of the Parliament of Canada and the provincial legislatures to preserve the fundamental characteristic of Canada referred to in paragraph (1)(a) is affirmed.

(3) The role of the legislature and Government of Quebec to preserve and promote the distinct identity of Quebec referred to in paragraph (1)(b) is affirmed.

(4) Nothing in this section derogates from the powers, rights or privileges of Parliament or the Government of Canada, or of the legislatures or governments of the provinces, including any powers, rights or privileges relating to language."

2. The said Act is further amended by adding thereto, immediately after section 24 thereof, the following section:

"25.(1) Where a vacancy occurs in the Senate, the government of the province to which the vacancy relates may, in relation to that vacancy, submit to the Queen's Privy Council for Canada the names of persons who may be summoned to the Senate.

(2) Until an amendment to the Constitution of Canada is made in relation to the Senate pursuant to section 41 of the *Constitution Act, 1982*, the person summoned to fill a vacancy in the Senate shall be chosen from among persons whose names have been submitted under subsection (1) by the government of the province to which the vacancy relates and must be acceptable to the Queen's Privy Council for Canada."

3. The said Act is further amended by adding thereto, immediately after section 95 thereof, the following heading and sections:

"AGREEMENTS ON IMMIGRATION AND ALIENS

95A. The Government of Canada shall, at the request of the government of any province, negotiate with the government of that province for the purpose of concluding an agreement relating to immigration or the temporary admission of aliens into that province that is appropriate to the needs and circumstances of that province.

95B. (1) Any agreement concluded between Canada and a province in relation to immigration or the temporary admission of aliens into that province has the force of law from the time it is declared to do so in accordance with subsection 95C(1) and shall from that time have effect notwithstanding class 25 of section 91 or section 95.

(2) An agreement that has the force of law under subsection (1) shall have effect only so long and so far as it is not repugnant to any provision of an Act of the Parliament of Canada that sets national standards and objectives relating to immigration or aliens, including any provision that establishes general classes of immigrants or relates to levels of immigration for Canada or that prescribes classes of individuals who are inadmissible into Canada.

(3) The *Canadian Charter of Rights and Freedoms* applies in respect of any agreement that has the force of law under subsection (1) and in respect of anything done by the Parliament or Government of Canada, or the legislature or government of a province, pursuant to any such agreement.

95C. (1) A declaration that an agreement referred to in subsection 95B(1) has the force of law may be made by proclamation issued by the Governor General under the Great Seal of Canada only where so authorized by resolutions of the Senate and House of Commons and of the legislative assembly of the province that is a party to the agreement.

(2) An amendment to an agreement referred to in subsection 95B(1) may be made by proclamation issued by the Governor General under the Great Seal of Canada only where so authorized

(a) by resolutions of the Senate and House of Commons and of the legislative assembly of the province that is a party to the agreement; or

(b) in such other manner as is set out in the agreement.

95D. Sections 46 to 48 of the *Constitution Act, 1982* apply, with such modifications as the circumstances require, in respect of any declaration made pursuant to subsection 95C(1), any amendment to an agreement made pursuant to subsection 95C(2) or any amendment made pursuant to section 95E.

95E. An amendment to sections 95A to 95D or this section may be made in accordance with the procedure set out in subsection 38(1) of the *Constitution Act, 1982,* but only if the amendment is authorized by resolutions of the legislative assemblies of all the provinces that are, at the time of the amendment, parties to an agreement that has the force of law under subsection 95B(1)"

4. The said Act is further amended by adding thereto, immediately preceding section 96 thereof, the following heading:

"GENERAL"

5. The said Act is further amended by adding thereto, immediately preceding section 101 thereof, the following heading:

"COURTS ESTABLISHED BY THE PARLIAMENT OF CANADA"

6. The said Act is further amended by adding thereto, immediately after section 101 thereof, the following heading and sections:

"SUPREME COURT OF CANADA

101A. (1) The court existing under the name of the Supreme Court of Canada is hereby continued as the general court of appeal for Canada, and as an additional court for the better administration of the laws of Canada, and shall continue to be a superior court of record.

(2) The Supreme Court of Canada shall consist of a chief justice to be called the Chief Justice of Canada and eight other judges, who shall be appointed by the Governor General in Council by letters patent under the Great Seal.

101B. (1) Any person may be appointed a judge of the Supreme Court of Canada who, after having been admitted to the bar of any province or territory, has, for a total of at least ten years, been a judge of any court in Canada or a member of the bar of any province or territory.

(2) At least three judges of the Supreme Court of Canada shall be appointed from among persons who, after having been admitted to the bar of Quebec, have, for a total of at least ten years, been judges of any court of Quebec or of any court established by the Parliament of Canada, or members of the bar of Quebec.

101C. (1) Where a vacancy occurs in the Supreme Court of Canada, the government of each province may, in relation to that vacancy, submit to the Minister of Justice of Canada the names of any of the persons who have been admitted to the bar of that province and are qualified under section 101B for appointment to that court.

(2) Where an appointment is made to the Supreme Court of Canada, the Governor General in Council shall, except where the Chief Justice is appointed from among members of the Court, appoint a person whose name has been submitted under subsection (1) and who is acceptable to the Queen's Privy Council for Canada.

(3) Where an appointment is made in accordance with subsection (2) of any of the three judges necessary to meet the requirement set out in subsection 101B(2), the Governor General in Council shall appoint a person whose name has been submitted by the Government of Quebec.

(4) Where an appointment is made in accordance with subsection (2) otherwise than as required under subsection (3), the Governor General in Council shall appoint a person whose name has been submitted by the government of a province other than Quebec.

101D. Sections 99 and 100 apply in respect of the judges of the Supreme Court of Canada.

101E. (1) Sections 101A to 101D shall not be construed as abrogating or derogating from the powers of the Parliament of Canada to make laws under section 101 except to the extent that such laws are inconsistent with those sections.

(2) For greater certainty, section 101A shall not be construed as abrogating or derogating from the powers of the Parliament of Canada to make laws relating to the reference of questions of law or fact, or any other matters, to the Supreme Court of Canada."

7. The said Act is further amended by adding thereto, immediately after section 106 thereof, the following section:

"106A. (1) The Government of Canada shall provide reasonable compensation to the government of a province that chooses not to participate in a national shared-cost program that is established by the Government of Canada after the coming into force of this section in an area of exclusive provincial jurisdiction, if the province carries on a program or initiative that is compatible with the national objectives.

(2) Nothing in this section extends the legislative powers of the Parliament of Canada or of the legislatures of the provinces."

8. The said Act is further amended by adding thereto the following heading and sections:

"XII—CONFERENCES ON THE ECONOMY AND OTHER MATTERS

148. A conference composed of the Prime Minister of Canada and the first ministers of the provinces shall be convened by the Prime Minister of Canada at least once each year to discuss the state of the Canadian economy and such other matters as may be appropriate.

XIII—REFERENCES

149. A reference to this Act shall be deemed to include a reference to any amendments thereto."

CONSTITUTION ACT, 1982

9. Sections 40 to 42 of the *Constitution Act, 1982* are repealed and the following substituted therefor:

"40. Where an amendment is made under subsection 38(1) that transfers legislative powers from provincial legislatures to Parliament, Canada shall provide reasonable compensation to any province to which the amendment does not apply.

41. An amendment to the Constitution of Canada in relation to the following matters may be made by proclamation issued by the Governor General under the Great Seal of Canada only where authorized by resolutions of the Senate and House of Commons and of the legislative assembly of each province:

(a) the office of the Queen, the Governor General and the Lieutenant Governor of a province;

(b) the powers of the Senate and the method of selecting Senators;

(c) the number of members by which a province is entitled to be represented in the Senate and the residence qualifications of Senators;

(d) the right of a province to a number of members in the House of Commons not less than the number of Senators by which the province was entitled to be represented on April 17, 1982;

(e) the principle of proportionate representation of the provinces in the House of Commons prescribed by the Constitution of Canada;

(f) subject to section 43, the use of the English or the French language;

(g) the Supreme Court of Canada;

(h) the extension of existing provinces into the territories;

(*i*) notwithstanding any other law or practice, the establishment of new provinces; and

(j) an amendment to this Part."

10. Section 44 of the said Act is repealed and the following substituted therefor:

"44. Subject to section 41, Parliament may exclusively make laws amending the Constitution of Canada in relation to the executive government of Canada or the Senate and House of Commons."

11. Subsection 46(1) of the said Act is repealed and the following substituted therefor:

"46. (1) The procedures for amendment under sections 38, 41 and 43 may be initiated either by the Senate or the House of Commons or by the legislative assembly of a province."

Constitution Amendment, 1987

12. Subsection 47(1) of the said Act is repealed and the following substituted therefor:

"47. (1) An amendment to the Constitution of Canada made by proclamation under section 38, 41 or 43 may be made without a resolution of the Senate authorizing the issue of the proclamation if, within one hundred and eighty days after the adoption by the House of Commons of a resolution authorizing its issue, the Senate has not adopted such a resolution and if, at any time after the expiration of that period, the House of Commons again adopts the resolution."

13. Part VI of the said Act is repealed and the following substituted therefor:

"PART VI

CONSTITUTIONAL CONFERENCES

50. (1) A constitutional conference composed of the Prime Minister of Canada and the first ministers of the provinces shall be convened by the Prime Minister of Canada at least once each year, commencing in 1988.

(2) The conferences convened under subsection (1) shall have included on their agenda the following matters:

(a) Senate reform, including the role and functions of the Senate, its powers, the method of selecting Senators and representation in the Senate;

(b) roles and responsibilities in relation to fisheries; and

(c) such other matters as are agreed upon."

14. Subsection 52(2) of the said Act is amended by striking out the word "and" at the end of paragraph (b) thereof, by adding the word "and" at the end of paragraph (c) thereof and by adding thereto the following paragraph:

"(d) any other amendment to the Constitution of Canada."

15. Section 61 of the said Act is repealed and the following substituted therefor:

"61. A reference to the *Constitution Act 1982*, or a reference to the *Constitution Acts 1867 to 1982*, shall be deemed to include a reference to any amendments thereto."

GENERAL

16. Nothing in section 2 of the *Constitution Act, 1867* affects section 25 or 27 of the *Canadian Charter of Rights and Freedoms*, section 35 of the *Constitution Act, 1982* or class 24 of section 91 of the *Constitution Act, 1867*.

CITATION

17. This amendment may be cited as the *Constitution Amendment, 1987*.

And the amendment of Mr. Turner (Vancouver Quadra):

That the motion be amended

(a) in paragraph 1 of the Schedule by deleting subsection 2.(1) and substituting the following therefor:

"2. (1) The Constitution of Canada shall be interpreted in a manner consistent with

(a) the recognition that the existence of French-speaking Canadians, centred in Quebec but also present elsewhere in Canada, and English-speaking Canadians, concentrated outside Quebec but also present in Quebec, constitutes a fundamental characteristic of Canada; and

(b) the recognition that Quebec constitutes within Canada a distinct society.

(c) the recognition that aboriginal peoples constitute a distinctive and fundamental characteristic of Canada;

(d) the recognition of the multicultural nature of Canadian society, and in particular respect for the many origins, creeds and cultures as well as the differing regional identities that helped shape Canadian society; and

(e) the recognition of the advantages of developing the Canadian economic union."

(b) in paragraph 1 of the Schedule by deleting subsection 2.(2) and substituting the following therefor:

"(2)(a) The role of the Parliament of Canada to preserve and promote, and the role of the provincial legislatures to preserve and, subject to subparagraph (2)(b) to promote, the fundamental characteristic of Canada referred to in paragraph (1)(a) is affirmed.

(b) The role of a province in relation to promotion applies from the time it is adopted by a resolution of the legislative assembly of that province."

(c) in paragraph 2 of the Schedule by deleting section 25 and substituting the following therefor:

"25. Where a vacancy occurs in the Senate, and until an amendment to the Constitution of Canada is made in relation to the Senate pursuant to section 42 of the *Constitution Act*, 1982, the government of Canada shall, within six months after the vacancy occurs, call an election in the province or territory to which the vacancy relates for the purpose of filling that vacancy, and, notwithstanding the provision of section 29 of the *Constitution Act*, 1867, for a term of nine years."

(d) in paragraph 6 of the Schedule by deleting subsections 101C.(1) and (2) and substituting the following therefor:

"101C.() Where a vacancy occurs in the Supreme Court of Canada, the government of each province and the elected government of each territory may, in relation to that vacancy, submit to the Minister of Justice of Canada the names of any of the persons who have been admitted to the bar of the province or territory and are qualified under section 101B. for appointment to that court.

(2) Subject to subsection (5), where an appointment is made to the Supreme Court of Canada, the Governor General in Council shall, except where the Chief Justice is appointed from among members of the Court, appoint a person whose name has been submitted under subsection (1) and who is acceptable to the Queen's Privy Council for Canada."

(e) in paragraph 6 of the Schedule by adding immediately after subsection 101C.(4) the following:

"(5) Where an appointment is made in accordance with subsection (2) and, if within a period of three months, no name which has been submitted under subsection (1) is acceptable to the Queen's Privy Council for Canada, the Chief Justice may make an interim one-year appointment from among justices of the Federal Court of Canada or provincial Superior Courts."

(f) in paragraph 7 of the Schedule by deleting subsection 106A.(1) and substituting the following therefor:

"106A.(1) The Government of Canada shall provide reasonable compensation to the government of a province that chooses not to participate in a national shared-cost program that is established by the Parliament of Canada after the coming into force of this section, in an area of exclusive provincial jurisdiction, if the province carries on a compatible program which meets minimum national standards."

(g) by deleting paragraph 9, 10, 11 and 12 of the Schedule and substituting the following therefor:

"9. Sections 40 to 42 of the *Constitution Act*, 1982 are repealed and the following substituted therefor:

40. Where an amendment is made under subsection 38(1) that transfers legislative powers from provincial legislatures to Parliament, Canada shall provide reasonable compensation to any province to which the amendment does not apply.

41. An amendment to the Constitution of Canada in relation to the following matters may be made by proclamation issued by the Governor General under the Great Seal of Canada only where authorized by resolutions of the Senate and House of Commons and of the legislative assembly of each province:

(a) the office of the Queen, the Governor General and the Lieutenant Governor of a province;

(b) the right of a province of a number of members in the House of Commons not less than the number of Senators by which the province was entitled to be represented on April 17, 1982;

(c) the principle of proportionate representation of the provinces in the House of Commons prescribed by the Constitution of Canada;

(d) subject to section 43, the use of the English or the French language;

(e) the Supreme Court of Canada; and

(f) an amendment to this Part.

42.(1) An amendment to the Constitution of Canada in relation to the following matters may be made only in accordance with subsection 38(1):

(a) the powers of the Senate and the method of selecting Senators; and

(b) the number of members by which a province or territory is entitled to be represented in the Senate and the residence qualifications of Senators.

(2) Subsections 38(2) to (4) do not apply in respect of amendments in relation to matters referred to in subsection (1).

42A. Notwithstanding subsection 42(1) of the Constitution Act, 1982, the establishment of new provinces and the extension of existing provinces into territories shall be a matter exclusively for the Governor General in Council and the elected government of the territory affected."

(h) in paragraph 13 of the Schedule by deleting subsection 50.(2) and substituting the following therefor;

"(2) The conferences convened under subsection (1) shall have included on their agenda the following matters;

(a) the aboriginal and treaty rights of the aboriginal peoples of Canada, including self-government;

(b) Senate reform, including the role and functions of the Senate, its powers, the method of selecting Senators, representation in the Senate.

(c) roles and responsibilities in relation to fisheries at the first meeting only;

(d) such other matters as are agreed upon."

(i) by deleting paragraph 16 of the Schedule and substituting the following therefor:

"16. Nothing in the *Constitution Amendment*, 1987 derogates from any of the rights and freedoms guaranteed by the Canadian Charter of Rights and Freedoms or affects Part II of the *Constitution Act, 1982*".

And the amendment of Mr. Broadbent:

That the motion be amended

(a) by adding in paragraph 2 subsection 25(1) the words "and the elected government of each territory" immediately after the word "province";

(b) by adding in paragraph 2 subsection 25(2) the words "or the elected government of a territory" immediately after the word "province";

(c) by adding in paragraph 6 subsection 101C.(1) the words "or the elected government of a territory" immediately after the word "province";

(d) by adding in paragraph 6 subsection 101C.(4) the words "or the elected government of a territory" immediately after the word "province";

(e) by deleting in paragraph 9, section 41 paragraph (i);

(f) by adding to paragraph 13 subsection 50(2) the following new paragraph:

"(c) aboriginal rights, in particular self-government;"

(g) by adding to paragraph 13 section 50 the following new subsection:

"(3) The Prime Minister shall invite to the Conferences designated in section 50 subsection (2)(c) representatives of the aboriginal peoples of Canada and the governments of the Northwest Territories and Yukon

Territory and those groups and governments shall participate fully in all matters that affect aboriginal rights."

(h) by deleting paragraph 16 and substituting the following therefor:

"16. Nothing in section 2 of the *Constitution Act, 1867* affects section 25, 27 or 28 of the *Canadian Charter of Rights and Freedoms*, section 35 of the Constitution Act, 1982 or class 24 of section 91 of the Constitution.—

And the amendment of Mr. Caccia:

That the motion be amended in paragraph 1 of the Schedule

(a) by deleting Section 2.(1) and substituting the following therefor:

"2.(1) The Constitution of Canada shall be interpreted in a manner consistent with the recognition that Canada consists of aboriginal and multicultural societies, with English and French as the official languages of Canada, French-speaking Canadians being centred in Quebec but also present elsewhere in Canada and English-speaking Canadians concentrated outside Quebec but also present in Quebec",

(b) by deleting Section 2.(3).

And the amendments of Mr. Johnston:

That the motion be amended by deleting paragraph 1 of the Schedule and substituting the following therefor:

"1. The *Constitution Act, 1867* is amended by adding to the preamble thereto, the following

"AND WHEREAS Canadians recognize their commitment to maintain and reinforce across Canada the bilingual nature of the Canadian federation;

AND WHEREAS Canadians recognize their commitment to the distinctive character of Quebec as the principal but not the exclusive source of the French language and culture in Canada;

AND WHEREAS Canadians recognize their commitment to the multicultural nature of Canadian society, and in particular their respect for the many origins, creeds and cultures, as well as the differing regional identities that help shape Canadian society;

AND WHEREAS Canadians recognize their commitment to the contribution of Canada's aboriginal peoples;

AND WHEREAS Canadians recognize their commitment to the advantages of developing the Canadian economic union;""—

And:

That the motion be amended in paragraph 3 of the Schedule by deleting subsection 95C (2) and substituting the following therefor:

"95C.(2) An amendment to or the termination of an agreement referred to in subsection 95B(1) may be made by proclamation issued by the Governor General under the Great Seal of Canada only where so authorized by resolutions of the Senate and House of Commons."—

And:

That the motion be amended in paragraph 6 of the Schedule by deleting section 101C and substituting the following therefor:

"101C.(1) Where a vacancy arises in the Supreme Court of Canada and the Attorney General of Canada is considering a person for appointment to fill the vacancy, he shall inform the attorney general of the appropriate province.

(2) When an appointment is one falling within section 101B or the Attorney General of Canada has determined that the appointment shall be made from among persons who have been admitted to the Bar of a specific province, he shall make all reasonable efforts to reach agreement with the attorney general of the appropriate province, before a person is appointed to the Court.

(3) No person shall be appointed to the Supreme Court of Canada unless the Attorney General of Canada and the attorney general of the appropriate province agree to the appointment, or such person has been recommended for appointment to the Court by a nominating council described in subsection (5), or has been selected by the Attorney General of Canada under subsection (5).

(4) Where after the lapse of ninety days from the day a vacancy arises in the Supreme Court of Canada, the Attorney General of Canada and the attorney general of a province have not reached agreement on a person to be appointed to fill the vacancy, the Attorney General of Canada may inform the attorney general of the appropriate province in writing that he proposes to convene a nominating council to recommend an appointment.

(5) Within thirty days of the day when the Attorney General of Canada has written the attorney general of the province that he proposes to convene a nominating council, the attorney general of the province may inform the Attorney General of Canada in writing that he selects either of the following types of nominating councils:

(a) a nominating concil consisting of the following members: the Attorney General of Canada or his nominee and the attorneys general of the provinces or their nominees;

(b) a nominating council consisting of the following members: the Attorney General of Canada or his nominee, the attorney general of the appropriate province or his nominee and a Chairman to be selected by the two attorneys general, and if within six months from the expiration of the thirty days they cannot agree on a Chairman, then the chief justice of the appropriate province or if he is unable to act, the next senior judge of this court, shall name a Chairman;

and if the attorney general of the province fails to make a selection within the thirty days above referred to, the Attorney General of Canada may select the person to be appointed.

(6) When a nominating council has been created, the Attorney General of Canada shall submit the names of not less than three qualified persons to it about whom he has sought the agreement of the attorney general of the appropriate province to the appointment, and the nominating council shall recommend therefrom a person for appointment to the Supreme Court of Canada; a majority of the members of a council constitutes a quorum, and a recommendation of a majority of the members at a meeting constitutes a recommendation of the council.

(7) For the purpose of this section "appropriate province" means, in the case of a person being considered for appointment to the Supreme Court of Canada in compliance with section 101B, the Province of Quebec, and in the case of any other person being so considered, the province to the Bar of which such person was admitted, and if a person was admitted to the Bar of more than one province, the province with the Bar of which the person has, in the opinion of the Attorney General of Canada, the closest connection.

(8) This section does not apply to the appointment of the Chief Justice of Canada when such appointment is made from among the judges of the Supreme Court of Canada."—

And:

That the motion be amended by deleting paragraph 7 of the Schedule.—

And:

That the motion be amended in paragraph 8 of the Schedule by deleting section 148 and by renumbering the following sections accordingly.—

And:

That the motion be amended by deleting paragraphs 9, 10, 11 and 12 of the Schedule and substituting the following therefor:

"9. Sections 38 to 47 of the *Constitution Act, 1982* are repealed and the following substituted therefor:

"38. Amendments to the Constitution of Canada may from time to time be made by proclamation issued by the Governor General under the Great Seal of Canada when so authorized by resolutions of the Senate and House of Commons and of the legislative assemblies of at least a majority of the provinces that includes

(a) every province that at any time before the issue of such proclamation had, according to any previous general census, a population of at least twenty-five percent of the population of Canada;

(b) at least two of the Atlantic Provinces;

(c) at least two of the Western Provinces that have, according to the then latest general census, combined populations of at least fifty per cent of the population of all the Western Provinces.

39. Amendments to the Constitution of Canada in relation to any provision that applies to one or more, but not all, of the provinces may from time to time be made by proclamation issued by the Governor General under the Great Seal of Canada when so authorized by resolutions of the Senate and House of Commons and of the legislative assembly of each province to which an amendment applies.

40. An amendment may be made by proclamation under section 38 without a resolution of the Senate authorizing the issue of the proclamation if within ninety days of the passage of a resolution by the House of Commons authorizing its issue the Senate has not passed such a resolution and at any time after the expiration of the ninety days the House of Commons again passes the resolution, but any period when Parliament is prorogued or dissolved shall not be counted in computing the ninety days.

41. The following rules apply to the procedures for amendment described in sections 38 and 39:

(a) either of these procedures may be initiated by the Senate or the House of Commons or the legislative assembly of a province;

(b) a resolution made for the purposes of this Part may be revoked at any time before the issue of a proclamation authorized by it.

42. The Parliament of Canada may exclusively make laws from time to time amending the Constitution of Canada, in relation to the executive Government of Canada and the Senate and House of Commons.

43. Subject to section 44, a legislature may exclusively make laws in relation to the amendment from time to time of the Constitution of the province.

44. Notwithstanding sections 42 and 43, the following matters may be amended only in accordance with the procedure in section 38:

(a) the office of the Queen, the Governor General and the Lieutenant Governor of a province;

(b) the powers of the Senate and the method of selecting Senators;

(c) the number of members by which a province is entitled to be represented in the Senate and the residence qualifications of Senators;

(d) the right of a province to a number of members in the House of Commons not less than the number of Senators by which the province was entitled to be represented on April 17, 1982;

(e) the principle of proportionate representation of the provinces in the House of Commons prescribed by the Constitution of Canada;

(f) subject to section 43, the use of the English or the French language;

(g) the Supreme Court of Canada;

(h) the extension of existing provinces into the territories;

(*i*) notwithstanding any other law or practice, the establishment of new provinces; and

(j) an amendment to this Part.

45. The procedure prescribed in section 38 may not be used to make an amendment when there is another provision for making such amendment in the Constitution of Canada, but that procedure may nonetheless be used to amend any provision for amending the Constitution, including this section, or in making a general consolidation and revision of the Constitution.

46. In this Part, "Atlantic Provinces" means the Provinces of Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland, and "Western Provinces" means the Provinces of Manitoba, British Columbia, Saskatchewan and Alberta.""

And:

That the motion be amended by deleting paragraph 13 of the Schedule and substituting the following therefor:

"13. Part VI of the *Constitution Act, 1982* is repealed and the following substituted therefor:

PART VI

FEDERAL-PROVINCIAL CONFERENCES

50.(1) A constitutional conference composed of the Prime Minister of Canada and the first ministers of the provinces shall be convened not more than once each calendar year by the Prime Minister of Canada or by resolutions of the legislative assemblies of at least two-thirds of the provinces that have, in the aggregate according to the latest cencus, at least fifty percent of the population of all the provinces.

(2) The conferences convened under subsection (1) shall have included on their agenda the following matters:

(a) an elected Senate with equal representation for the provinces and territories, including the role and functions of the Senate, its powers, the method of electing Senators and their term of office;

(b) the method of appointing Supreme Court of Canada justices including the use of provincial advisory committees;

(c) the establishment of national shared-cost programs by the Government of Canada in areas of exclusive provincial jurisdiction;

(d) the repeal of section 23(3)(a) of the *Constitution Act, 1982*;

(e) the repeal of section 33 of the *Constitution Act, 1982*;

(f) the aboriginal and treaty rights of aboriginal peoples of Canada, including self-government;

(g) the application of sections 16 to 20 of the *Constitution Act, 1982* to all of the provinces and territories;

(h) such other matters as the Prime Minister of Canada or any Premier may wish to add to the agenda for one meeting only."

And:

That the motion be amended by deleting paragraph 16 of the Schedule.

And the amendments of Mr. Roman:

That the motion be amended in paragraph 1 of the Schedule by deleting paragraph 2(1)(b) and substituting the following therefor:

"(b) the recognition that within Canada, Quebec constitutes one distinct society within a confederation of distinct societies."

And:

That the motion be amended in paragraph 6 of the Schedule by deleting subsection 101C.(1) and substituting the following therefor:

"101C.(1) Where a vacancy occurs in the Supreme Court of Canada, the government of each province shall, in relation to that vacancy, submit to the Minister of Justice of Canada the names of any of the persons who have been admitted to the bar of that province and are qualified under section 101B for appointment to that court."

And:

That the motion be amended in paragraph 6 of the Schedule by adding immediately after subsection 101C.(4) the following:

"(5) Where a vacancy occurs in the Supreme Court of Canada and the governments of the provinces have not submitted names under subsection (1), the Governor General in Council shall appoint a person who is acceptable to the Queen's Privy Council for Canada."

Mr. Speaker: It being after three o'clock p.m., pursuant to Order adopted Tuesday, June 14, 1988, the House will now proceed to the taking of deferred divisions on the amendments

and on the main motion in relation to the motion on the Constitution Amendment, 1987.

Mr. Roman: Mr. Speaker, I rise on a point of order. I would like the permission of the House to withdraw the amendments that were proposed by me with respect to the Constitution Act and the amendments thereto.

Some Hon. Members: Agreed.

Mr. Speaker: Call in the Members.

The House divided on the amendment (Mr. Turner, Vancouver Quadra), which was negatived on the following division:

(Division No. 401)

YEAS

Members

Allmand	Grondin	Robichaud
Axworthy	Guilbault (Saint-Jacques)	Rompkey
Baker	Hopkins	Rossi
Berger	Isabelle	Tardif (Richmond—Wolfe)
Boudria	Kaplan	Tobin
Copps	Killens	Turner (Vancouver Quadra)—30
Finestone	Lapierre	
Foster	Marchi	
Gagliano	Ouellet	
Garneau	Penner	
Gauthier	Pépin	
Gray (Windsor West)	Prud'homme	

NAYS

Members

Althouse	Charest	Epp (Provencher)
Andre	Chartrand	Fennell
Angus	Clark (Yellowhead)	Fontaine
Attewell	Clark (Brandon—Souris)	Forrestall
Beatty	Clifford	Fraleigh
Belsher	Clinch	Fretz
Benjamin	Cochrane	Fulton
Bernier	Collins	Gagnon
Bertrand	Comeau	Girard
Blackburn (Jonquière)	Cook	Gormley
Blais	Cooper	Gray (Bonaventure—Îles-de-la-Madeleine)
Blais-Grenier	Corbett	Greenaway
Blenkarn	Cossitt	Grisé
Bosley	Côté	Guilbault (Drummond)
Bouchard	Crofton	Gurbin
Bourgault	Crouse	Gustafson
Boyer	Danis	Halliday
Bradley	Darling	Hamelin
Brightwell	Daubney	Hamilton
Brisco	de Cotret	Hardey
Broadbent	de Jong	Harvey
Browes	Della Noce	Hawkes
Cadieux	Dewar	Heap
Caldwell	Dick	Hicks
Cardiff	Domm	Hnatyshyn
Cassidy	Dorin	Holtmann
Champagne (Saint-Hyacinthe—Bagot)	Duguay	Horner
Champagne (Champlain)	Duplessis	Howie
	Edwards	Hudon
	Ellis	James
		Jardine
		Jelinek
		Jepson
		Jewett
		Johnson (Bonavista—Trinity—Conception)
		Joncas
		Jourdenais
		Keeper
		Kelleher
		Kempling
		King
		Ladouceur
		Landry
		Langdon
		Layton
		Leblanc
		Lesick
		Lewis
		MacDonald (Kingston and the Islands)
		MacDougall (Timiskaming)
		MacKay
		Mailly
		Malone
		Manly
		Mantha
		Marin
		Martin
		Masse
		Mayer
		Mazankowski
		McCrossan
		McCuish
		McCurdy
		McDermid
		McDonald (Broadview—Greenwood)
		McInnes
		McKinnon
		McKnight
		McLaughlin
		McMillan
		Merrithew
		Minaker
		Mitchell
		Mitges
		Moore
		Mulroney
		Nicholson (Niagara Falls)
		Nystrom
		Oberle
		O'Neil
		Oostrom
		Orlikow
		Paproski
		Pennock
		Peterson
		Pietz
		Price
		Ravis
		Redway
		Reid
		Reimer
		Ricard
		Riis
		Robinson
		Rodriguez
		Roman
		St-Julien
		Schellenberger (Nanaimo—Alberni)
		Schellenberger (Wetaskiwin)
		Scott (Victoria—Haliburton)
		Scott (Hamilton—Wentworth)
		Scowen
		Shields
		Siddon
		Skelly
		Sparrow
		Speyer
		Suluk
		Tardif (Charlesbourg)
		Taylor
		Thacker
		Towers
		Tremblay (Québec-Est)
		Tupper
		Turner (Ottawa—Carleton)
		Valcourt
		Van De Walle
		Vézina
		Vincent
		Wenman
		White
		Wilson (Swift Current—Maple Creek)
		Winegard
		Wise
		Witer
		Young—184

● (1550)

Mr. Speaker: I declare the amendment lost. The next vote is on the amendment standing in the name of the Hon. Member for Oshawa (Mr. Broadbent).

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

(Division No. 402)

YEAS

Members

Althouse	Langdon	Riis
Angus	Manly	Robinson
Benjamin	McCurdy	Rodriguez
Broadbent	McDonald (Broadview—Greenwood)	Skelly
Cassidy	McLaughlin	Suluk
de Jong	Mitchell	Young—26
Dewar	Nickerson	
Fulton	Nystrom	
Heap	Orlikow	
Jewett		
Keeper		

NAYS

Members

Allmand	Axworthy	Belsher
Andre	Baker	Bernier
Attewell	Beatty	Bertrand

Blackburn (Jonquière)
Blais
Blais-Grenier
Blenkarn
Bosley
Bouchard
Boudria
Bourgault
Boyer
Bradley
Brightwell
Brisco
Browes
Caccia
Cadieux
Caldwell
Cardiff
Champagne (Saint-Hyacinthe—Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Yellowhead)
Clark (Brandon—Souris)
Clifford
Clinch
Cochrane
Collins
Comeau
Cook
Cooper
Copps
Corbett
Cossitt
Côté
Crofton
Crouse
Danis
Darling
Daubney
de Cotret
Della Noce
Dick
Domm
Dorin
Duguay
Duplessis
Edwards
Ellis
Epp (Provencher)
Fennell
Finestone
Fontaine
Forrestall
Foster
Fraleigh
Fretz
Gagliano
Gagnon
Garneau
Gauthier
Girard
Gormley
Gray (Bonaventure—Îles-de-la-Madeleine)
Gray (Windsor West)
Greenaway
Grisé
Grondin
Guilbault (Saint-Jacques)
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hamelin
Hamilton
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Holtmann
Hopkins
Horner
Howie
Hudon
Isabelle
James
Jardine
Jelinek
Jepson
Johnson (Bonavista—Trinity—Conception)
Joncas
Jourdenais
Kaplan
Kelleher
Kempling
Killens
King
Ladouceur
Landry
Lapierre
Layton
Leblanc
Lesick
Lewis
MacDonald (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly
Malone
Mantha
Marchi
Marin
Martin
Masse
Mayer
Mazankowski
McCrossan
McCuish
McDermid
McInnes
McKinnon
McKnight
McMillan
Merrithew
Minaker
Mitges
Moore
Mulroney
Nicholson (Niagara Falls)
Oberle
O'Neil
Oostrom
Ouellet
Paproski
Pennock
Pépin
Peterson
Pietz
Price
Prud'homme
Ravis
Redway
Reid
Reimer
Ricard
Rompkey
Rossi
St-Julien
Schellenberg (Nanaimo—Alberni)
Schellenberger (Wetaskiwin)
Scott (Victoria—Haliburton)
Scott (Hamilton—Wentworth)
Scowen
Shields
Siddon
Sparrow
Speyer
Tardif (Richmond—Wolfe)
Tardif (Charlesbourg)
Taylor
Thacker
Tobin
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa—Carleton)
Turner (Vancouver Quadra)
Valcourt
Van De Walle
Vézina
Vincent
Wenman
White
Wilson (Swift Current—Maple Creek)
Winegard
Wise
Witer—186

● (1600)

Mr. Speaker: I declare the amendment lost. The next question is on the amendment of Mr. Caccia.

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

(*Division No. 403*)

YEAS

Members

Caccia
Penner
Berger
Johnston (Saint-Henri—Westmount)
Roman—5

NAYS

Members

Allmand
Althouse
Andre
Angus
Attewell
Axworthy
Baker
Beatty
Belsher
Benjamin
Bernier
Bertrand
Blackburn (Jonquière)
Blais
Blais-Grenier
Blenkarn
Bosley
Bouchard
Boudria
Bourgault
Boyer
Bradley
Brightwell
Brisco
Broadbent
Browes
Cadieux
Caldwell
Cardiff
Cassidy
Champagne (Saint-Hyacinthe—Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Yellowhead)
Clark (Brandon—Souris)
Clifford
Clinch
Cochrane
Collins
Comeau
Cook
Cooper
Copps
Cossitt
Côté
Crofton
Crouse
Danis
Darling
Daubney
de Cotret
de Jong
Della Noce
Dewar
Dick
Domm
Dorin
Duguay
Duplessis
Edwards
Ellis
Epp (Provencher)
Fennell
Finestone
Fontaine
Forrestall
Foster
Fraleigh
Fretz
Fulton
Gagliano
Gagnon
Garneau
Gauthier
Girard
Gormley
Gray (Bonaventure—Îles-de-la-Madeleine)
Gray (Windsor West)
Greenaway
Grisé
Grondin
Guilbault (Saint-Jacques)
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hamelin
Hamilton
Hardey
Harvey
Hawkes
Heap
Hicks
Hnatyshyn
Holtmann
Hopkins
Horner
Howie
Hudon
Isabelle
James
Jardine
Jelinek
Jepson
Jewett
Johnson (Bonavista—Trinity—Conception)
Joncas
Jourdenais
Kaplan
Keeper
Kelleher
Kempling
Killens
King
Ladouceur
Landry
Langdon
Lapierre
Layton
Leblanc
Lesick
Lewis
MacDonald (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly
Malone
Manly
Mantha
Marchi
Marin
Martin
Masse
Mayer
Mazankowski
McCrossan
McCuish
McCurdy
McDermid
McDonald (Broadview—Greenwood)
McInnes
McKinnon
McKnight
McLaughlin
McMillan
Merrithew
Minaker
Mitchell
Mitges
Moore
Mulroney
Nicholson (Niagara Falls)
Nickerson
Nystrom
Oberle
O'Neil
Oostrom
Orlikow
Ouellet
Paproski
Pennock
Pépin
Peterson
Pietz
Price
Prud'homme

Ravis
Redway
Reid
Reimer
Ricard
Riis
Robinson
Rodriguez
Rompkey
Rossi
St-Julien
Schellenberg
(Nanaimo—Alberni)
Schellenberger
(Wetaskiwin)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Shields
Siddon
Skelly
Sparrow
Speyer
Suluk
Tardif
(Richmond—Wolfe)
Tardif
(Charlesbourg)
Taylor
Thacker
Tobin
Toupin
Towers
Tremblay
(Québec-Est)
Tupper
Turner
(Ottawa—Carleton)
Turner
(Vancouver Quadra)
Valcourt
Van De Walle
Vézina
Vincent
Wenman
White
Wilson
(Swift Current
—Maple Creek)
Winegard
Wise
Witer
Young—211

● (1610)

Mr. Speaker: I declare the amendment lost. The next question is on the first amendment standing in the name of the Hon. Member for Saint-Henri—Westmount (Mr. Johnston).

The House divided on the amendment (Mr. Johnston), which was negatived on the following division.

(*Division No. 404*)

YEAS

Members

Berger
Caccia
Corbett
Johnston
(Saint-Henri—
Westmount)
Kindy
Penner
Roman—7

NAYS

Members

Allmand
Althouse
Angus
Attewell
Axworthy
Baker
Beatty
Belsher
Benjamin
Bernier
Bertrand
Blackburn
(Jonquière)
Blais
Blais-Grenier
Blenkarn
Bosley
Bouchard
Boudria
Bourgault
Boyer
Bradley
Brightwell
Brisco
Broadbent
Browes
Cadieux
Caldwell
Cardiff
Cassidy
Champagne
(Saint-Hyacinthe—
Bagot)
Champagne
(Champlain)
Charest
Chartrand
Clark
(Yellowhead)
Clark
(Brandon—Souris)
Clifford
Clinch
Cochrane
Collins
Comeau
Cook
Cooper
Copps
Cossitt
Côté
Crofton
Crouse
Danis
Darling
Daubney
de Cotret
de Jong
Della Noce
Dick
Domm
Dorin
Duguay
Duplessis
Edwards
Ellis
Epp
(Provencher)
Fennell
Finestone
Fontaine
Forrestall
Foster
Fraleigh
Fretz
Fulton
Gagliano
Gagnon
Garneau
Gauthier
Girard
Gormley
Gray
(Bonaventure—Îles-de-
la-Madeleine)
Gray
(Windsor West)
Greenaway
Grisé
Grondin
Guilbault
(Saint-Jacques)
Guilbault
(Drummond)
Gustafson
Halliday
Hamelin
Hamilton
Hardey
Harvey
Hawkes
Heap
Hicks
Hnatyshyn
Holtmann
Hopkins
Horner
Howie
Hudon
Isabelle
James
Jardine
Jelinek
Jepson
Jewett
Johnson
(Bonavista—Trinity—
Conception)
Joncas
Jourdenais
Kaplan
Keeper
Kelleher
Kempling
Kilgour
Killens
King
Ladouceur
Landry
Langdon
Lapierre
Layton
Leblanc
Lesick
Lewis
MacDonald
(Kingston and
the Islands)
MacDougall
(Timiskaming)
MacKay
Mailly
Malone
Manly
Mantha
Marchi
Marin
Martin
Masse
Mayer
Mazankowski
McCrossan
McCuish
McCurdy
McDermid
McDonald
(Broadview—
Greenwood)
McInnes
McKinnon
McKnight
McLaughlin
McMillan
Merrithew
Minaker
Mitchell
Mitges
Moore
Mulroney
Nicholson
(Niagara Falls)
Nickerson
Nystrom
Oberle
O'Neil
Oostrom
Orlikow
Ouellet
Paproski
Pennock
Pépin
Peterson
Pietz
Price
Prud'homme
Ravis
Redway
Reid
Reimer
Ricard
Riis
Robinson
Rodriguez
Rompkey
Rossi
St-Julien
Schellenberg
(Nanaimo—Alberni)
Schellenberger
(Wetaskiwin)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Shields
Siddon
Skelly
Sparrow
Speyer
Suluk
Tardif
(Richmond—Wolfe)
Tardif
(Charlesbourg)
Taylor
Thacker
Tobin
Toupin
Towers
Tremblay
(Québec-Est)
Tupper
Turner
(Ottawa—Carleton)
Turner
(Vancouver Quadra)
Valcourt
Van De Walle
Vézina
Vincent
Wenman
White
Wilson
(Swift Current
—Maple Creek)
Winegard
Wise
Witer
Young—209

Mr. Speaker: I declare the amendment lost.

● (1620)

Mr. Johnston: I have a number of other amendments, Mr. Speaker, that are to come before the House. I would be prepared to accept the vote on the first amendment as applied to the other amendments on the assumption that all Members have read those proposed amendments and realize what they are voting against. If the House gives unanimous consent to that, I would be prepared to dispose with votes on the other amendments.

Mr. Robinson: Mr. Speaker, I wish to have my vote recorded in favour of the amendment proposed with respect to clause 7 of the Accord.

Mr. Speaker: The House has heard the suggestion of the Hon. Member for Saint-Henri—Westmount (Mr. Johnston), and it is agreed, subject to the vote of the Hon. Member for Burnaby (Mr. Robinson).

Some Hon. Members: Agreed.

Mr. Speaker: I declare all of the amendments lost. For the record, we have voted on one. There are seven others. I declare those seven amendments lost.

Mr. Berger: Mr. Speaker, I rise on a point of order. I stand to be corrected, but I think that there are six other amendments not seven. It is just a technicality, but it is something that you may wish to check.

Mr. Speaker: In answer to the Hon. Member for Laurier (Mr. Berger), I wish to make it clear that the House has voted on the first of eight amendments, and that means there would be seven further amendments. As I understand it, it is the wish of the House that those seven further amendments be treated in the same way as the first. I declare those seven amendments lost.

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

(*Division No. 405*)

YEAS

Members

Berger
Caccia
Corbett
Johnston (Saint-Henri—Westmount)
Kindy
Penner
Roman—7

NAYS

Members

Allmand
Althouse
Angus
Attewell
Axworthy
Baker
Beatty
Belsher
Benjamin
Bernier
Bertrand
Blackburn (Jonquière)
Blais
Blais-Grenier
Blenkarn
Bosley
Bouchard
Boudria
Bourgault
Boyer
Bradley
Brightwell
Brisco
Broadbent
Browes
Cadieux
Caldwell
Cardiff
Cassidy
Champagne (Saint-Hyacinthe—Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Yellowhead)
Clark (Brandon—Souris)
Clifford
Clinch
Cochrane
Collins
Comeau
Cook
Cooper
Copps
Cossitt
Côté
Crofton
Crouse
Danis
Darling
Daubney
de Cotret
de Jong
Della Noce
Dick
Domm
Dorin
Duguay
Duplessis
Edwards
Ellis
Epp (Provencher)
Fennell
Finestone
Fontaine
Forrestall
Foster
Fraleigh
Fretz
Fulton
Gagliano
Gagnon
Garneau
Gauthier
Girard
Gormley
Gray (Bonaventure—Îles-de-la-Madeleine)
Gray (Windsor West)
Greenaway
Grisé
Grondin
Guilbault (Saint-Jacques)
Guilbault (Drummond)
Gustafson
Halliday
Hamelin
Hamilton
Hardey
Harvey
Hawkes
Heap
Hicks
Hnatyshyn
Holtmann
Hopkins
Horner
Howie
Hudon
Isabelle
James
Jardine
Jelinek
Jepson
Jewett
Johnson (Bonavista—Trinity—Conception)
Joncas
Jourdenais
Kaplan
Keeper
Kelleher
Kempling
Kilgour
Killens
King
Ladouceur
Landry
Langdon
Lapierre
Layton
Leblanc
Lesick
Lewis
MacDonald (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly
Malone
Manly
Mantha
Marchi
Marin
Martin
Masse
Mayer
Mazankowski
McCrossan
McCuish
McCurdy
McDermid
McDonald (Broadview—Greenwood)
McInnes
McKinnon
McKnight
McLaughlin
McMillan
Merrithew
Minaker
Mitchell
Mitges
Moore
Mulroney
Nicholson (Niagara Falls)
Nickerson
Nystrom
Oberle
O'Neil
Oostrom
Orlikow
Ouellet
Paproski
Pennock
Pépin
Peterson
Pietz
Price
Prud'homme
Ravis
Redway
Reid
Reimer
Ricard
Riis
Robinson
Rodriguez
Rompkey
Rossi
St-Julien
Schellenberg (Nanaimo—Alberni)
Schellenberger (Wetaskiwin)
Scott (Victoria—Haliburton)
Scott (Hamilton—Wentworth)
Scowen
Shields
Siddon
Skelly
Sparrow
Speyer
Suluk
Tardif (Richmond—Wolfe)
Tardif (Charlesbourg)
Taylor
Thacker
Tobin
Toupin
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa—Carleton)
Turner (Vancouver Quadra)
Valcourt
Van De Walle
Vézina
Vincent
Wenman
White
Wilson (Swift Current—Maple Creek)
Winegard
Wise
Witer
Young—209

Amendment negatived.

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

(*Division No. 406*)

YEAS

Members

Berger
Caccia
Corbett
Johnston (Saint-Henri—Westmount)
Kindy
Penner
Roman—7

NAYS

Members

Allmand
Althouse
Angus
Attewell
Axworthy
Baker
Beatty
Belsher
Benjamin
Bernier
Bertrand
Blackburn (Jonquière)
Blais
Blais-Grenier
Blenkarn
Bosley
Bouchard
Boudria
Bourgault
Boyer
Bradley
Brightwell
Brisco
Broadbent
Browes
Cadieux
Caldwell
Cardiff
Cassidy

Champagne
(Saint-Hyacinthe—
Bagot)
Champagne
(Champlain)
Charest
Chartrand
Clark
(Yellowhead)
Clark
(Brandon—Souris)
Clifford
Clinch
Cochrane
Collins
Comeau
Cook
Cooper
Copps
Cossitt
Côté
Crofton
Crouse
Danis
Darling
Daubney
de Cotret
de Jong
Della Noce
Dick
Domm
Dorin
Duguay
Duplessis
Edwards
Ellis
Epp
(Provencher)
Fennell
Finestone
Fontaine
Forrestall
Foster
Fraleigh
Fretz
Fulton
Gagliano
Gagnon
Garneau
Gauthier
Girard
Gormley
Gray
(Bonaventure—Îles-de-
la-Madeleine)
Gray
(Windsor West)
Greenaway
Grisé
Grondin
Guilbault
(Saint-Jacques)
Guilbault
(Drummond)
Gustafson
Halliday
Hamelin
Hamilton
Hardey
Harvey
Hawkes
Heap
Hicks
Hnatyshyn
Holtmann
Hopkins
Horner
Howie
Hudon
Isabelle
James
Jardine
Jelinek
Jepson
Jewett
Johnson
(Bonavista—Trinity—
Conception)
Joncas
Jourdenais
Kaplan
Keeper
Kelleher
Kempling
Kilgour
Killens
King
Ladouceur
Landry
Langdon
Lapierre
Layton
Leblanc
Lesick
Lewis
MacDonald
(Kingston and
the Islands)
MacDougall
(Timiskaming)
MacKay
Mailly
Malone
Manly
Mantha
Marchi
Marin
Martin
Masse
Mayer
Mazankowski
McCrossan
McCuish
McCurdy
McDermid
McDonald
(Broadview—
Greenwood)
McInnes
McKinnon
McKnight
McLaughlin
McMillan
Merrithew
Minaker
Mitchell
Mitges
Moore
Mulroney
Nicholson
(Niagara Falls)
Nickerson
Nystrom
Oberle
O'Neil
Oostrom
Orlikow
Ouellet
Paproski
Pennock
Pépin
Peterson
Pietz
Price
Prud'homme
Ravis
Redway
Reid
Reimer
Ricard
Riis
Robinson
Rodriguez
Rompkey
Rossi
St-Julien
Schellenberg
(Nanaimo—Alberni)
Schellenberger
(Wetaskiwin)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Shields
Siddon
Skelly
Sparrow
Speyer
Suluk
Tardif
(Richmond—Wolfe)
Tardif
(Charlesbourg)
Taylor
Thacker
Tobin
Toupin
Towers
Tremblay
(Québec-Est)
Tupper
Turner
(Ottawa—Carleton)
Turner
(Vancouver Quadra)
Valcourt
Van De Walle
Vézina
Vincent
Wenman
White
Wilson
(Swift Current
—Maple Creek)
Winegard
Wise
Witer
Young—209

Amendment negatived.

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

Constitution Amendment, 1987

(Division No. 407)

YEAS

Members

Berger
Caccia
Corbett
Johnston
(Saint-Henri—
Westmount)
Kindy
Penner
Robinson
Roman—8

NAYS

Members

Allmand
Althouse
Angus
Attewell
Axworthy
Baker
Beatty
Belsher
Benjamin
Bernier
Bertrand
Blackburn
(Jonquière)
Blais
Blais-Grenier
Blenkarn
Bosley
Bouchard
Boudria
Bourgault
Boyer
Bradley
Brightwell
Brisco
Broadbent
Browes
Cadieux
Caldwell
Cardiff
Cassidy
Champagne
(Saint-Hyacinthe—
Bagot)
Champagne
(Champlain)
Charest
Chartrand
Clark
(Yellowhead)
Clark
(Brandon—Souris)
Clifford
Clinch
Cochrane
Collins
Comeau
Cook
Cooper
Copps
Cossitt
Côté
Crofton
Crouse
Danis
Darling
Daubney
de Cotret
de Jong
Della Noce
Dick
Domm
Dorin
Duguay
Duplessis
Edwards
Ellis
Epp
(Provencher)
Fennell
Finestone
Fontaine
Forrestall
Foster
Fraleigh
Fretz
Fulton
Gagliano
Gagnon
Garneau
Gauthier
Girard
Gormley
Gray
(Bonaventure—Îles-de-
la-Madeleine)
Gray
(Windsor West)
Greenaway
Grisé
Grondin
Guilbault
(Saint-Jacques)
Guilbault
(Drummond)
Gustafson
Halliday
Hamelin
Hamilton
Hardey
Harvey
Hawkes
Heap
Hicks
Hnatyshyn
Holtmann
Hopkins
Horner
Howie
Hudon
Isabelle
James
Jardine
Jelinek
Jepson
Jewett
Johnson
(Bonavista—Trinity—
Conception)
Joncas
Jourdenais
Kaplan
Keeper
Kelleher
Kempling
Kilgour
Killens
King
Ladouceur
Landry
Langdon
Lapierre
Layton
Leblanc
Lesick
Lewis
MacDonald
(Kingston and
the Islands)
MacDougall
(Timiskaming)
MacKay
Mailly
Malone
Manly
Mantha
Marchi
Marin
Martin
Masse
Mayer
Mazankowski
McCrossan
McCuish
McCurdy
McDermid
McDonald
(Broadview—
Greenwood)
McInnes
McKinnon
McKnight
McLaughlin
McMillan
Merrithew
Minaker
Mitchell
Mitges
Moore
Mulroney
Nicholson
(Niagara Falls)
Nickerson
Nystrom
Oberle
O'Neil
Oostrom
Orlikow
Ouellet
Paproski
Pennock
Pépin
Peterson
Pietz
Price

Prud'homme
Ravis
Redway
Reid
Reimer
Ricard
Riis
Robinson
Rodriguez
Rompkey
Rossi
St-Julien
Schellenberg (Nanaimo—Alberni)
Schellenberger (Wetaskiwin)
Scott (Victoria—Haliburton)
Scott (Hamilton—Wentworth)
Scowen
Shields
Siddon
Skelly
Sparrow
Speyer
Suluk
Tardif (Richmond—Wolfe)
Tardif (Charlesbourg)
Taylor
Thacker
Tobin
Toupin
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa—Carleton)
Turner (Vancouver Quadra)
Valcourt
Van De Walle
Vézina
Vincent
Wenman
White
Wilson (Swift Current —Maple Creek)
Winegard
Wise
Witer
Young—209

Amendment negatived.

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

(*Division No. 408*)

YEAS

Members

Berger
Caccia
Corbett
Johnston (Saint-Henri—Westmount)
Kindy
Penner
Roman—7

NAYS

Members

Allmand
Althouse
Angus
Attewell
Axworthy
Baker
Beatty
Belsher
Benjamin
Bernier
Bertrand
Blackburn (Jonquière)
Blais
Blais-Grenier
Blenkarn
Bosley
Bouchard
Boudria
Bourgault
Boyer
Bradley
Brightwell
Brisco
Broadbent
Browes
Cadieux
Caldwell
Cardiff
Cassidy
Champagne (Saint-Hyacinthe—Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Yellowhead)
Clark (Brandon—Souris)
Clifford
Clinch
Cochrane
Collins
Comeau
Cook
Cooper
Copps
Cossitt
Côté
Crofton
Crouse
Danis
Darling
Daubney
de Cotret
de Jong
Della Noce
Dick
Domm
Dorin
Duguay
Duplessis
Edwards
Ellis
Epp (Provencher)
Fennell
Finestone
Fontaine
Forrestall
Foster
Fraleigh
Fretz
Fulton
Gagliano
Gagnon
Garneau
Gauthier
Girard
Gormley
Gray (Bonaventure—Îles-de-la-Madeleine)
Gray (Windsor West)
Greenaway
Grisé
Grondin
Guilbault (Saint-Jacques)
Guilbault (Drummond)
Gustafson
Halliday
Hamelin
Hamilton
Hardey
Harvey
Hawkes
Heap
Hicks
Hnatyshyn
Holtmann
Hopkins
Horner
Howie
Hudon
Isabelle
James
Jardine
Jelinek
Jepson
Jewett
Johnson (Bonavista—Trinity—Conception)
Joncas
Jourdenais
Kaplan
Keeper
Kelleher
Kempling
Kilgour
Killens
King
Ladouceur
Landry
Langdon
Lapierre
Layton
Leblanc
Lesick
Lewis
MacDonald (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly
Malone
Manly
Mantha
Marchi
Marin
Martin
Masse
Mayer
Mazankowski
McCrossan
McCuish
McCurdy
McDermid
McDonald (Broadview—Greenwood)
McInnes
McKinnon
McKnight
McLaughlin
McMillan
Merrithew
Minaker
Mitchell
Mitges
Moore
Mulroney
Nicholson (Niagara Falls)
Nickerson
Nystrom
Oberle
O'Neil
Oostrom
Orlikow
Ouellet
Paproski
Pennock
Pépin
Peterson
Pietz
Price
Prud'homme
Ravis
Redway
Reid
Reimer
Ricard
Riis
Robinson
Rodriguez
Rompkey
Rossi
St-Julien
Schellenberg (Nanaimo—Alberni)
Schellenberger (Wetaskiwin)
Scott (Victoria—Haliburton)
Scott (Hamilton—Wentworth)
Scowen
Shields
Siddon
Skelly
Sparrow
Speyer
Suluk
Tardif (Richmond—Wolfe)
Tardif (Charlesbourg)
Taylor
Thacker
Tobin
Toupin
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa—Carleton)
Turner (Vancouver Quadra)
Valcourt
Van De Walle
Vézina
Vincent
Wenman
White
Wilson (Swift Current —Maple Creek)
Winegard
Wise
Witer
Young—209

Amendment negatived.

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

(*Division No. 409*)

YEAS

Members

Berger
Caccia
Corbett
Johnston (Saint-Henri—Westmount)
Kindy
Penner
Roman—7

NAYS

Members

Allmand
Althouse
Angus
Attewell
Axworthy
Baker
Beatty
Belsher
Benjamin
Bernier
Bertrand
Blackburn (Jonquière)
Blais
Blais-Grenier
Blenkarn
Bosley
Bouchard
Boudria
Bourgault
Boyer
Bradley
Brightwell
Brisco
Broadbent
Browes
Cadieux
Caldwell
Cardiff
Cassidy

Champagne
(Saint-Hyacinthe—
Bagot)
Champagne
(Champlain)
Charest
Chartrand
Clark
(Yellowhead)
Clark
(Brandon—Souris)
Clifford
Clinch
Cochrane
Collins
Comeau
Cook
Cooper
Copps
Cossitt
Côté
Crofton
Crouse
Danis
Darling
Daubney
de Cotret
de Jong
Della Noce
Dick
Domm
Dorin
Duguay
Duplessis
Edwards
Ellis
Epp
(Provencher)
Fennell
Finestone
Fontaine
Forrestall
Foster
Fraleigh
Fretz
Fulton
Gagliano
Gagnon
Garneau
Gauthier
Girard
Gormley
Gray
(Bonaventure—Îles-de-
la-Madeleine)
Gray
(Windsor West)
Greenaway
Grisé
Grondin
Guilbault
(Saint-Jacques)
Guilbault
(Drummond)
Gustafson
Halliday
Hamelin
Hamilton
Hardey
Harvey
Hawkes
Heap
Hicks
Hnatyshyn
Holtmann
Hopkins
Horner
Howie
Hudon
Isabelle
James
Jardine
Jelinek
Jepson
Jewett
Johnson
(Bonavista—Trinity—
Conception)
Joncas
Jourdenais
Kaplan
Keeper
Kelleher
Kempling
Kilgour
Killens
King
Ladouceur
Landry
Langdon
Lapierre
Layton
Leblanc
Lesick
Lewis
MacDonald
(Kingston and
the Islands)
MacDougall
(Timiskaming)
MacKay
Mailly
Malone
Manly
Mantha
Marchi
Marin
Martin
Masse
Mayer
Mazankowski
McCrossan
McCuish
McCurdy
McDermid
McDonald
(Broadview—
Greenwood)
McInnes
McKinnon
McKnight
McLaughlin
McMillan
Merrithew
Minaker
Mitchell
Mitges
Moore
Mulroney
Nicholson
(Niagara Falls)
Nickerson
Nystrom
Oberle
O'Neil
Oostrom
Orlikow
Ouellet
Paproski
Pennock
Pépin
Peterson
Pietz
Price
Prud'homme
Ravis
Redway
Reid
Reimer
Ricard
Riis
Robinson
Rodriguez
Rompkey
Rossi
St-Julien
Schellenberg
(Nanaimo—Alberni)
Schellenberger
(Wetaskiwin)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Shields
Siddon
Skelly
Sparrow
Speyer
Suluk
Tardif
(Richmond—Wolfe)
Tardif
(Charlesbourg)
Taylor
Thacker
Tobin
Toupin
Towers
Tremblay
(Québec-Est)
Tupper
Turner
(Ottawa—Carleton)
Turner
(Vancouver Quadra)
Valcourt
Van De Walle
Vézina
Vincent
Wenman
White
Wilson
(Swift Current
—Maple Creek)
Winegard
Wise
Witer
Young—209

Amendment negatived.

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

Constitution Amendment, 1987

(Division No. 410)

YEAS

Members

Berger
Caccia
Corbett
Johnston
(Saint-Henri—
Westmount)
Kindy
Penner
Roman—7

NAYS

Members

Allmand
Althouse
Angus
Attewell
Axworthy
Baker
Beatty
Belsher
Benjamin
Bernier
Bertrand
Blackburn
(Jonquière)
Blais
Blais-Grenier
Blenkarn
Bosley
Bouchard
Boudria
Bourgault
Boyer
Bradley
Brightwell
Brisco
Broadbent
Browes
Cadieux
Caldwell
Cardiff
Cassidy
Champagne
(Saint-Hyacinthe—
Bagot)
Champagne
(Champlain)
Charest
Chartrand
Clark
(Yellowhead)
Clark
(Brandon—Souris)
Clifford
Clinch
Cochrane
Collins
Comeau
Cook
Cooper
Copps
Cossitt
Côté
Crofton
Crouse
Danis
Darling
Daubney
de Cotret
de Jong
Della Noce
Dick
Domm
Dorin
Duguay
Duplessis
Edwards
Ellis
Epp
(Provencher)
Fennell
Finestone
Fontaine
Forrestall
Foster
Fraleigh
Fretz
Fulton
Gagliano
Gagnon
Garneau
Gauthier
Girard
Gormley
Gray
(Bonaventure—Îles-de-
la-Madeleine)
Gray
(Windsor West)
Greenaway
Grisé
Grondin
Guilbault
(Saint-Jacques)
Guilbault
(Drummond)
Gustafson
Halliday
Hamelin
Hamilton
Hardey
Harvey
Hawkes
Heap
Hicks
Hnatyshyn
Holtmann
Hopkins
Horner
Howie
Hudon
Isabelle
James
Jardine
Jelinek
Jepson
Jewett
Johnson
(Bonavista—Trinity—
Conception)
Joncas
Jourdenais
Kaplan
Keeper
Kelleher
Kempling
Kilgour
Killens
King
Ladouceur
Landry
Langdon
Lapierre
Layton
Leblanc
Lesick
Lewis
MacDonald
(Kingston and
the Islands)
MacDougall
(Timiskaming)
MacKay
Mailly
Malone
Manly
Mantha
Marchi
Marin
Martin
Masse
Mayer
Mazankowski
McCrossan
McCuish
McCurdy
McDermid
McDonald
(Broadview—
Greenwood)
McInnes
McKinnon
McKnight
McLaughlin
McMillan
Merrithew
Minaker
Mitchell
Mitges
Moore
Mulroney
Nicholson
(Niagara Falls)
Nickerson
Nystrom
Oberle
O'Neil
Oostrom
Orlikow
Ouellet
Paproski
Pennock
Pépin
Peterson
Pietz
Price
Prud'homme
Ravis
Redway

Reid
Reimer
Ricard
Riis
Robinson
Rodriguez
Rompkey
Rossi
St-Julien
Schellenberg (Nanaimo—Alberni)
Schellenberger (Wetaskiwin)
Scott (Victoria—Haliburton)
Scott (Hamilton—Wentworth)
Scowen
Shields
Siddon
Skelly
Sparrow
Speyer
Suluk
Tardif (Richmond—Wolfe)
Tardif (Charlesbourg)
Taylor
Thacker
Tobin
Toupin
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa—Carleton)
Turner (Vancouver Quadra)
Valcourt
Van De Walle
Vézina
Vincent
Wenman
White
Wilson (Swift Current —Maple Creek)
Winegard
Wise
Witer
Young—209

Amendment negatived.

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

(*Division No. 411*)

YEAS

Members

Berger
Caccia
Corbett
Johnston (Saint-Henri—Westmount)
Kindy
Penner
Roman—7

NAYS

Members

Allmand
Althouse
Angus
Attewell
Axworthy
Baker
Beatty
Belsher
Benjamin
Bernier
Bertrand
Blackburn (Jonquière)
Blais
Blais-Grenier
Blenkarn
Bosley
Bouchard
Boudria
Bourgault
Boyer
Bradley
Brightwell
Brisco
Broadbent
Browes
Cadieux
Caldwell
Cardiff
Cassidy
Champagne (Saint-Hyacinthe—Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Yellowhead)
Clark (Brandon—Souris)
Clifford
Clinch
Cochrane
Collins
Comeau
Cook
Cooper
Copps
Cossitt
Côté
Crofton
Crouse
Danis
Darling
Daubney
de Cotret
de Jong
Della Noce
Dick
Domm
Dorin
Duguay
Duplessis
Edwards
Ellis
Epp (Provencher)
Fennell
Finestone
Fontaine
Forrestall
Foster
Fraleigh
Fretz
Fulton
Gagliano
Gagnon
Garneau
Gauthier
Girard
Gormley
Gray (Bonaventure—Îles-de-la-Madeleine)
Gray (Windsor West)
Greenaway
Grisé
Grondin
Guilbault (Saint-Jacques)
Guilbault (Drummond)
Gustafson
Halliday
Hamelin
Hamilton
Hardey
Harvey
Hawkes
Heap
Hicks
Hnatyshyn
Holtmann
Hopkins
Horner
Howie
Hudon
Isabelle
James
Jardine
Jelinek
Jepson
Jewett
Johnson (Bonavista—Trinity—Conception)
Joncas
Jourdenais
Kaplan
Keeper
Kelleher
Kempling
Kilgour
Killens
King
Ladouceur
Landry
Langdon
Lapierre
Layton
Leblanc
Lesick
Lewis
MacDonald (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly
Malone
Manly
Mantha
Marchi
Marin
Martin
Masse
Mayer
Mazankowski
McCrossan
McCuish
McCurdy
McDermid
McDonald (Broadview—Greenwood)
McInnes
McKinnon
McKnight
McLaughlin
McMillan
Merrithew
Minaker
Mitchell
Mitges
Moore
Mulroney
Nicholson (Niagara Falls)
Nickerson
Nystrom
Oberle
O'Neil
Oostrom
Orlikow
Ouellet
Paproski
Pennock
Pépin
Peterson
Pietz
Price
Prud'homme
Ravis
Redway
Reid
Reimer
Ricard
Riis
Robinson
Rodriguez
Rompkey
Rossi
St-Julien
Schellenberg (Nanaimo—Alberni)
Schellenberger (Wetaskiwin)
Scott (Victoria—Haliburton)
Scott (Hamilton—Wentworth)
Scowen
Shields
Siddon
Skelly
Sparrow
Speyer
Suluk
Tardif (Richmond—Wolfe)
Tardif (Charlesbourg)
Taylor
Thacker
Tobin
Toupin
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa—Carleton)
Turner (Vancouver Quadra)
Valcourt
Van De Walle
Vézina
Vincent
Wenman
White
Wilson (Swift Current —Maple Creek)
Winegard
Wise
Witer
Young—209

Amendment negatived.

Mr. Speaker: The next question is on the motion of Mr. Hnatyshyn.

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

(*Division No. 412*)

YEAS

Members

Allmand
Althouse
Angus
Attewell
Axworthy
Baker
Beatty
Belsher
Benjamin
Bernier
Bertrand
Blackburn (Jonquière)
Blais
Blais-Grenier
Blenkarn
Bosley
Bouchard
Boudria
Bourgault
Boyer
Bradley
Brightwell
Broadbent
Browes
Cadieux
Caldwell
Cardiff
Cassidy
Champagne (Saint-Hyacinthe—Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Yellowhead)
Clark (Brandon—Souris)
Clifford
Clinch
Cochrane
Collins
Comeau
Cook
Cooper
Copps
Cossitt
Côté
Crofton
Crouse

Danis
Darling
Daubney
de Cotret
de Jong
Della Noce
Dick
Domm
Dorin
Duguay
Duplessis
Edwards
Ellis
Epp
(Provencher)
Fennell
Fontaine
Forrestall
Foster
Fraleigh
Fretz
Fulton
Gagliano
Gagnon
Garneau
Gauthier
Girard
Gormley
Gray
(Bonaventure—Îles-de-la-Madeleine)
Gray
(Windsor West)
Greenaway
Grisé
Grondin
Guilbault
(Saint-Jacques)
Guilbault
(Drummond)
Gustafson
Halliday
Hamelin
Hamilton
Hardey
Harvey
Hawkes
Heap
Hicks
Hnatyshyn
Holtmann
Hopkins
Horner
Howie
Hudon
Isabelle
James
Jardine
Jelinek
Jepson
Jewett
Johnson
(Bonavista—Trinity—Conception)
Joncas
Jourdenais
Kaplan
Keeper
Kelleher
Kempling
Kilgour
Killens
King
Ladouceur
Landry
Langdon
Lapierre
Layton
Leblanc
Lesick
Lewis
MacDonald
(Kingston and the Islands)
MacDougall
(Timiskaming)
MacKay
Mailly
Malone
Mantha
Marin
Martin
Masse
Mayer
Mazankowski
McCrossan
McCuish
McDermid
McDonald
(Broadview—Greenwood)
McInnes
McKinnon
McKnight
McMillan
Merrithew
Minaker
Mitchell
Mitges
Moore
Mulroney
Nicholson
(Niagara Falls)
Nystrom
Oberle
O'Neil
Oostrom
Orlikow
Ouellet
Paproski
Pennock
Pépin
Peterson
Pietz
Price
Prud'homme
Ravis
Redway
Reimer
Ricard
Riis
Rodriguez
Rompkey
Rossi
St-Julien
Schellenberg
(Nanaimo—Alberni)
Schellenberger
(Wetaskiwin)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Shields
Siddon
Skelly
Sparrow
Speyer
Suluk
Tardif
(Richmond—Wolfe)
Tardif
(Charlesbourg)
Taylor
Thacker
Tobin
Toupin
Towers
Tremblay
(Québec-Est)
Tupper
Turner
(Ottawa—Carleton)
Turner
(Vancouver Quadra)
Valcourt
Van De Walle
Vézina
Vincent
Wenman
White
Wilson
(Swift Current—Maple Creek)
Winegard
Wise
Witer
Young—200

NAYS

Members

Berger
Caccia
Finestone
Johnston
(Saint-Henri—Westmount)
McLaughlin
Nickerson
Penner—7

● (1630)

Mr. Speaker: I declare the motion carried.

Point of Order

Mr. Robinson: Mr. Speaker, I rise on a point of order. I appreciate the opportunity afforded a Member who has abstained to make a brief statement and give an explanation.

I am profoundly opposed to those provisions of the Meech Lake Accord which may weaken the important role—

Some Hon. Members: Order.

Mr. Speaker: There is a tradition in this place according to which Member who has abstained may rise briefly to give an explanation. I would ask Hon. Members to extend that courtesy.

Mr. Robinson: Mr. Speaker, I am profoundly opposed to those provisions of the Meech Lake Accord which may weaken the important role of the federal Government and allow for the possibility that fundamental rights of women and minorities as set out in the Charter may be overridden, diminish the status of the Yukon and Northwest Territories, and show a lack of recognition and respect for the aboriginal peoples of Canada.

[*Translation*]

But at the same time, Mr. Speaker, I regretted Quebec's exclusion of the Constitutional Accord of 1981, as well as I have always favoured the recognition of Quebec's distinct society which requires, for a fundamental part of this character to be guaranteed, that the principles of Bill 101 be obeyed and applied.

[*English*]

For those reasons, Mr. Speaker, I have abstained on this most important vote.

* * *

POINT OF ORDER

ALLOTTED DAYS—PRECEDENCE OF OPPOSITION MOTIONS

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I rise on a point of order to suggest that this should not be an allotted day. I refer to the terms of Standing Order 58(5) and Citation 478 of Beauchesne's Fifth Edition which reads:

> Under the terms of S. O. 58(5), twenty-five days are allotted to the business of Supply in each year. Although technically the business under discussion is government business, motions given precedence on these allotted days may be moved only by Members in opposition to the Government. To this extent, there is a distinction between the business of supply and other government business with respect to S. O. 18.

I submit that, as a result of today, the motion given precedence was, of course, an initiative by the Government. For that reason, I believe that today ought not to be an allotted day.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I caught my hon. friend's argument but I would submit that the wording of the motion on allotted days is entirely within the control of the New Democratic Party or the Liberal Party, whichever one has the allotted day. It is my understanding that today's allotted day was for the New Democrats. Surely having drafted the order themselves, they, cannot then argue that what they have put on the Order Paper is, therefore, out of order. It has been

accepted by the Table Officers for discussion, and I think that although my hon. friend may find himself in an awkward position, I think it is one of his own making.

Mr. Speaker: I understand the Hon. Member's point. I think what the Chair would prefer to do would be to proceed with Routine Proceedings now. When we come to Orders of the Day, I will hear the Hon. Member further.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

BILL C-264—REPORT OF LEGISLATIVE COMMITTEE

Mr. Jim Edwards (Edmonton South): Mr. Speaker, I have the honour to present the report of the legislative committee on Bill C-264, an Act to amend the Criminal Code (instruments and literature for illicit drug use), in both official languages.

PRIVATE MEMBERS' BUSINESS—FIFTEENTH REPORT OF STANDING COMMITTEE

Mr. John Reimer (Kitchener): Mr. Speaker, I have the honour to present the fifteenth report of the Standing Committee on Private Members' Business, in both official languages. The fifteenth report deals with the selection of votable items pertaining to the thirteenth draw which took place on June 13, 1988.

In accordance with its mandate, under Standing Order 36(1)(a), your committee recommends the following item of Private Members' Business to be designated as a votable item: Bill C-292, an Act to amend the Bank Act.

May I note that, pursuant to Standing Order 36(1)(b), this fifteenth report is deemed adopted when laid upon the Table.

[Editor's Note: See today's Votes and Proceedings]

Mr. Riis: Mr. Speaker, I seek some clarification. Last day I received authorization of the House of Commons to have leave to introduce a Private Member's Bill entitled an Act to amend the Senate and House of Commons Act. I wonder if I could now have permission to introduce the Bill for first reading.

• (1640)

Mr. Speaker: I know the Hon. Member for Kamloops—Shuswap (Mr. Riis) will understand the difficulty the Chair is in. I do not remember who seconded the motion.

Mr. Riis: The Hon. Member for Regina West (Mr. Benjamin).

GOVERNMENT ORDERS

[*English*]

SENATE AND HOUSE OF COMMONS ACT

MEASURE TO AMEND

Mr. Nelson A. Riis (Kamloops—Shuswap) moved that Bill C-304, an Act to amend the Senate and House of Commons Act (corporate and political office prohibited), be read the first time and printed.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: All those in favour of the motion please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Speaker: Call in the Members.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 413*)

YEAS

Members

Angus	Langdon	Nystrom
Benjamin	McDonald (Broadview—Greenwood)	Rodriguez
Bosley		Rossi—13
de Jong		
Fulton	McLaughlin	
Keeper	Mitchell	

NAYS

Members

Blenkarn
Scowen—2

• (1720)

Mr. Speaker: I declare the motion adopted.

Bill read the first time and ordered to be printed.

BUSINESS OF THE HOUSE

Mr. Lewis: Mr. Speaker, I wish to rise to indicate to the House that today was designated as an allotted day.

Ms. McDonald: Not the whole day.

Ms. Mitchell: Half an hour.

Mr. Lewis: It is normally a day in which the Opposition chooses a motion to debate, puts it on the Order Paper for debate and then allows the debate to go forward. Today the House Leader for the New Democratic Party has argued that his motion, which was placed on the Order Paper by his Party, is out of order. Failing a quick decision on that, and I do not for a moment blame the Chair for reserving, the New Democratic Party is now stalling by calling for votes on whether or not its Members' Bills can be introduced.

In view of those circumstances, I want to point out, Mr. Speaker, that if this persists through the day, the day will be lost as an opposition day. Therefore, that day will be wasted.

Mr. Benjamin: You can't do that.

Mr. Lewis: Bear with me, Sir. That day will be wasted, and I am, therefore, notifying the House that Thursday will be an allotted day. That would be the ninth allotted day, if in fact we do not get to Orders of the Day or if the motion put on the Order Paper by the New Democratic Party, which it argues is out of order, is ruled out of order by yourself, Mr. Speaker. Then I would point out to the House that Friday being St. John Baptiste Day, Monday would be the tenth and final allotted day.

Mr. Guilbault (Saint-Jacques): I rise on the same point of order. I was trying to be recognized to react to the point of order raised by the Hon. Deputy House Leader for the Government. I would like to point out that most of the items he appeared to have announced are hypothetical. They depend upon the ruling of the Chair. So on this side of the House we are taking nothing that is said as anything firm. If the Government plans to call for an allotted day, and so on, we would expect a clear announcement in the House, because these are all ifs and buts.

Mr. Fulton: Mr. Speaker, I seek the leave of the House to introduce my Bill regarding the international boundary between Canada and the State of Alaska.

Mr. Speaker: Perhaps the Hon. Member could indicate to the Chair who is seconding the motion.

Mr. Fulton: The Hon. Member for Vancouver East (Ms. Mitchell).

Introduction of Bills

AN ACT RESPECTING THE INTERNATIONAL BOUNDARY BETWEEN CANADA AND THE STATE OF ALASKA

Mr. Jim Fulton (Skeena) moved for leave to introduce a Bill entitled an Act respecting the International Boundary between Canada and the State of Alaska.

Mr. Speaker: is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Speaker: Call in the Members.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 414*)

YEAS

Members

Angus	Langdon	Robinson
Benjamin	McDonald (Broadview—Greenwood)	Rodriguez
Cassidy		Rossi—14
Fulton		
Gray (Windsor West)	McLaughlin	
Keeper	Mitchell	
	Nystrom	

NAYS

Members

Blenkarn	Scowen—3
Hamilton	

• (1750)

Mr. Speaker: I declare the motion carried.

Mr. Gray (Windsor West): Mr. Speaker, I rise on a point of order. I notice that after the question had been put certain Hon. Members entered the House. In all fairness, I cannot say that they attempted to vote, but is a very important principle that people cannot vote unless they are in the House before the question is put.

I hope, Mr. Speaker, that you will remind Hon. Members about the importance of this principle established as it is, I think, in our Standing Orders.

Mr. Speaker: I thank the Hon. Member for Windsor West (Mr. Gray) for bringing this matter to the attention of all Hon. Members. Of course, the Hon. Member is absolutely right. Once the vote is called, Hon. Members who have not taken their places must stay away until a new vote is called. This is a long-standing rule and tradition in this place and I know that other Hon. Members, at least for the next minute or so, will want to rise to approve of the comments made by the Hon. Member for Windsor West. I see other Hon. Members seeking the floor. I may be able to assist all Hon. Members by saying that it is six o'clock.

This House now stands adjourned until eleven a.m. tomorrow morning.

The House adjourned at 6 p.m.

APPENDIX

ADDRESS

of

THE RIGHT HONOURABLE MARGARET THATCHER

Prime Minister of the United Kingdom, Great Britain and Northern Ireland

to

Both Houses of Parliament

in the

HOUSE OF COMMONS CHAMBER, OTTAWA

on

Wednesday, June 22, 1988

ADDRESS
of
THE RIGHT HONOURABLE MARGARET THATCHER
Prime Minister of the United Kingdom, Great Britain and Northern Ireland
to
Both Houses of Parliament
in the
HOUSE OF COMMONS CHAMBER, OTTAWA
on
Wednesday, June 22, 1988

The Prime Minister was welcomed by the Right Honourable Brian Mulroney, Prime Minister of Canada and thanked by the Honourable Guy Charbonneau, Speaker of the Senate and the Honourable John A. Fraser, Speaker of the House of Commons.

Hon. John A. Fraser (Speaker of the House of Commons): The Right Honourable the Prime Minister.

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker of the Senate, Mr. Speaker of the House, *chers collègues, chers amis:*

Today we welcome to our midst the Prime Minister of one of our mother countries, the Leader of the Mother of Parliaments and a truly outstanding spokesperson for the western world—the Right Honourable Margaret Thatcher, Prime Minister of Great Britain.

Some Hon. Members: Hear, hear!

Mr. Mulroney: We salute you, Prime Minister, as you can see, as warmly as we welcome you. The mother country has bequeathed to us an enduring tradition of British common law and our valued British cultural heritage. The Mother of Parliaments is the foundation upon which we have built our own parliamentary democracy here in Canada. We have adopted or adapted most of the customs of Westminster in the daily life of our own Parliament, with a few notable exceptions.

At Westminster, the Prime Minister is expected to attend Question Time twice a week, and the questions are submitted in advance, in writing.

Some Hon. Members: Oh, oh!

Mr. Mulroney: As I have always said, Prime Minister, there is much to be admired in British parliamentary democracy—

Some Hon. Members: Oh, oh!

Mr. Mulroney: —and I hope that we can initiate such a reform here in Canada, perhaps as early as this afternoon.

Some Hon. Members: Oh, oh!

Mr. Mulroney: Prime Minister, you are no stranger to this House having addressed a joint session five years ago. Today, you become the first British Prime Minister to address Parliament on two occasions. Historians will note that your first address followed your re-election in 1983 and that your second follows your re-election in 1987. If you, in that memorable turn of phrase, "go on and on", we expect to see you back here about 1992.

Some Hon. Members: Hear, hear!

Mr. Mulroney: As the senior statesperson of the western world, Mrs. Thatcher commands respect everywhere for her strength of character, force of ideas, and of course political durability.

[*Translation*]

She is the first British Prime Minister to win three consecutive mandates in a century and a half and believe me, Prime Minister, that is something everyone in this Chamber understands, respects and envies.

By the end of her present term, she will have governed Britain in three decades, the 70s, the 80s and the 90s.

• (1110)

[*English*]

Mrs. Thatcher has personally presided over the transformation of Britain from a nation that lagged to a nation that leads.

Britain is back as a world economic power, as a motor of economic growth, as a model of economic development, and every person in this country and in this House knows that the responsibility for that magnificent achievement is here in the person of Margaret Thatcher.

Some Hon. Members: Hear, hear!

Mr. Mulroney: On the world scene, I can testify first hand to her strong and persuasive leadership. She has just come from Toronto and her tenth Economic Summit. At Toronto, we sought to return to some of the informality and spontaneity of earlier summits. To the extent that we were able to do so, and to keep the focus primarily on economic issues, Margaret Thatcher played a genuinely impressive role, and I thank her for that.

The Prime Minister has also struck a balance between a determination to provide for security and a deep yearning for peace.

As you said, Prime Minister, in your previous address to this House, "our desire for disarmament is profound, but it is matched by an unshakable resolve that our way of life shall be secure".

In NATO, she has stood at all times for the solidarity of the alliance and strengthened her nation's contribution to the collective security of the West.

Some Hon. Members: Hear, hear!

Mr. Mulroney: But equally, Mrs. Thatcher was the first western leader to recognize the possibilities of change and reform in the Soviet Union. It was she, even before the change of course in the Soviet Union, who pointed out that Mr. Gorbachev was "a man we can do business with".

Between Canada and the United Kingdom there is, of course, a special relationship. The ties that bind us stretch across an ocean and reach across the generations.

The United Kingdom is now our third largest trading partner, with two-way trade in excess of $7 billion last year. Canadian exports to the U.K. rose by 5 per cent last year to $2.8 billion, representing nearly one-third of all of our exports to the European Community. Canada, with less than 1 per cent of the world's population, accounts for nearly 5 per cent of the world's trade.

[*Translation*]

Not surprisingly then, we are ardent proponents of trade liberalization.

As you know, Prime Minister, we have concluded a free trade agreement between Canada and the United States, the world's two largest trading partners, which we believe will give powerful impetus to the multilateral talks now underway in Geneva.

[*English*]

We are working very hard, and Mrs. Thatcher is providing great leadership, for reform in the area of agricultural subsidies. I am pleased with the clear signal of will which emerges from our deliberations in Toronto on this vital topic.

Of course, we maintain our familial and our very affectionate ties with Britain through the Commonwealth, and we strengthen them through the other multilateral institutions to which we bring a common heritage and in which we make common cause.

Prime Minister, we admire you as one of the world's most inspiring leaders. Your career has been one of confronting great challenge and difficulty and emerging with skill and resolve on a new plateau of accomplishment. You have stood firmly for freedom. You have fought hard for democracy. You have earned our genuine respect.

Colleagues, *cher amis*, I present to you a true friend of Canada, The Prime Minister of Great Britain, The Right Hon. Margaret Thatcher.

Some Hon. Members: Hear, hear!

Right Hon. Margaret Thatcher (Prime Minister of the United Kingdom, Great Britain and Northern Ireland): Mr. Speaker of the Senate, Mr. Speaker, Prime Minister, Hon. Members of the Senate, Members of the House of Commons:

[*Translation*]

First of all I would like to thank you for the great privilege and honour of being invited to speak before you a second time. Longevity has its advantages . . .

Some Hon. Members: Hear, hear!

Right Hon. Margaret Thatcher: I also want to take this opportunity to thank you and the Canadian people for the truly exceptional welcome extended to me and to the many foreign visitors who have come to your country in the past twelve months.

[*English*]

It has indeed been an extraordinary year in which world leaders, sportsmen, businessmen, and many others have flocked to Canada—the Francophone Summit, the Commonwealth Heads of Government Meeting, the Economic Summit, and the Winter Olympics. The British team may not have returned with any gold medals, but I think we can claim to have been represented by the most famous competitor.

Some Hon. Members: Hear, hear!

Mrs. Thatcher: All this is a tribute to Canada's success and to the high regard in which your country is held world-wide and most especially within the Commonwealth.

A Canadian Prime Minister at the turn of the century predicted that "the 20th century would be the century of Canada". The last 12 months have certainly shown his prophecy to be true.

Some Hon. Members: Hear, hear!

Mrs. Thatcher: I should like to pay a particular tribute to the skilful and creative chairmanship of those meetings by your Prime Minister, Brian Mulroney, most recently at the highly successful Economic Summit. Few have the privilege of feeling that they have moved the world's fortunes a step forward. He has done so and deserves our thanks and congratulations.

Some Hon. Members: Hear, hear!

Mrs. Thatcher: Mr. Speaker, our two countries are metaphorically, and often literally, members of the same family. Like a family, we have experiences in common that go back to our beginnings. A Canadian rode at Balaclava in the charge of the Light Brigade. Canadian boatmen ferried British soldiers down the Nile in their attempt to rescue General Gordon at Khartoum a century ago. It was an engineer from Québec, Sir Percy Girouard, who built the railway that was so valuable in opening up the Sudan.

Above all, we remember together our war dead by wearing poppies every November because a Canadian soldier, Major John McCrae, wrote the poem *In Flanders Fields* in the early morning of the 3rd of May, 1915, while the first battle of Ypres was raging.

Forty-three years after VE Day, we honour the valour and sacrifice of Canadian fighting men in two World Wars. That is something which we in Britain will never forget, a debt that can never be repaid. So too is the enormously generous help which you gave Britain in the post-war years.

Four Canadian Prime Ministers including Sir John A. Macdonald were born in Britain, and the only British Prime Minister born overseas came from New Brunswick.

We are delighted that today, Canada's involvement in our national life is as strong as ever. There are no less than 160 Canadian firms active in the United Kingdom with nine banks and thirteen security houses. Individual Canadians—Paul Reichmann, Conrad Black, Graham Day—are making a great contribution. Most exciting of all is the major Canadian investment in Canary Wharf, the remarkable architectural and commercial renaissance of London's docklands.

Last month, I opened the construction phase myself by sinking the first concrete pile—

Some Hon. Members: Oh, oh!

Mrs. Thatcher: —with a little help from a pile-driver.

Some Hon. Members: Oh, oh!

Mrs. Thatcher: When it is complete, it will be the largest commercial development in Europe. We welcome the confidence and the commitment on the part of Canadian enterprise which it represents.

• (1120)

Mr. Speaker, one of the advantages of being among family is that we can compare ailments. Some years ago, we in Britain invented a disease. Its symptoms were a combination of stagnation, inflation, financial problems, labour troubles, and loss of confidence. They called it: "the British disease".

A Canadian commentator, Goldwin Smith, provided an excellent clinical definition of the malady nearly a hundred years ago. He spoke of countries that were "rich by nature, poor by policy". Today, many of us in the developed world realize that in varying degrees we have quite needlessly been "poor by policy".

We have come a long way since the days when people thought that you could spend and borrow your way to prosperity, that you needed a budget deficit and a bit of inflation to get economic growth.

Now it is understood that the Government's role is to keep downward pressure on inflation and to create a sound financial and legal framework in which enterprise can flourish.

Some Hon. Members: Hear, hear!

Mrs. Thatcher: We have learned that it is not Governments which create wealth, but people, provided we have policies which encourage them to do it.

Some Hon. Members: Hear, hear!

Mrs. Thatcher: We have also got away from the debilitating concept of the all-powerful state which takes too much from you to do too much for you, constantly substituting the politicians' view of what the people should have for the people's own view of what they want.

Some Hon. Members: Hear, hear!

Mrs. Thatcher: We have had our own *perestroika*. As a result the economy has been growing steadily for seven years, soon to be eight, there are more resources available for the community's needs, and we have a budget surplus with which to repay debt.

Some Hon. Members: Hear, hear!

Mrs. Thatcher: Mr. Speaker, you can never do that except by first restoring the spirit of the people. The great economists of the past knew this. Adam Smith was not a professor of economics. He was a professor of moral philosophy. He understood how to work with the grain of human nature. He knew the heights which it could reach, which is why his policies for creating the Wealth of Nations will endure throughout the years.

Today you can feel the pride and confidence both in Britain and in Canada. Both our countries have learned that lesson. As a result we have achieved remarkable economic success, and today we jostle for the top place in the OECD's growth stakes.

Among the Economic Summit seven countries, sound money, lower taxes, and freedom for enterprise are now common form. It was not always so; but every year since the second cycle of summits started in 1982 the Heads of Government have committed themselves to those policies as the best basis for stable and long-term growth.

We have put behind us the financial irresponsibility which made the 1970s a decade of missed opportunity. I do not believe that the world could have withstood the shock of last autumn's fall in stock prices so well if our policies had not been built on sure foundations. We have established a new orthodoxy.

Low inflation and prudent financial policies need to be supported by open markets and flourishing world trade. Here too the Toronto Summit took important steps forward. We committed ourselves to the success of the GATT-round trade negotiations and encouraged measures to free up world trade.

Mr. Speaker, by 1992 every firm in Europe, whether engaged in manufacturing or in services, will have a single market of 320 million people. What a dramatic development that is going to be! To add to it, the Channel Tunnel will give Britain for the first time in our history a land border with Europe.

There will be new opportunities of every kind, not just for member countries of the European Community themselves but for those countries which trade with the Community.

Let me reassure you: it is not Britain's intention when removing barriers within Europe to see them raised against our other trading partners outside Europe.

Canada and the United States are pointing the way with a Canada-United States Free Trade Agreement which the Economic Summit warmly endorsed.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mrs. Thatcher: I understand that it may be a controversial matter in this Chamber. I will only say that I do not underestimate Canada's courage in taking this step in partnership with its giant neighbour. On the basis of Britain's experience of joining the European Community, you need have no fear that Canada's national personality will be in any way diminished. Fifteen years of European Community membership have left our people no less British and no less proud of their history and independence. Moreover, protectionism is not a life-belt which keeps an economy afloat. It is a millstone that drags you down and penalizes consumers and workforce alike. Subsidize the inefficient and soon that is all you have; you lose the competitive edge to export abroad and keep prices down at home.

There is another major world problem which we committed ourselves to deal with at the Summit. Agriculture will have to bring supply and demand more into balance. Until we do that, farmers will not feel secure in their future.

Look at the situation now. Countries compete with each other to give bigger and bigger subsidies. Farmers in Japan are being paid eight times the world price for rice. In the United States, in 1986, one single state received more loans and other aid from Washington than all the nations in Africa got from the World Bank. In Europe, the subsidy per cow is greater than the personal income of half the world's people.

• (1130)

Even Canada is not a model of absolute virtue, though may I take this opportunity to express my sympathy for the plight of your farmers who are suffering so badly from drought.

Abba Eban once said: "History teaches us that men and nations behave wisely once they have exhausted all other alternatives". Well, with agriculture we have exhausted all other alternatives. In Europe we have made a start in cutting back surpluses and reducing stockpiles, in some cases with dramatic results.

At Toronto we all recognized that setting realistic goals for reducing subsidies on a fair basis in all our countries offered a way forward, a way forward which will offer a surer future for our farmers, a better deal for our consumers, and hope for the Third World countries whose markets are unfairly saturated by the sale of our subsidized surpluses.

Mr. Speaker, here in this Chamber we are all privileged to be active in government and politics at a time of unprecedented hope and opportunity in relations between East and West. President Reagan's recent Summit meeting in Moscow with Mr. Gorbachev was an historic success. A new chapter in East-West relations has been opened.

We owe that to President Reagan because of his firmness and the way he has stuck resolutely to his convictions and beliefs. We owe it also to Mr. Gorbachev who, with a rare insight, has seen that communism has not been able to deliver the standard of living, of social services, of technological advance which its originators promised.

He has had the vision and resolve to embark on a course which, by mobilizing great personal responsibility and initiative, will bring greater benefits. It is not going to be an easy path for the Soviet Union and its allies in Eastern Europe. Those who engage in great endeavours never find the going easy, but it is in our interests as well as those of the Soviet people that he reach his goal.

Some Hon. Members: Hear, hear!

Mrs. Thatcher: Every enlargement of liberty serves the interests of all mankind. The foundations of this new hope in East-West relations were not laid in recent months. They were built up over the last four decades by the resolve of the Governments and peoples at the heart of the western world—the United States, Britain, and Canada pre-eminent among them—to defend liberty, justice, and democracy however heavy the burden and whatever the price.

Now we are beginning to reap the rewards: the Agreement to reduce Intermediate Nuclear Forces and the Soviet withdrawal from Afghanistan. Who would have thought, five years ago when I last spoke in this Chamber, that either of these things would come about?

The more hopeful signs from the Soviet Union are bound to raise questions in people's minds: Can't we take a chance? Do we need to go on with the present level of spending on defence? Hasn't the time come when we can relax our guard? Mr. Speaker, nothing could be more dangerous.

Some Hon. Members: Hear, hear!

Mrs. Thatcher: First, we cannot base our defence on hope, only on reality, and the reality is that Soviet military spending continues to grow and their weapons systems are being constantly modernized and updated in every field. Their forces are far in excess of what they need for defensive purposes alone.

Second, we do not know whether Mr. Gorbachev will succeed in his new policies. Old ways die hard and there is still little evidence that the Soviet Union's long-term foreign policy

objectives have changed. We can hope for the best, but a prudent defence must plan for the worst case.

Third, modern weapons are so sophisticated that they take many years to plan and to produce. A mistake or miscalculation now could leave us vulnerable and unprotected at a time when our potential enemies are continuing to increase their military strength.

Fourth, we are in a position to welcome the changes taking place in the Soviet Union because we know that whatever happens our defence is sure.

For nearly 40 years that remarkable organization, NATO, has kept the peace. It has done so because everyone knew that an attack on one member would be an attack on all and we would respond accordingly and because we have had an effective mix of nuclear and conventional weapons and kept them up to date.

I pay particular tribute to Canada's contribution to NATO's strength and success by the way in which she welcomes our troops to train and exercise; by the resolute manner in which she agreed to test Cruise missiles over her territory, a demonstration of resolve which was crucial at that time; and by her intention to modernize her Navy by acquiring nuclear powered submarines we very much hope from Britain.

Some Hon. Members: Oh, oh!

Mrs. Thatcher: They are quite the best, and Canada must have the best.

Mr. Speaker, wars are not caused by strength or by armaments. They happen when nations are weak in the face of others who are both ambitious and strong.

Our duty is to preserve NATO's strength by constantly updating our weapons, both nuclear and conventional; by maintaining as you do highly professional and trained armed forces; and by demonstrating our united resolve.

Peace with freedom and justice is the most precious thing we have, both for our generation and for our children. That is the trust they place in us and we must not fail them.

Mr. Speaker, we always remember what lies at the very root of the differences between the Soviet system and the free world. It is a fundamentally different view of the role of the individual and his rights in society.

History has not equipped the Russian people with the capacity to escape easily from the incubus of state socialism. They know nothing of personal liberty, have never experienced an independent judiciary, and are strangers to tolerance and the checks and balances which operate in a free society.

People used to believe that dictatorships had the advantage of being more efficient and better able to act decisively than the democracies. They were wrong. Now they understand that you cannot plan and regulate everything, and that if you try, you lose the driving force of human nature and its inventiveness and creativity.

In modern societies success depends on openness, on free discussion, and on easy access to information. We in the West could never have experienced the great surge of technological advance without them. Once you try to suppress and restrain them, then not only are you unable to change, you are unable to respond to change.

Mr. Speaker, the example of what freedom has achieved in the open societies of the West is a powerful incentive to the closed societies of the Eastern bloc to extend it to their people and to accept restraints on the power of those who rule, but the case for freedom can never be merely a material one. It is a moral crusade.

The communist societies still see human rights as something given by the state, which can be taken away by the state. For us, they are something so fundamental that they cannot be given or taken away by any Government or human agency.

Some Hon. Members: Hear, hear!

Mrs. Thatcher: Those who would have us believe that speaking out about human rights runs counter to the aim of better relations play into the hands of the enemies of freedom.

As President Reagan recently said in an inspired speech in London's Guildhall immediately after the Moscow Summit: "When free peoples cease telling the truth about and to their adversaries, they cease telling the truth to themselves. In matters of state, unless the truth be spoken, it ceases to exist".

Mr. Speaker, freedom is on the offensive as never before, a peaceful offensive pursued by example and by persuasion. Its triumph is our highest ambition.

• (1140)

In taking his leave of you in 1952, Winston Churchill did not say goodbye. Rather, he said:

[*Translation*]

"Goodby, my Canadian friends. Tomorrow a splendid future awaits you."

[*English*]

It is indeed a splendid future that awaits Canada, one filled with opportunity and pride. I know that Britain and Canada will walk that road together, unswerving in our purpose, strong in our joint defence, and firm in our abiding friendship.

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Guy Charbonneau (Speaker of the Senate): Prime Minister, the Parliament of Canada takes pride in having you as one of its illustrious guests. We are delighted with the decision to welcome you every five years, until the end of this century. You will go down in history with Robert Walpole and his twenty-two tenacious years, and especially William Pitt,

who in 1783 decided to hold the reins of power until the beginning of the next century. Typically, contemporary political historians always try to compare you with your illustrious predecessors, two of whom I just mentioned, and I may also include Disraeli. After listening very attentively to your speech, we understand the reason for these flattering comparisons.

[*English*]

In greeting you today, Prime Minister, we have been mindful not only of the fact that you are Britain's first woman Prime Minister—and we applaud this—but also of the remarkable place you have carved for yourself in the history of British Prime Ministers. The characteristics which have contributed to your success are legendary. Conviction, tenacity, firmness: in the shifting winds of political fortune, these are the ballast that leaders must carry with them, and when they are combined with vision, patience, and an inexhaustible capacity for hard work, one can expect that the ship of state will sail forward.

Your success in putting your country back on the road to prosperity is so evident that your name is always invoked in every discussion of international affairs and economics. Many debaters, not knowing whether they should refer to England or to Great Britain or to the United Kingdom, take a short cut and say quite simply "Thatcherland".

The world knows that you are a leader of determination and that very often you discard consensus politics. In that, you remind us of our Prime Minister, Sir Wilfrid Laurier, counting the votes in his Cabinet and saying: "Thirteen against my proposition, one for; the yeas have it".

A century ago, Oscar Wilde, in his humourous way, dared to write: "The Lords Temporal say nothing; the Lords Spiritual have nothing to say; and the House of Commons has nothing to say and says it". Had he been living today, he might have added: The Prime Minister has something to say and says it.

Some Hon. Members: Hear, hear!

Mr. Charbonneau: Madam Prime Minister, on behalf of my colleagues in the Senate of Canada, I wish to thank you for honouring us with your presence today.

[*Translation*]

It was indeed an honour and a privilege to hear you, as a distinguished representative of the Mother of Parliaments, address the Parliament of Canada, and we are most grateful.

Some Hon. Members: Hear, hear!

[*English*]

Mr. Speaker: Madam Prime Minister, let me add my own words of appreciation, on behalf of all Members of the House of Commons, and to thank you for your eloquent words and the message you have left with us.

The rare assemblies of both Houses of our Parliament, such as this, are reserved for very special and honoured guests. You, Madam Prime Minister, are among the foremost of them.

Some Hon. Members: Hear, hear!

Mr. Speaker: Indeed, as has been remarked, this is your second address to us in five years—a mark, surely, of the mutual interests and good will that exists between our two countries.

[*Translation*]

Thank you, Prime Minister, for having given us this opportunity to further strengthen the ties of friendship that exist between Canada and the United Kingdom.

[*English*]

It is not every day that we are privileged to listen in this Chamber to one of the longest serving leaders in the democratic world. You have given us much to reflect upon.

I believe I speak on behalf of all Members of the House when I say that one of the continuing benefits of these high level exchanges is to reinforce the positive aspects of international relations between our two countries, and to give a political impetus to resolving those irritants that may arise in any complex relationship.

It would be appropriate to remind ourselves that our Members of Parliament and yours are meeting constantly in the closest and most effective relationship.

[*Translation*]

Prime Minister, you are among friends.

[*English*]

In closing, may I say that we look forward to further dialogue and the continuation of vibrant relations between our two nations. The warm association which binds us is a precious asset not only for today but also for the challenging world which our children will inherit. You are among friends. We wish you to come again. God bless you.

Some Hon. Members: Hear, hear!

HOUSE OF COMMONS

Thursday, June 23, 1988

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

COMMUNICATIONS AND CULTURE

GOVERNMENT RESPONSE TO REPORTS OF STANDING COMMITTEE

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I am very pleased to table the documents containing a new broadcasting policy and law for Canada. First, pursuant to Standing Order 67(2) and Standing Order 99(2), I wish to table in both official languages the Government's response to the Fifteenth Report of the Standing Committee on Communications and Culture, together with further comments on the recommendations of the Standing Committee's fifth and sixth reports, pursuant to the Government's response dated August 1987.

* * *

BROADCASTING

TABLING OF DOCUMENT

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, second, pursuant to Standing Order 67(2), I wish to table a document entitled *Canadian Voices: Canadian Choices, A New Broadcasting Policy for Canada.*

[*Translation*]

Finally, Mr. Speaker, in a moment I will have the honour to table a Bill to create a new Broadcasting Act for Canada.

* * *

CANADA—EUROPE PARLIAMENTARY ASSOCIATION

TABLING OF DELEGATION'S REPORT ON VISIT TO GREECE

Mr. Terry Clifford (London—Middlesex): Mr. Speaker, pursuant to Standing Order 101, I have the honour to present to the House, in both official languages, the report of the Canada-Europe Parliamentary Association delegation that made an official visit to Greece from March 28 to April 7, 1988.

* * *

[*English*]

COMMITTEES OF THE HOUSE

BILL C-129—REPORT OF LEGISLATIVE COMMITTEE

Mr. J. R. Ellis (Prince Edward—Hastings): Mr. Speaker, I have the honour to present the report of the legislative committee on Bill C-129, an Act to provide for the continuance of Air Canada under the Canada Business Corporations Act and for the issuance and sale of shares thereof to the public.

BILL C-264—REPORT OF LEGISLATIVE COMMITTEE

Mr. Bob Horner (Mississauga North): Mr. Speaker, I have the honour to present the revised report of the legislative committee on Bill C-264, an Act to amend the Criminal Code (instruments and literature for illicit drug use), in both official languages.

[*Editor's Note: See today's Votes and Proceedings.*]

* * *

CUSTOMS TARIFF

MEASURE TO AMEND

Hon. Flora MacDonald (for the Minister of State (Finance)) moved for leave to introduce Bill C-135, an Act to amend the Customs Tariff Code (code 9956).

Mr. Speaker: Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

Petitions

BROADCASTING ACT

MEASURE TO ENACT

Hon. Flora MacDonald (Minister of Communications) moved for leave to introduce Bill C-136, an Act respecting broadcasting and to amend certain Acts in relation thereto and in relation to radiocommunication.

Mr. Speaker: Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

* * *

• (1110)

PETITIONS

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Anthony Roman (York North): Mr. Speaker, last week three students, Theresa Scaini, Carmen Lopez and Warren Ho from St. Robert's Catholic High School in Thornhill, Ontario, travelled to Ottawa to request that I present in the House of Commons this petition. It is signed by 3,496 of my constituents. They wish to convey to all Members of Parliament their concern that since the Criminal Code of Canada no longer provides any protection for the preborn child, and since it is the responsibility of the federal Government to guard the right to life of all its citizens, they humbly pray and call upon Parliament to pass legislation protecting the right to life of all Canadians from conception until natural death.

[*Translation*]

REQUEST FOR RETENTION OF 10-WEEK QUALIFYING PERIOD FOR UNEMPLOYMENT INSURANCE

Mr. Charles Hamelin (Charlevoix): Mr. Speaker, pursuant to Standing Order 106, I wish to table a petition from 3,000 working men and women in the riding of Charlevoix. The people of Charlevoix are extremely satisfied with the economic performance and climate in my riding: unemployment is at a 10-year low. Unfortunately, Mr. Speaker, this has the effect of increasing the number of weeks required to be eligible for unemployment insurance. Since 25 per cent of the labour force, who are seasonally employed, depend on unemployment insurance benefits, I would humbly ask this House to endorse the principle of maintaining the unemployment insurance eligibility period at 10 weeks.

It is a wonderful riding that depends on seasonal workers and I therefore ask this House, Mr. Speaker, to adopt the general principle of 10 weeks to qualify for unemployment insurance. This is the will of 3,000 working men and women in the riding of Charlevoix.

[*English*]

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Fred King (Okanagan—Similkameen): Thank you very much, Mr. Speaker. I have the honour to present a petition signed by some 450 constituents of Okanagan—Similkameen, who wish to express their grave concern about the issue that is paramount in their mind, and that is the abortion issue. They ask that this House immediately prepare legislation to the effect that no unborn person shall be deprived of the right of life except where medical procedures are required to prevent the deaths of the mother. As in duty bound, your petitioners humbly pray.

[*Translation*]

REQUEST FOR RETENTION OF 10-WEEK QUALIFYING PERIOD FOR UNEMPLOYMENT INSURANCE

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, it is my duty to present petitions deploring the fact that in southeastern New Brunswick the unemployment insurance qualifying period has risen from 10 to 16 weeks despite the more than 26 per cent rate of unemployment in that southeastern rural region.

Wherefore the residents of Rexton, Richibouctou Village, Pointe-Sapin, Bouctouche, Sainte-Anne-de-Kent and Cocagne humbly call upon Parliament to make the necessary changes so that the qualifying period remain at 10 weeks.

NORTHERN TAX ALLOWANCES

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, I have other petitions from the people of New Brunswick.

[*English*]

These people are claiming that they are being discriminated against in that they are not allowed to claim tax deductions under the northern allowance. These petitioners are from North Head, New Brunswick, from Castalia, Grand Menan. They are also from Grand Arbour, Ingleshead and Woodward's Cove. They humbly pray and call upon Parliament to designate their communities in New Brunswick as eligible under the northern allowance tax deduction program.

An Hon. Member: Only after hours.

[*Translation*]

OPPOSITION TO CANADA POST PLANNED ACTION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I too should like to present a petition signed by 30-odd residents of the electoral riding of Laval-des-Rapides who humbly call upon Parliament to reject the Canada Post plan and direct management to deliver priority post, registered mail, certified mail, and parcels to 550 Henri-Bourassa Blvd. West, not to 10005 Saint-Laurent.

[*English*]

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Jim Jepson (London East): Mr. Speaker. It is my pleasure this morning to submit a petition on behalf of many Canadians, from indeed right across Ontario, exhorting the Government of Canada to bring in strong legislation to protect the life of the unborn. This is petition No. 332.

A second petition, Mr. Speaker, as well, once again exhorts the Government to bring in strong legislation to protect the life of the unborn. Once again, it includes signatures from a very, very wide range of cities, right across Ontario, from Kitchener, Brantford, Windsor, right through to Ottawa.

Once again, I have a third petition as well. All are for the same purposes. It is my pleasure to table those today. Thank you very much.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the following questions will be answered today. Nos. 334, 341 and 348.

[*Text*]

GRANTS OR LOANS WITHIN METROPOLITAN TORONTO AREA

Question No. 334—**Mr. Redway:**

Since September 4, 1984, did the Department of the Treasury Board make grants and/or loans to persons or corporations, non-governmental organizations and governments within Metropolitan Toronto and, if so, to which ones and, in each case, in what amount and for what purpose?

Hon. Pat Carney (President of the Treasury Board): In so far as the Treasury Board Secretariat is concerned, yearly grants were made to the Institute of Public Administration: $150,000 fiscal year 1985/86, $150,000 fiscal year 1986/87, $150,000 fiscal year 1987/88.

The purpose of the grant is to provide financial assistance to the Institute whose main objective is "to promote amongst members of the federal, provincial and municipal public services in Canada and Canadian universities and colleges the study of public administration with a view to better service the public interest". This relates directly to the objective of the Treasury Board Program, by providing a forum which is seeking to improve the processes of Government and the performance of public administration.

PAROLE SUSPENSIONS IN METRO TORONTO REGION

Question No. 341—**Mr. Nunziata:**

Since January 1, 1987, have there been any parole suspensions in the Metro Toronto region and, if so, how many and, in each case (*a*) which community residential centre was involved (*b*) did the National Parole Board lose jurisdiction?

Hon. James Kelleher (Solicitor General of Canada): Since January 1, 1987, there have been 972 conditional release suspensions in the Metropolitan Toronto area. In 665 of these cases, the offender involved was not residing in a community residential centre.

(a) Community Residential Centres (CRC) involved

Elizabeth Fry	15
Archibald Center	50
Toronto House	14
My Brother's Place	4
North Beaches	11
Montgomery Centre	36
St. Leonard's Peel	9
St. Leonard's Crossroads	14
Exodus Link	41
Greenwood House	25
Clancy House	24
Total CRC suspensions	243

Community Correctional Centres (CCC) involved

Keele	64
Total CCC suspensions	64

(b) The National Parole Board lost jurisdiction on eight of these suspensions.

TASK FORCE ON TAX BENEFITS FOR NORTHERN AND ISOLATED AREAS

Question No. 348—**Mr. Penner:**

1. For each of the (*a*) chairperson (*b*) two vice-chairpersons (*c*) ten full-time staff members of the Task Force on Tax Benefits for Northern and Isolated Areas, what are the (*i*) salary, stipend or honorarium (*ii*) amounts allowed for expenses (*iii*) other terms and conditions attached to the appointments?

2. Are the amounts in part (*ii*) additional to those in part (*i*)?

Hon. Michael Wilson (Minister of Finance): 1. and 2. As the Minister of Finance announced in his press release of April 29, 1988, the task force will have a staff of 10 full-time employees and a total budget of $2.8 million. The task force will be required to complete a final written report by no later than October 31,1989.

The chairperson will be paid a salary in the range of an assistant deputy minister. The vice-chairpersons will be paid an amount in the same order of magnitude. They will also be provided with living expenses in accordance to the Treasury Board guidelines.

The staff members remunerations are set in accordance to the Public Service Commission guidelines and are based on their knowledge, ability and experience in the area of responsibility.

[*English*]

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

* * *

QUESTION PASSED AS ORDER FOR RETURN

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, if it is the pleasure of the House that Question No. 336 be made an Order for Return, the return would be tabled immediately.

Mr. Deputy Speaker: Is it the pleasure of the House that Question No. 336 be deemed to have been made an Order for Return?

Some Hon. Members: Agreed.

[*Text*]

GOVERNMENT OFFICES AND EMPLOYEES IN BRITISH COLUMBIA

Question No. 336—**Mr. Brisco:**

As of April 29, 1988, in the constituencies of (*a*) Burnaby (*b*) Capilano (*c*) Cariboo—Chilcotin (*d*) Comox—Powell River (*e*) Cowichan—Malahat—The Islands (*f*) Esquimalt—Saanich (*g*) Fraser Valley East (*h*) Fraser Valley West (*i*) Kamloops—Shuswap (*j*) Kootenay East—Revelstoke (*k*) Kootenay West (*l*) Mission—Port Moody (*m*) Nanaimo—Alberni (*n*) New Westminster—Coquitlam (*o*) North Vancouver—Burnaby (*p*) Okanagan North (*q*) Okanagan—Similkameen (*r*) Prince George—Bulkley Valley (*s*) Prince George—Peace River (*t*) Richmond—South Delta (*u*) Skeena (*v*) Surrey—White Rock—North Delta (*w*) Vancouver Centre (*x*) Vancouver East (*y*) Vancouver—Kingsway (*z*) Vancouver Quadra (*aa*) Vancouver South (*bb*) Victoria, does the Government have (*i*) offices (*ii*) employees and, if so, in each case, in what numbers?

Return tabled.

[*English*]

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

Mr. Deputy Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—BANK CHARGES—CONCURRENCE IN REPORT OF STANDING COMMITTEE

Mr. John R. Rodriguez (Nickel Belt) moved:

That the Nineteenth Report of the Standing Committee on Finance and Economic Affairs, respecting bank charges, presented to the House on Monday, June 6, 1988, be concurred in, and that the adoption of this motion shall not be considered to be a question of confidence in the government.

Mr. Nystrom: I rise on a point of order, Mr. Speaker, if I can get the Parliamentary Secretary's attention across the way. We have done the normal consulting around the Chamber. We would like the vote deferred until six o'clock Monday, if possible. I understand this will take unanimous consent of the House.

I have done the consulting with the Government's Deputy House Leader of the Liberal Party. We all agree with that. We might as well do it now.

Mr. Hawkes: As usual, Mr. Speaker, this reflects the accuracy of our conversations. Yes, we think it would be in the House's best interest to defer the vote to Monday. We do concur.

[*Translation*]

Mr. Deputy Speaker: Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: The Hon. Member for Saint-Jacques (Mr. Guilbault) also consents. Therefore, the vote on this motion is deferred until next Monday at 6 p.m. by unanimous consent.

• (1120)

[*English*]

Mr. Rodriguez: Mr. Speaker, in beginning the debate on this motion I want to point out a very important aspect of it. Normally a vote on an allotted day is considered a question of confidence in the Government. I want to make it crystal clear that in the motion which I have put forward today it is specifically spelled out that a vote in favour of the motion is not to be considered a lack of confidence in the Government. That is justifiable because the motion is to concur in the report of the Standing Committee on Finance and Economic Affairs, which committee represents all sides of the House.

As a matter of fact, the Conservative Chairman was dubbed a socialist by the Bankers Association. Robert MacIntosh called the Member for Mississauga South (Mr. Blenkarn) a socialist. I am prepared to adopt him. I will baptize him and call him a socialist for this interregnum. He is indeed a red socialist.

The report represents the opinions, after study, of all sides of the House. The motion I put forward reflects the view arrived at in the committee. Conservative Members may try to hide behind the veil that they must vote against this motion in order not to show a lack of confidence in the Government. I want to make that clear. The motion specifically says:

That the Nineteenth Report of the Standing Committee on Finance and Economic Affairs, respecting bank charges, presented to the House on Monday, June 6, 1988, be concurred in, and that the adoption of this motion shall not be considered to be a question of confidence in the government.

Members must recognize that voting to concur in a report of a committee comprised of members of all Parties of this House does not indicate a lack of confidence in the Government. This

motion goes beyond the usual lack of confidence we have in the Conservative Government. The point I am trying to make is that this goes beyond narrow Party politics.

Why did the committee get involved in studying bank service charges? Was it, as Mr. MacIntosh said, a desire to bash the banks? Was it a desire to secure our seats about which we are so insecure? Was it because Members of Parliament are on a power grab? Is that why we undertook to study bank service charges? They are hardly the stuff which Conservatives would motivate themselves to study under normal circumstances. Something very vital must have driven them to undertake this study. I suggest that it was the complaints coming from ordinary Canadians from coast to coast; the Mrs. de Gruchy's, the Go-Go Pizzas, and the thousands of letters which were arriving on Members' desks.

We on this side of the House were asking questions back in October and November of 1987. Government Members were asking questions of the Minister of Consumer and Corporate Affairs (Mr. Andre) and the Minister of State for Finance (Mr. Hockin). Day after day members of the Official Opposition were asking questions about the rapacious activities of the white-collar loan sharks, better known as the banking institutions of this country, in dinging and donging their clients.

That is why we got involved in investigating bank service charges. One of the complaints was about the increasing number of service charges. You are charged to put money in the banks, to take money out of the banks, and to leave your money in the banks. You are charged and charged until your money disappears if you do not do anything with it.

If you asked for a $10 bill to be changed into quarters, you were dinged $2. You were charged 40 cents to get 50 pennies. It was getting absolutely ridiculous. The increasing number of service charges and the spiralling cost of them is what motivated the committee to get involved in this. When people received their statements from the bank they saw that if they were charged $2 last year, they were now being charged $3.50, with no explanation for the increase.

The third issue was notification. In many instances clients of the banks were not properly notified. In fact, there was a great deal of concern that Section 201 of the Bank Act was being breached. Banks would put up a notice in a branch at ten o'clock in the morning, start charging for a service, and take the notice down at 10.05. The banks considered that people had expressly agreed to these service charges. That is why the Finance Committee undertook the study.

The committee discovered, first, that bank service charges had increased by 19 per cent a year since 1982, far in excess of the inflation rate. When the banks appeared before the committee they said that we had to keep in mind that the increase was caused by volume. The banks also informed us that volume accounted for 7 per cent. Taking 7 per cent away from 19 per cent leaves 12 per cent, which is still three times the inflation rate. In response to this issue the committee said, as reported at page 167:8 of its report:

> The Committee has examined this matter to show that the alarm on the part of consumers is more than a temporary protest by a few unfortunate people and is soundly based. This is the only reason for comparing the changes in service charges with the inflation rate.

Therefore, after we discount the percentage for volume we find that there is in fact justification in the complaints of consumers that they were being zinged by the banks.

The committee discovered further that the computerization of the banking system ought to have been providing considerable savings to the banks. We state very clearly:

> The regional data centres where cheques are cleared use advanced, highly automated processes. Consumers now do a large share of their banking at automatic banking machines (ABMs), where the cost to the bank of a transaction is lower than at the counter in the branch. Indeed, banks have been able to make banking far more convenient through ABMs and extended banking hours, as they justly claim, and probably without an increase in their average cost per transaction!

The banks claim that costs have risen. When we asked for a clarification of what caused those increases, we found it very difficult to pin down.

It is important to touch on the relationship which has always existed between consumers and banks. When I started out working in the Royal Bank many years ago there was no computerization in the banks. It was a personal relationship, a relationship of trust. People deposited their money in the bank and there was a relationship between the customer, the bank, and the bank's employees. It was a relationship of trust, in which the customers expected their money to be safe and the bank would adhere to its policies. For example, if it charged a certain interest rate, it would stick to it. If it said it provided services for free, it would do so.

• (1130)

I believe that that relationship of trust has broken down. The banks are not careful enough with the notification process. There is no time taken to communicate with the customers and not only inform them of an increase in service charges but explain the rationale behind those increases.

If there is a new service charge, the banks ought to explain that. The banks are not interested in demonstrating the fairness of their charges to their clients. The banks have violated that trust.

The banks take money from their customers' accounts without permission. I call that legalized theft. The case of Mrs. Gruchy was an example of legalized theft. It is legalized theft when the banks seize people's accounts that have been inactive for a period of years.

It is not only my opinion that the banks have broken the relationship of trust. A Decima poll in the *Financial Times* last March asked a number of questions about bank services. The headline is: "Canadians show no sympathy for the banks' service charges". The first question is:

> Bank service charges have been rising. What is most responsible for these increases?

Forty-two per cent of Canadians said the banks are trying to increase profits without having people notice. Thirty-one per cent said it is costing the banks more to perform these services, so they are simply passing on costs to the consumers. Twenty-five per cent said the banks are trying to make up for money lost on loans to poor countries.

The next question was:

> Can you name any one bank that has increased service charges more than the rest?

Twenty-nine per cent said all demand the same rate. Eleven per cent picked the Bank of Montreal.

The third question is interesting:

> Should the government step in to protect consumers from increased charges? Or should banks and consumers try to work things out themselves?

Fifty-two per cent of Canadians said the Government should step in. Another Gallup poll concurred in this Decima poll. It showed that 50 per cent of Canadians said that their banks appear to be levying unreasonably high service charges. Sixty-nine per cent said the probe by the committee was either very necessary or quite necessary.

Canadians are crying out for the Government and Parliament to act on the way the banks are treating them. The committee was very clear in its response. After listening to all of the complaints from consumers, the committee said:

> The committee views the consumers' reaction to the behaviour of the banks and other financial institutions with regard to service charges as justified.

The committee agrees that consumers' complaints are justified. Charges are coming fast and furious without adequate notification and without any rationale. The charges were exorbitant.

Let us consider what the banks did in response to the criticism from the committee. While the committee was holding its hearings, the Bank of Montreal introduced new basic accounts. The Royal Bank froze any increased charges for seven months.

The committee made very wise recommendations. First, it recommended that the banks should provide basic accounts for which no charges shall be levied for maintaining the account, making a limited number of deposits into or withdrawals or payments by cheque from the account, providing the current balance of the account, and transferring to the basic account the balance of any other account of the customer with the financial institution.

We believe there is a lot of competition for the banking services of the wealthy, but very little concern about the basic banking needs of the poor. We believe that the banks must be forced to provide that basic banking service.

The committee went on to recommend the prohibition of certain charges. These are the charges about which people commonly complained. The committee recommended that there ought to be no charge for the closing of the account, if the account has been kept for at least one year.

We also recommended that there be no service charge for the failure to make transactions on the account, although a financial institution may charge for issuing any notice sent to holders of inactive accounts, as required by law. The committee recommended no charge for the deposit of a cheque under a prescribed amount that is returned because of an error or because there are not sufficient funds credited to the drawer's account. In other words, there should be no charge back on the NSF.

There should be no charge for any transaction which results from an error or unauthorized action by the bank. There ought to be no charge for maintaining a savings account during a period when the balance falls below an amount specified by the bank.

The committee also recommended that financial institutions be prohibited from introducing a new charge or increasing an existing charge in respect of any deposit made for a fixed term during that period.

After studying the issue, we believe that our recommendations are justifiable.

In addition, we recommended a new system of notification. There should be 30 days' notice of any change or new service charge on a statement account. It ought to be 60 days' notice for a deposit account, by means of a posted notice within the bank branch. It must be 30 days' notice in writing by mail it the bank wishes to do it differently.

We believe this would correct the problem about adequate notification and information with respect to bank service charges. We believe that the consumer must be well informed and that it is the responsibility of those with whom we have placed our money on deposit in a relationship of trust to inform consumers about any changes in the agreement to administer and keep that money.

The Minister of Consumer and Corporate Affairs appeared before the committee. Before his appearance before the committee he sent his investigators to 71 branches across the country and discovered that in fact disclosure was badly lacking. No notices were placed in most of those 71 branches and it was difficult to get information when requested.

• (1140)

What was the response of the banks? Mr. MacIntosh, who represents the banks, said that Members of Parliament were insecure about their ridings and were trying to bash the banks to get re-elected. He said, "You have to yell at the Chairman of the committee because he has a tin ear, and that is the only way you can get through to him". He said we were in a power grab. That is the lobbyist for the banks talking. What an image he creates for the banks, and he wants to come on Parliament Hill and lobby Members of Parliament!

He did not like the NDP minority report which is attached to this report. I believe our minority report would complete the

report of the Standing Committee on Finance and Economic Affairs.

First, there is the role of the ombudsman. We believe there is an need for a independent, autonomous ombudsman, not attached to the Superintendent of Financial Institutions, not attached to the Ministry of Consumer and Corporate Affairs, but an independent, autonomous ombudsman with a 1-800 number. He would have the function of arbitrator and referee in trying to resolve a lot of these problems.

We believe there should have been short-term redress for all those people who have been taken to the cleaners by the banks, who have been nickeled and dimed. that is why we recommended the freeze for one year from the date of introduction of the report into the House. After all, the Royal Bank accepted the principle of a seven-month freeze. We thought that was a good idea and we ought to extend it to its logical conclusion.

I would also point out that it is now up to the Government to act. The committee has introduced its report. A private Member on that committee has taken that report and patterned it into a Private Member's Bill. The Private Member's Bill is all part of the report. What we are doing here today is debating that Private Member's Bill which incorporates the changes to the Bank Act which would provide justice for consumers. We have no problem in supporting that, but the Government has to act.

I recognize that there is a special relationship between the Conservative Party, the Liberal Party and the banks. In fact, we can look at the contributions the banks have made to the Conservative Party in 1986. The Conservatives received $35,000 from the Bank of Montreal, $35,000 from the Bank of Nova Scotia, $35,000 from the Royal Bank, $35,000 from the Toronto Dominion Bank and $35,000 from the Bank of Commerce. In an election year those amounts are doubled. In 1986, the Liberals received $35,000 from the Bank of Montreal, $35,000 from the Bank of Nova Scotia, $36,000 from the Toronto Dominion Bank, and $37,000 from the Bank of Commerce. The Royal Bank did not give anything to the Liberals. I understand the sensitivity of that situation. We all know why. There is a renegotiation going on. They have to roll it over.

It is now up to the Government. The Government can release its Members to vote freely on this motion today. I plead with the Government to put aside the financial considerations it has heard from Mr. MacIntosh and his henchmen. Do not act like a vampire at the rise of the sun. Do not run and hide. I ask Members on the Conservative side to come forward and vote freely on this motion so we can pass the Private Member's Bill of the Hon. Member for York—Scarborough (Mr. McCrossan) which incorporates the recommendations. We can put it into law. It is sensible. Justice demands it and Canadian consumers support it wholeheartedly.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, we have a peculiar motion before us today that borders on not being acceptable at all, but I am not going to talk about the unacceptability at this point. I will merely point out to you, Sir, that this motion is made on supply. Supply is an opportunity for opposition Parties to test the confidence in the Government. That is the rule, that is the practice,and that is the intent of the rules.

My friend has said he has put in the motion that this is not a matter of confidence. The way to handle that, of course, is to move to amend the rules of the House. If he wanted to do that, if he wanted to change the nature of the motion coming before us, then he could have done so. Indeed, he could have brought this motion on a non-votable Supply day and used it as a matter of bringing the issue to public attention. What he is trying to do is to make political hay out of that which is not political, not intended to be political, but is intended to get at a serious problem which affects citizens of this country.

The Standing Committee on Finance and Economic Affairs has been meeting in quite a different fashion from that of other committees of the House of Commons in this Parliament. The Finance Committee has operated in a very consensual type of way because the issues brought before it have been issues involving tax, whether corporate, personal or excise tax, issues involving financial institutions, issues involving credit cards, this particular issue involving bank services, and issues involving takeovers. These are issues that are important, Sir, to all people in this country whether they are Conservatives, Socialists or Liberals.

It really does not matter what one is in terms of one's politics, if you put your money in the bank, you want to be able to draw it out. If you deal with a bank, you want to make sure that the service charges are not a rip-off, that someone is not dipping into your account improperly. You want to make sure the tax system is fair, equitable and simple. These are the issues this committee has dealt with, and largely dealt with them unanimously. It has largely dealt with them in a manner, so to speak, that even after the report of the committee has been tabled, the committee would continue to deal with the issues in such a way as to push the Government, to persuade the Government, to direct things to happen that would work out in the interests of the committee and the interests of Canadians, generally.

Fortunately, we have before this House today a motion that breaks that consensus. It is an attempt by a political Party to really make political hay out of something that was not intended to be political. It was originally determined not by a question from the New Democratic Party because it did not know anything about bank service charges.

Mr. Rodriguez: Not so.

Mr. Blenkarn: It was the Hon. Member for Don Valley East (Mr. Attewell) who brought the matter to the attention of the House in the first place. The Member opposite says, not so.

This issue was brought to the attention in the House in November. The committee decided in November to launch an inquiry. The committee engaged its research staff. The research staff met with the committee on a number of occasions because the committee members wanted to contribute to that research. On March 29, the committee made public its research document and made public its terms of reference under which an inquiry into bank service charges would be held. The Hon. Member for Nickel Belt (Mr. Rodriguez) was not there—The Member for Nickel Belt, Johnny come lately.

Let us talk about the motion for a moment. This is a motion for concurrence. There are provisions in the rules for concurrence motions to be brought. The Standing Committee on Finance and Economic Affairs has used concurrence motions as one of the arrangements whereby the committee could get something going on a particular issue that bothered the committee and was part of a committee study. We used concurrence motions successfully with respect to tax and with respect to corporate concentration. We have done that for only one purpose, and that has been to move the political process forward. The political process is now moving forward. We do not need to use this kind of method today to move the process forward. In question after question from sides of this House the Minister of State for Finance (Mr. Hockin) responsible for this matter has indicated to the House that the Government will be bringing forward legislation and regulations at least as tough, if not tougher, than the regulations and legislation proposed by my colleague from York Scarborough.

• (1150)

Sir, this motion is a motion designed to embarrass the Government. It is a motion designed for political purposes. It is not a motion designed to help the cause of the little person who has problems with bank services charges. This is a motion to try to make the Hon. Member for Nickel Belt look good—johnny-come-lately look good.

Mr. Rodriguez: So you will vote against it, right?

Mr. Blenkarn: We are asked to vote on this motion. Let us go back to the report of the committee. The New Democratic Party decided at the last minute on the committee decision that it would like to file a minority report. At the last moment members of that Party produced what they call a minority report. Committees do not have minority reports. They have reports, but not minority reports.

The New Democratic Party states in this so-called minority report: "We believe the committee's response falls far short of its harsh criticism".

Mr. Rodriguez: Right!

Mr. Blenkarn: Why then, Sir, are we asked by the New Democratic Party to support the committee's report? Because it falls far short? What does it mean? What kind of New Democratic Party is this? It is the new dinosaur Party designing its program for one purpose—political marks.

Members of that Party have accepted Robert MacIntosh. Dear Bob said we were only in it for politics. The New Democratic Party is only here for politics.

Mr. Rodriguez: What are you here for?

Mr. Blenkarn: Members of that Party do not care about Mrs. de Gruchy. They do not care about people who are dipped a dollar a month because they bank in a bank that decides that if one does not have more than $200 in the bank then one will lose a buck.

Mr. Rodriguez: How are you going to vote on this?

Mr. Blenkarn: They are only interested in saying: "How are you going to vote? How are you going to vote?" The Hon. Member does not want to bother about the rules of this place. He does not want to bother about Supply. He just wants to embarrass.

The embarrassment is this. This New Democratic effort to try to cause difficulty is not really going to accomplish much at all. Obviously, we are required to support the Government if we intend to have a government in the country. If we were to support the motion for Supply, then we would in fact be voting non-confidence in the Government, notwithstanding what the Hon. Member for Nickel Belt would like to say.

Mr. Rodriguez: Nonsense.

Mr. Blenkarn: I think it is important to go over the committee report. The Finance and Economic Affairs Committee is a committee of the House composed of 13 Members. Nine of them are Progressive Conservatives. If this is going to be a political report, then this is a Progressive Conservative report. The report could have been passed by the opposition Members. The report was initiated by Conservatives. It was produced by Conservatives. It was not even supported by New Democrats. Now they want to force a vote on it. What kind of drivel is that?

Mr. Nystrom: How are you going to vote on it?

Mr. Blenkarn: Let us go over briefly the recommendations of the committee. First, the committee proposes that the banks be required to offer an alternative to an intricate account that has many service charges and to provide, in effect, a basic account so those who are perhaps disadvantaged in society will be able to take part in contemporary banking activity.

Mr. Nystrom: Are you going to vote against that?

Mr. Blenkarn: Second, the committee would prohibit certain charges outright that the banks have been making. Frankly, it is amazing that most of these charges are still being levied. There is a charge for putting money in the bank, for example. There is a charge for writing cheques of a minor nature. There is a charge for transferring money from one account to another. There are a number of charges that are being made that are really unconscionable.

Third, the committee proposes a very strong legal notification change with respect to the changes in service charges under Section 201 of the Bank Act.

The committee also proposed certain draft regulations. The committee Members on the government side have been working very closely with Cabinet to effect the changes and proposals set out by the committee.

It has been interesting over the last number of weeks, particularly with respect to the nature of change that is taking place, to see that people had no idea in many cases just how arrogant were bank presidents and how their lack of understanding of the ordinary person existed.

Sir, I want to read into the record a letter that was written by J. A. G. Bell, President of the Bank of Nova Scotia. This is a letter in reply to a lady by the name of Sandra Hanmer of 120 Golfview Avenue in Toronto. Mrs. Hanmer was after the Bank of Nova Scotia concerning the appearance of a branch at Gerrard and Woodbine. I will just read a couple of paragraphs of Mr. Bell's letter. It reads: "We have had the future of that branch under consideration for some time, and expect to make a decision in the very near future on whether or not it should remain open. Quite frankly, the branch is not a profitable operation since the customer base consists largely of senior citizens who receive their banking services free of charge. It is also worth noting that our client base includes a large number of welfare recipients who now use our low cost banking services. These services were referred to by the House of Commons Finance Committee as life-line banking."

Needless to say, Mrs. Hanmer was shocked. I want to read a couple of lines from her reply to Mr. Bell. "I write you because the facia of one of your branches is falling off into the street, potentially endangering people's lives, and you tell me that the branch is not a profitable operation because it is only welfare people and senior citizens who use it and therefore it is quite okay for you to let it fall into disrepair and endanger passers-by. Is this the type of defence you would present in court had someone been injured and sued you?"

Clearly, as members of the Finance Committee we would have preferred to work out a voluntary arrangement concerning changes in bank service charges and bank practice. However, clearly, the kind of arrogance and lack of sensitivity expressed by the President of the Bank of Nova Scotia in his letter and other letters as a result of other actions, leave the Government with very little alternative except to proceed with the legislative hammer and regulatory control. It is important that that regulatory hammer and control be effected properly.

• (1200)

While the committee has drafted a Private Member's Bill, and that Private Member's Bill will remain on the books and be debated within a week if something is not done pretty quickly, it is important that the Government move ahead, because it is the Government that controls the machinery of enforcement, and the machinery of regulation. Therefore, it is important that we give the Government the benefit of the doubt and the support it needs in order to bring forward that legislation and regulation that has been promised by the Minister, which I am advised will be at least as tough, if not tougher and more demanding than the position of the committee. Indeed, I suspect that, had the committee report been before the committee today, it would have been harsher than it is.

I am sure most Members would have thought that a committee report that was doing things that were largely agreeable, or that should be agreeable to anybody with any sensitivity in Government or in banking, would have been accepted as fair and decent. We were charged with being schizophrenic. One becomes very schizophrenic over the type of approach by bank presidents that were given to Mrs. Hanmer, Mrs. de Gruchy, and others who have had their accounts dipped into and dinged as we have seen, not only in the period leading up to the preparation of the report, but since the report itself.

Ordinary Canadians look to Government in cases where there is oligopolistic activity for regulation to protect them. We believe, if at all possible, that business ought to be able to regulate itself and ensure that that regulation is in the public interest. Clearly the banking industry, with respect to service charges, has not been able to come to grips with the reality of what it is doing, and it will have to be pushed. The only agency that can push it is the Government, and the Government has agreed to do that.

This motion is improper at this time. It does not help the cause of moving change forward. It is designed by the New Democratic Party to create problems in the process by which we address the problem of service charges in a manner that makes handling those problems work. It is our preference to have a government Bill. It is our preference to have the Government move ahead. We have been working to do that. To move concurrence at this point in this fashion is wrong and not productive.

This Party will be voting against the motion for the simple reason that this motion is brought forward to create a political arm for the New Democratic Party that did not care about service charges until we handled the matter, and now it is trying to recoup and get aboard what it thinks may be a bandwagon. They are johnny-come-lately. They are lately, lately, lately.

Mr. Rodriguez: Surely, Robert MacIntosh was correct and it is a lot of bombast, a lot of yelling, condemning, and personal attacks on the New Democratic Party to attempt to project the image that somehow or other the Hon. Member is the father of bank service charge changes in the interest of consumers.

I wish to point out that the New Democratic Party was asking questions on this issue back in November, 1987. The standing committee commenced hearings on April 28. As the

consumer critic for my caucus I joined the Finance and Economic Affairs Committee in the study of these bank service charges.

The Member stated in his speech that perhaps if the committee were writing its recommendations today it would be harsher. That is why we put in our addendum to the report, and that is why we want it approved and in the motion. Since our addendum is attached to the committee report, that would be acceptable. The Hon. Member wants redress. Of course, there has to be concern for an immediate redress for consumers. That is why we recommended the one year freeze. That is the redress. The Hon. Member cannot say that it is water under the bridge and what has happened has happened. There is a need for justice to be served to those consumers who have been dinged and zinged, as the Hon. Member has said. That is why we put that in.

The Chairman of the committee, as an afterthought, wanted an ombudsman. He was not thinking of the ongoing interests of the consumers. He did not want an ombudsman who was going to be effective or an advocate for consumers. His whole approach in the committee was to put the ombudsman in the Superintendent's office, stick him up in the attic. We know that the Superintendent of Financial Institutions is only interested in the solvency of banks, not in the problems of Mrs. de Gruchy, Mrs. Hanmer, or other people like that. That is the point.

I ask the Member, in light of the fact that we are in the dying months of a Government and we are getting ready for an election, is this not an opportunity for the Chairman of the Finance Committee who just spoke to put aside his desire to be seen as the father of this legislation? Can he put aside that narrow, selfish view and see that this motion, if approved, would immediately do the things that should be done? It commits the Government.

We know that the pressure has been on the Government not to tell the banks what to charge and what not to charge. I have no problem with regulating them. The Member for York Scarborough has no problem. It is in his Private Member's Bill. But I honestly think that the Ministry of Finance will not accept a regulatory principle where the banks are told what services they shall charge for and what services they will not charge for. That is not part of its philosophical agenda.

I say to the Hon. Member for Mississauga South (Mr. Blenkarn) and all Members on the government side: support this motion and you will achieve what you say now, that we should be tough with the banks. The other route is long and it may never come to a conclusion.

Mr. Blenkarn: I attempted to follow the convoluted rationale of the Member for Nickel Belt, but it was virtually impossible. First, the motion is that the House support the Finance Committee report. The Finance Committee report is not the minority piece that is put in an appendix, it is the report. My friend believes that what he wrote in an appendix is part of the report. He does not even know what he wants us to vote on.

If we take him at his word, and we are supposed to vote in favour of his appendix, I can say that we would not do that for the same reasons that we refused to support his suggestions at the last and dying moments of the Finance Committee hearings. The reason is very simple. The Hon. Member decides he wants an ombudsman, but he does not say where or how that will happen. The report does. The report states it will be a branch of the Superintendent of Financial Institution's office that is funded already by charges against deposit taking institutions. Therefore, it will not cost the taxpayers any further money. They do not think of these things. They do not work those things through. Obviously we could not support what the Member deems to be part of the report.

• (1210)

Mr. Nystrom: No.

Mr. Blenkarn: Clearly, Sir, the Member is so far off base that to support this concurrence motion, brought in terms of Supply, when the rules clearly say Supply is confidence in the Government, makes any support for my friend impossible.

Mr. Nystrom: Mr. Speaker, I have a question for my friend across the way. He has been around Parliament for a long time. Why does he not just vote on what is on the Order Paper before his very eyes. The question is very simple. I remember Stanley Knowles years ago saying that you vote on what is before you. What is before the House in this motion is:

> That the Nineteenth Report of the Standing Committee—be concurred in.

It is a report of the Hon. Member's committee to be concurred in. He knows what that committee report is saying. Just read very carefully what it says:

> That the Nineteenth Report of the Standing Committee on Finance and Economic Affairs, respecting bank charges, presented to the House on Monday, June 6, 1988, be concurred in.

You vote yes or no as to whether or not you agree with what is in the report. The Member is the author of the report as Chairman of the committee. He has to vote now on whether or not he concurs in that report. That is the first part of the question.

The second part of the question reads:

> —and that the adoption of this motion shall not be considered to be a question of confidence in the Government.

The Member across the way is right when he says that usually a Supply motion is a non-confidence motion, but the House here is saying that if we adopt this report it is not a question of confidence. I repeat, it is not a question of confidence. You vote that this is not a question of confidence.

What the Hon. Member is trying to argue, with respect, is that we call night day and we call day night or we call Wednesday Thursday or we call Thursday Monday. You vote on what is before you. It is very clear. It is black or white. We

vote concurrence in the report. If the Member does not do that, he is voting against his own report. This is not non-confidence in the Government. I say to the Member, respond to that.

Mr. Blenkarn: Mr. Speaker, all one has to do is to take a look at the note immediately below the report. It says:

> Note:
>
> Ninth of ten allotted days and fourth votable motion for the Supply period ending June 30, 1988.

Mr. Nystrom: That is not the motion.

Mr. Blenkarn: It continues:

> (Eighth of eight votable motions for the three Supply periods provided pursuant to Standing Order 82(5)).

There is no provision in Standing Order 82(5) for the introduction of a no-confidence motion in the Government. The purpose of Supply is to allow the Opposition a chance eight times during the year to test the confidence that Members have in the Government. That is how we run our system. For one Party to decide of its own, without some changes in the rules, that it can use words like, "this motion shall not be considered to be a question of confidence in the Government" to somehow try to trap Members into voting against the Government is pretty simple and pretty foolish. The answer is very clear. The Member from Yorkton—Melville (Mr. Nystrom) ought to know that.

Some Hon. Members: He does.

Mr. Blenkarn: He is an important person in his Party and he ought to know that what he ought to be proposing is a position that opposition Parties should be entitled to introduce motions indicating their confidence in the Government.

If the Hon. Member wants to introduce a motion indicating confidence in the Government, that might be a different matter. Perhaps he could organize the rules in that fashion. How he would do it would be to introduce a motion of some kind indicating that his Party has confidence in the leadership of the Right Hon. Prime Minister (Mr. Mulroney) and his Government. That is exactly what they are doing here, only they are not. They are saying, "Sucker, sucker, sucker, come and vote for this motion". And then say, "Sucker, sucker, sucker, we are going to say you vote to defeat your own Government". We are not going to buy that, baby.

Mr. Deputy Speaker: I can only recognize the Hon. Member for Yorkton—Melville (Mr. Nystrom) on a point of order.

Mr. Nystrom: Yes, Mr. Speaker, I have a point of order. My friend across the way referred to the note under the motion. I am sure you could clearly indicate to the House that we do not vote on notes in the House of Commons, we vote on the motion before the House. The motion before the House is very clear. The motion before the House does say that it is not a question of confidence. Obviously one does not draft a motion to say we believe that Brian Mulroney is the greatest thing since sliced bread.

Some Hon. Members: Order.

Mr. Nystrom: You vote on the motion before the House, Mr. Speaker. Yesterday we voted on Meech Lake. Because we agreed with the Meech Lake Accord does not mean that we think Brian Mulroney walks on water. You vote on what is before the House. My friend across the way does not know what he is talking about, and I am sure you could put him straight, Mr. Speaker.

Mr. Deputy Speaker: Resuming debate with the Hon. Member for Trinity (Miss Nicholson).

Miss Aideen Nicholson (Trinity): Mr. Speaker, I have been associated with the work of the Finance and Economic Affairs Committee on this issue of charges to clients since the beginning. It is a complex issue and it has been handled, I consider, with care and sensitivity by the Finance Committee, a committee which, like the Standing Committee on Public Accounts, generally works in a non-partisan fashion and tries to come up with solutions that are in the public interest that can be supported by all members of the committee.

For this latest round of hearings on service charges and financial institutions, we were joined by the New Democratic Party Member whose motion is before us today. He and his colleague had a minority report because they did not consider that the consensus report fully met their requirements and views. It is quite puzzling today to find that they are now moving a motion to support the committee report which at the time they could not support without reservations.

I welcome the opportunity to talk about this matter of service charges to consumers because it is an important and a delicate issue. I think there are some matters that should be put to the House that are worthy of more care than the kind of bank bashing which we customarily hear from the New Democratic Party. Having said that, let me say I hold no brief for the banks or any other financial institutions and, indeed, I did share in the criticisms made by the Finance Committee.

Let me go back and repeat the history of this issue. In November the matter of service charges to consumers and financial institutions, particularly the question of notification or lack of it, was referred to the Finance Committee. The staff of the Finance Committee prepared a research paper. I may say that the financial institutions generally, the banks and the trust companies, were reasonably forthcoming with facts, which aided in the preparation of this research paper. On March 29, the paper was made public, together with the terms of reference of the inquiry. What was becoming very clear by that time was that as competition in the financial institutions increased, as banks, trust companies, *caisses populaires* and credit unions all competed harder for business, they chose to pay higher interest rates and to provide new services like daily interest rates. This was the way in which they chose to

compete, to keep their existing customers and to attract new customers.

• (1220)

To balance this expenditure, the banks started to unbundle their fee structure and to move more and more in the direction of user-pay. The Finance Committee came to the conclusion that the banks and other financial institutions had moved too fast, too vigorously, in the direction of user-pay, and that there should be a correction.

Insensitive things had been done. The public relations of financial institutions have not been good. Instead of responding to consumer complaints, they have tended to be defensive.

A particular area that the Finance Committee was interested in was the question of notification. There is a section of the Bank Act which requires notification to consumers of any changes in fee structure. A regulation was passed several years ago which provided that simply posting a notice in the bank or financial institution would meet the requirements of this particular section, namely, Section 201 of the Bank Act. It may have at the time, but in this day and age, when most people use machines and go into banks less and less often, the notice is simply not seen. Then consumers find it rather a shock when they are suddenly paying for some service for which they had not previously paid.

One of the things that irked consumers enormously, of course, was when they found that money was being deducted for inactive accounts. It is very difficult for any reasonable person to justify this. How can financial institutions charge a fee for an account in which there has been no activity?

These were some of the things that consumers were writing about and that the financial institutions were not responding to. When the Finance Committee set the terms of reference for our public hearings, we did focus very much on the whole question of notification, whether financial institutions are entitled to dip into people's accounts without warning and without specific authorization.

As a result of the hearings, some very specific recommendations were made by the committee to strengthen the legal notification requirements of Section 201 of the Bank Act which is clearly inadequate in present-day circumstances, and to prohibit certain charges. The committee also recommended that financial institutions provide limited basic banking services free of charge. We recommended that they provide what one of our members described as accounts "without bells and whistles".

The response of the financial institutions to this has been very negative. First, they say they are already doing this, that as a gesture of good will to their consumers, they already have about four million accounts for senior citizens which have no fees or very limited fees. Most banks also provide accounts for young people under 18 which have limited or no fees. The position of the financial institutions is that as a gesture of customer good will, they already provide accounts with no fees and few frills, and that they should not be legislated into doing so any more than any other commercial organization should be required to provide free services.

The Finance Committee takes a different approach. We have seen that in the United States there is a requirement in many states for financial institutions to provide what they call life-line accounts, very basic, minimum accounts. This is the direction in which the Finance Committee has leaned.

I want to mention a few of the highlights of the committee's report. In spite of the banks' protestations that they now provide services that have minimum fees, the committee was not able to accept that as satisfactory or to accept that they would do it as a good-will gesture, because we had so many letters from people who did not know about these accounts. We heard from students who had put money into the bank at the end of their summer jobs and then went back at Christmastime to draw the money out for Christmas shopping and found that, because the accounts were below a certain minimum amount, they had been docked quite a bit of money. In many of these cases, when the students or their parents complained to the banks, the charges were reversed. At that point, the families learned that these particular institutions offered services for students whereby charges were not applied. However, the public information provided has not been satisfactory, and we heard from many consumer groups and from many consumers who had gone to their financial institutions to ask for information about charges and had not been able to get it or to get it easily.

On the question of the increase in service charges over recent years, the banks put forward the view that the increase was related to increased volume and to inflation. The committee was not able to accept that entirely, because it appears that charges related to personal banking services by domestic banks have increased 18 per cent to 19 per cent over the past five years. The banks said that the volume of transactions increased by 7 per cent a year, so that means that there is 10 per cent or 11 per cent unaccounted for.

The committee came to the conclusion that the alarm on the part of consumers was more than a temporary protest and that there was a serious problem with a lack of information. In fairness to financial institutions, one must point out that although their service charges have increased, the greater part of their operating costs is still covered through the interest spreads. Nevertheless, service charge income has been increasing rapidly, and this is something that is a concern, particularly to low-income consumers.

Charges for personal financial services have been increased both in level and in number. The key, of course, is that the banks and the other financial institutions, as I said earlier, are offering higher interest rates because of the increased competition and therefore they are trying to balance some of this by increasing service charges. Unfortunately, the service charges

have a way of hitting the people with low incomes and minimum balances in their accounts.

The Chairman of the committee has spoken of his dislike of regulations. Since I am not a Conservative, I cannot say that I have the same dislike of regulation, but, like many people who think they have more taste and talent for negotiation than for confrontation, I really do see regulation as a last resort. I would have hoped that the banks, faced with the evidence of a number of unhappy, dissatisfied consumers, would have been more ready to say: "We went too far, too fast in the direction of service charges, we are willing to make some changes". Instead, the spokesman from the Canadian Banking Association chose to attribute bad motives to the members of the Finance Committee, and this has not made for an easy situation.

• (1230)

Regardless of the attribution of motives and the hyperbole, we still have to deal with the issue. The question is, how best to deal with the issue. The consensus that the Finance Committee reached—I was part of it and I reached it reluctantly—was that it was necessary to move to provide better consumer protection, and, most certainly, better consumer information.

Again, may I just quote from the committee report. The committee believes that the rapid escalation and proliferation of fees was far from inevitable. The banks have pushed their user-pay approach too rapidly and too far. Unbundling and service differentiation have been carried to an extreme.

So that, Mr. Speaker, while we fully understand that indeed the banks and the other financial institutions have many, many thousands of satisfied customers and consumers, and most Canadians have great confidence in their banks, and have probably not had reason to complain in the course of 20, 30 years of dealing with them, nevertheless senior citizens are complaining that they have their accounts assessed for charges, simply because they did not have much money in them—there was no transaction, no activity, and yet there is a penalty for that—this is not justifiable.

Then you find that a senior citizen had money taken out of his account because his account was under $500, and when he died and his widow tried to close his account, she was charged a fee for closing it. These are small amounts, but they are large to the people concerned.

I am sure that from the point of view of the financial institutions—the complaints and the criticism they get for this nickeling and diming—it has been difficult and painful, and they may feel this is very small stuff in the face of the thousands and thousands of satisfied customers, but I think Members in this House have to be very concerned with the right of the consumer, especially the low-income consumer, the person with few resources, who may not have the social skills and adroitness to go and complain to the bank in a way that gets the charge reversed.

People who have been able to write letters to bank presidents have almost invariably had their charges reversed, and they have received an apology for this unfairness. But the people who do not have the resources to do that, who simply talk to the teller, or who do not talk to anybody, go unsatisfied. Hence, the need to have this matter regulated in some way.

Now, the committee adopted a three-pronged approach. I need hardly say that we put a lot of emphasis on information. Obviously, an informed consumer can make choices. We had a recommendation that the banks be required to provide an alternative to the intricate accounts with many service charges, and provide one very simple account with few—well, as the Member for Scarborough said, with "no bells and whistles", and for that, no charges.

Perhaps our most important recommendation is the need to strengthen the legal notification requirements of Section 201 of the Bank Act. Because one can hardly repeat it too often, if consumers have information, they can protect themselves and they can make their own choices. Increasingly, we found that an awful lot of this difficult and unsatisfactory situation could have been avoided if consumers had known about the special accounts for senior citizens, the special accounts for youth, because that is where the bulk of the complaints came from.

Mr. Deputy Speaker: Questions and comments. The Hon. Member for York—Scarborough on debate.

Mr. Kilgour: I have a question, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Edmonton—Strathcona.

Mr. Kilgour: Thank you, Mr. Speaker. I was listening with some interest to the Member. I wonder if she would tell us—since we learn in the first introductory economics course that chartered banks have an ability to create money by taking deposits and issuing loans and so forth—whether she thinks that the banks should be entitled to cover all of their expenses by service fees, or does she—I notice that her colleague, who used to be a bank president, is sitting near her. Is she defending the banks today, or is she criticizing them in part and defending them in whole, or where exactly is she coming from in her speech today? I was not too clear.

Miss Nicholson (Trinity): Well, Mr. Speaker, I am surprised that the Hon. Member is unclear about where I was coming from. Let me try to summarize. I do not hold with the kind of bank-bashing we hear from the New Democratic Party, because I think it is irrational. At the same time, as I summarize the evidence that the Finance Committee had before it, after very careful examination it is quite clear that the banks have moved too far too fast in the direction of user pay.

When the financial institutions were faced with increased competition, they chose to compete by offering better interest rates. That is how they chose to try to attract new business and

maintain their existing customers. They tried to balance that by some user-pay.

I said that still, most of the expenses of personal banking come out of the interest spread. We had been led to believe by some people that the banks were financing the whole thing by service charges. That is not true. What is clear is that the service charges have proliferated and have increased, affecting harshly the senior citizens and those who maintain minimum balance accounts.

I say that I would have preferred to have seen the banks agree on the fact that they have moved too fast on this, and I would prefer to see them agree to move back. They are not prepared to say that and, therefore, I see no choice except to legislate in the way that the committee has recommended.

As I said from the beginning, the committee report was unanimous. I have quoted in my speech parts of the committee report including the following: "The committee holds the view that stronger measures are needed than increased awareness by consumers, and sensitivity to public pressure on the part of the banks. Therefore it proposes changes to the Bank Act and regulations, and corresponding changes to statutes regulating other financial institutions". I support those recommendations.

• (1240)

Mr. Simon de Jong (Regina East): Mr. Speaker, I thank the Member across the way who is occupying the Conservative benches for the applause.

The point which government Members have brought up in opposition to our motion is that it is a non-confidence motion and they are, therefore, not prepared to support it. One wonders, as well, whether government Members have real interest in this. Government Members have accused us of playing politics with bank charges. I really wonder whether it is not government Members who are playing politics with the issue of bank charges.

We are all aware that this Parliament is most probably in its dying moments and that there will be an election called, conceivably this fall. Anything on the Order Paper which has not been dealt with at that time will die. In fact, I suspect that this is the major reason the banks turned down the offer of the Finance Committee to enter into a fair personal banking practices agreement. They were not interested in voluntarily complying with basic set standards because their calculation was that the Government is not going to last until the end of the year and that all the concerns about bank charges will wash away like water under the bridge and they will be able to continue in their practices.

I suspect as well that government Members know this. The Minister has promised to introduce legislation. Yet I did not notice, on the list which was provided to our House Leader of legislation which the Government was prepared to bring forward and have passed before the summer recess begins, an Act dealing with bank charges.

Our purpose in moving this motion today is for the House to tell the Minister and the Government that we want this legislation now. The House now has an opportunity to instruct the Government to do so before Supply is passed. Monday is the last day of Supply.

I am indeed very confused when I hear the tortured reasoning of the Member for Mississauga South (Mr. Blenkarn), who is the Chairman of the Finance and Economic Affairs Committee, in trying to explain why he will be voting against the recommendations of his committee. There is no explanation for that other than, perhaps, that the Tories wanted to make a lot of noise about bank practices but were not prepared to act. Perhaps they wanted to create the impression for the folks out there that they are not really the friends of Bay Street and the bankers. They are willing to talk tough about bank charges, but the reality is that they are not prepared to act on them. The fact that Tory Members continue to talk tough about bank charges but will not ensure that legislation is passed before the calling of an election indicates where their true intentions are.

In this debate the Tories attempt to claim that New Democrats are johnny-come-latelies to the issue of bank charges. The spokesperson for the Liberal Party has just said that she does not side with the New Democrats when it comes to bashing banks. We have always been accused of bashing the banks, but now the Tories say that we are johnny-come-latelies on the issue of bank charges.

Historically the New Democratic Party and its predecessor, the CCF, have always been critical of how banks have moulded the economic development of this country to ensure that there are half a dozen very powerful banks. We have always been critical of the practice of the banks of investing where money becomes available, very often to the detriment of our regions. We have historically been critical of how banks have dealt with the average Canadian customer.

The Canadian public will not believe the Tory accusation that we are johnny-come-latelies on the issue of banks. But then there are so many other things about the Tory Government that the Canadian public does not believe or accept. In fact, when we look at the polls we discover that one of the major reasons the Canadian people will not be returning this Government is that they do not believe the Government or the Prime Minister (Mr. Mulroney) is telling the truth.

Another reason we are introducing this motion today is an old concept which existed in the mother of Parliaments, the Parliament of Great Britain. That concept is that there should be an address of grievances before Parliament addresses the Government's request for Supply. In other words, the grievances of the citizens should be dealt with before the Government is given the money it wants in order to run the country. The Government has until Monday to get its Supply. We believe that the Government and Parliament must address the grievances of thousands of Canadian citizens.

Every Member who has spoken today has raised some of these grievances. The Member for Mississauga South went on at some length about the grievances which have come to his attention. In fact, he accused the banks of arrogance.

We all know the story of the retired person in Ottawa who needed some change. She went not to her branch, but to her bank, with a $20 bill. She needed $10 worth of quarters and the bank charged her $2 for changing the $20 bill.

My Leader, the Member for Oshawa (Mr. Broadbent), brought to the attention of the House a pizza parlour in his constituency which was charged way beyond what one would normally expect to be charged for basic bank services. The list goes on and on.

Of course, when we met with the executive officers and presidents of the banks they said that these are not their policies, that these are perhaps the mistakes of their branches. Well, surely the head office is responsible for the branches. However, the banks operate in such a way as to give the branches a lot of manoeuvrability to nickel and dime their customers.

We also discovered from many days of hearings in the Finance Committee that if a person complains loud enough, writes to his or her Member of Parliament or whatever, very often the branch manager will reduce or nullify an unjustified charge. Does that mean that whenever someone is nickel and dimed, 40 cents here or $1 there, on an invalid charge, he or she should write to their Member of Parliament? You and I know that in most cases people will say "Well, why bother?"

The banks also say that if people are not happy, they can go across the street. However, we have discovered that every branch engages in this nickel and diming. Average depositors realize this, shrug their shoulders, and accept it as the cost of doing banking business in this country. What is required is action by Parliament. What is required is action by the Government. We have known of this situation for a long time. It is simply not good enough for the Minister to promise us legislation. We want legislation. Hopefully our motion today will hasten the Government in that direction.

• (1250)

There are other examples of abuse which the committee has not studied. In fact, a whole other kettle of fish has not been investigated but deserves thorough examination. It is the treatment of small businesses by the banks.

Small businesses which depend on loans are very often captives of the banks which can call in a loan at any time. Therefore, many small businesses are forced to put up with all kinds of ridiculous charges.

One case that was brought to my attention concerns a small cattle auction mart and feed lot in Saskatchewan. They wrote:

> We have an operating loan of $150,000... Occasionally we require an extension. October, November, March and April are our bigger months as more cattle are moving during that time.
>
> Our local bank has to call Saskatoon to get approval for an extension. Each time they call they charge us $100. Last year it was $150 per call. I find this charge outrageous. One long distance call (100 km), someone's consent to a day or so extension and it's another $100 on top of interest, and overdraft interest.

That is outrageous. Yet the Tories will vote against this motion. The letter goes on to say:

> The explanation I receive is that it is not a service charge, it is a handling charge with someone taking the responsibility of the extension. They can call it what they like. It costs us $100 for a telephone call. Please note the enclosed debit memo to our account for two telephone calls in March.
>
> We have to handle $10,000 worth of cattle to gross $200 in commissions.

This feed lot and cattle auction mart will not make much money with a rate of $100 per telephone call.

It is another example of a bank doing almost anything it wishes to a small business. In this case, it is charging $100 for what may be a $2 or $3 call. The Finance and Economic Affairs Committee will hopefully conduct a thorough study into the treatment of small business by the banks. I believe it will result in an even stronger indictment of the banking practices of the big banks.

We should honour an old British parliamentary practice of dealing with grievances before Supply. However, I do not expect any action from the Tory Government. It may rant and rave and create the impression that it is thoroughly disgusted with these bank charges. The Minister of Consumer and Corporate Affairs (Mr. Andre) may state to the committee and the House that he is outraged. The Minister of State for Finance (Mr. Hockin) may warn the banks that he will introduce tough legislation. However, let the Canadian public not forget who are the friends of the banks.

Let us consider bank donations to political Parties in 1986. The Bank of Montreal donated $35,000 to the Tories and $35,000 to the Liberals. The Bank of Nova Scotia donated $35,000 to the Tories and $35,000 to the Liberals. The Royal Bank donated $35,000 to the Tories in 1986, however, it did not give anything to the Liberals because it is holding the $5 million to $6 million debt of the Liberal Party. Perhaps they will make another deal.

The Toronto-Dominion Bank paid some $35,000 to the Tories and some $36,000 to the Liberals in 1986. The Bank of Commerce paid $36,000 to the Tories, and gave the Liberals $37,000, $1,000 more. We know who are the friends of the banks. It is no wonder the Liberal spokesperson disagrees with the New Democrats and suggests that we are bank-bashing.

I suspect the sincerity of the Tories when they discuss the unfairness of the banks to their customers. The Government will not take any action. It may introduce legislation, but it will never be enacted before an election is called.

It is also interesting to note the similarity of the contributions made by the banks to both those political Parties. They will probably double in an election year.

Mr. Nunziata: How much did the NDP get?

Mr. de Jong: I am proud to announce that the NDP got nothing.

Mr. Nunziata: Because you want to nationalize the banks.

Mr. de Jong: I would add that the NDP would turn them down if they offered money because we believe one cannot accept $35,000 from the Bank of Montreal without being beholden to it.

Mr. Jepson: Mr. Speaker, I rise on a point of order. Will the Hon. Member tell us how much the NDP got from the Canadian Labour Congress?

Mr. Deputy Speaker: That is not a point of order. The Hon. Member for Regina East (Mr. de Jong).

Mr. de Jong: Mr. Speaker, the Hon. Member can ask that question in the 10 minutes for questions and comments after my speech. I know that four years is a not long term and it will probably be his only four-year term, but surely he has learned that there are 10 minutes in which he can ask questions after a speech.

The New Democratic Party does not solicit funds from the banks because we believe that one cannot take almost $200,000 in contributions from the five major banks without being beholden to them. That is why I believe that the Conservatives will not introduce banking legislation. I also believe that the Liberals are very happy about that because they do not want to see their friends restricted.

Mr. Deputy Speaker: The period for questions and comments will be held after Question Period.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

ST. JEAN BAPTISTE FÊTE

CELEBRATION OF FRENCH CULTURE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, tomorrow, the people of Québec are celebrating their heritage with various celebrations marking St. John the Baptist Day.

A typically French holiday marked by the lighting of bonfires, the feast of St. John is part and parcel of the traditions handed down to the French-speaking people of America by their ancestors. For the people of Québec, it is a day of celebration but also an opportunity to reflect upon themselves, to show their pride in speaking French and to think back on their origins.

As the prime source of French language and culture in Canada, Québec represents an essential thread in the great tapestry which our country constitutes. One only has to travel in that province to see how truly different it is from the others. It is the only one where French-speaking Canadians are a majority. Québec also operates under the Civil Code and its culture is unique and definitely distinct.

The vitality of the French fact in Québec and Canada is now unquestionable. Now we must ensure the development of the French language and culture in the other provinces with a view to promoting one of the fundamental characteristics of this country.

I am very proud to join with my fellow citizens from Québec in celebrating their national holiday. May you thoroughly enjoy this day with your family and friends in an atmosphere of fraternity.

* * *

[*English*]

PROVINCIAL AFFAIRS

BRITISH COLUMBIA—LEGISLATION TO ALLOW SALE OF HOSPITALS' ASSETS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, Premier Vander Zalm's irresponsible Bill 53, which was introduced yesterday, will allow British Columbia hospitals to sell equipment to the private sector and then lease it back. Under this agreement, cash-starved public institutions which have a tax exempt status will sell expensive equipment purchased with taxpayer dollars to the private sector which then uses it as a tax write-off. The taxpayer pays twice.

The Treasurer of Ontario estimates that institutions receive 10 per cent of the benefit while intermediaries receive 90 per cent. The federal Minister of Finance (Mr. Wilson) calls this an inappropriate use of tax dollars. Ottawa and the provinces have agreed unanimously to a moratorium on such sales and lease-backs of assets of hospitals, yet British Columbia ignores this agreement.

This approach to supplementing hospitals' budgets will not address the root cause of under funding of health care. The federal Government has cut $2 billion from health and education funding. This must be restored, and the Canadian public should know that this kind of B.C. privatization scheme is ripping them off.

[*Translation*]

YOUTH

GALA OF EXCELLENCE IN AMOS

Mr. Guy St-Julien (Abitibi): Mr. Speaker, on June 13 at the Amos Social and Cultural Centre, *La Forêt Pavilion* of *La Mosaïque Comprehensive* High School presented its first great annual gala for excellence.

The ultimate purpose of the organizers of this event is to instill in students at *La Forêt Pavilion* the desire for excellence, which is the art of performing one's duties and tasks to the best of one's talents and abilities.

Isabelle Breton was the "Wayne Gretzky" of the students. She was proclaimed outstanding student at La Forêt Pavilion, in addition to winning the Governor General's Medal and the Pierre Tardif and J.P. Norrie Scholarships.

Mr. Speaker, the list of students honoured at this gala for excellence is impressive: the 146 winners deserve our hearty congratulations. Hats off to the administrators and teachers at *La Mosaïque Comprehensive* High School in Amos!

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[*English*]

DISASTERS

THIRD ANNIVERSARY OF AIR-INDIA CRASH

Mr. Howard Crosby (Halifax West): Mr. Speaker, a simple memorial in a Canadian newspaper asks all of us to remember a tragic event now fading into memory. The destruction of Air-India flight 182 on June 23, 1985, resulted in the deaths of 329 persons.

Mention of the mere numbers lost does not disclose the fact that the victims included entire families. Fathers, mothers and their children perished in this senseless criminal conspiracy. These families included the wives and children of Dr. Kurian Thomas and Gnanendran Murugan, of Halifax West, but virtually every community of Canada was touched by the tragedy.

Canadians will not forget the horror of the Air-India disaster, nor the special loss suffered by the Indo-Canadian community. We must do more than recall this event. We must protect Canadians by acting to ensure that those capable of evil acts of terrorism and violence are apprehended and punished.

S. O. 21

THE ADMINISTRATION

STUDY'S REVIEW OF GOVERNMENT EXPENDITURES

Miss Aideen Nicholson (Trinity): Mr. Speaker, the annual analysis of the Government's record by the School of Public Administration at Carleton University was recently released. The Tory Government's four year old fiscal restraint slogan has been labelled an illusion.

At the beginning of its mandate, the Government was insensitive to questions of regional disparity and other social issues. These issues were ignored for too long. The Government is now hastily trying to catch up. Money was poured into Quebec before a by-election and funds are being committed hastily without much evidence of an organized plan.

• (1405)

On June 3 the Minister of State for Finance (Mr. Hockin) said the tax system could not be both fair and simple; we can only have one or the other. It also seems that the Government cannot control the purse-strings as well as maintain social and regional programs; we can only expect one or the other.

* * *

TRADE

PROTECTIONISM ENJOYED BY BRITISH FARMERS

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, yesterday Prime Minister Margaret Thatcher advised Canada to get involved in free trade.

Some Hon. Members: Hear, hear!

Mr. Althouse: She left the clear impression that such a move had been good for the United Kingdom. However, the fact is that British farmers gave up free trade to join the European Common Market. They now hide behind the high wall of protectionism under the Common Market's agricultural policies, and receive two to three times the price they were getting under free trade.

Let there be no mistake. Protectionism has been good for British farmers, and for the British economy. With the extra income generated by artificially high farm prices there has been an economic revival in Great Britain. When combined with the discovery of North Sea oil, the economic effect was more than enough to offset the negative economic and social aspects of Thatcherism.

Yes, the Common agricultural policy has been good for Britain. But Canadians should keep one point very clearly in mind—it is not free trade.

S. O. 21

ENVIRONMENTAL AFFAIRS

INTERNATIONAL CONFERENCE ON GLOBAL ATMOSPHERE

Mrs. Pauline Browes (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, a major international conference is being held in Toronto next week to discuss the health of the global atmosphere. This conference is a result of initiatives taken by the Government in response to the call for action by the World Commission on Environment and Development.

Over recent years, leading world scientists have reached a consensus that increasing human activities will cause inevitable alterations to the world climate. There is growing recognition that the atmosphere is our most pervasive global commons. Climate change and other major air pollution issues require international action if we are to make progress on the road to sustainable socio-economic development.

This world conference is the first of its kind, and is expected to be a key step in developing international agreements and strategies which will assist humanity in adapting to these expected environmental changes.

This is yet another example of this Government's world leadership in issues crucial to our common future.

* * *

[*Translation*]

THE ENVIRONMENT

CLEAN-UP OF ST. LAWRENCE RIVER

Mr. Marcel R. Tremblay (Québec-Est): Mr. Speaker, the Canadian Government will spend $110 million over the next five years to protect, conserve and clean up the St. Lawrence River, which was polluted by the previous Government and which will be cleaned up by the Conservative Government. Mr. Speaker, this is the most important federal environmental initiative in Quebec.

The Governments of Canada and Quebec have agreed to implement the appropriate coordination mechanisms to ensure that the action taken by each side to clean up and develop the St. Lawrence River is complementary.

To restore the quality of the River to what it was in past years, the federal Government intends to implement a dynamic four-part action plan and to create a marine park for the protection of endangered species and sensitive habitats. Six million dollars have been set aside to protect the beluga whales at the mouth of the Saguenay. I am proud that my Government recognizes the priceless value of the St. Lawrence River, which has always been a source of great pride for Canadians and is a living heritage.

I wonder, Mr. Speaker, where the NDP was at the time when it inspired and passively endorsed the lack of concrete policies from the federal Liberal Government.

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[*English*]

HOUSING

SITUATION IN METRO TORONTO

Mr. Sergio Marchi (York West): Mr. Speaker, the crisis of affordable housing in Metro Toronto is approaching the point at which people cannot even begin to dream about owning a home. While the average cost of a home surpasses the $225,000 threshold, the federal Government continues to remain irresponsibly silent.

Surely the Government has heard the calls from ordinary Canadians who cry out for immediate and sensible reforms, and the many recommendations offered by Members on all sides of this House.

Surely the Government has also considered the Downsview Air Force Base, or surplus federally owned lands, for potential housing sites. Yet the federal Government has been incredibly negligent in its absence of leadership. Perhaps it believes in the Thatcher approach of allowing pure market forces to dictate the price.

• (1410)

The ability and opportunity to own and live in an affordable home are more than a financial transaction. This is also a question of human need and dignity.

I call upon the federal Government to stop this moral bankruptcy and to move to stem the tide before Toronto becomes a tale of two cities: one for those who can live there, and one for those who can only work there.

* * *

[*Translation*]

ST. JEAN BAPTISTE FÊTE

TRIBUTE TO QUÉBECERS

Mr. Mike Cassidy (Ottawa Centre): On behalf of the New Democratic Party, Mr. Speaker, I wish to congratulate all Quebec men and women who will honour their patron saint tomorrow on St. John the Baptist Day. Tomorrow, my Leader is planning to go to the Montreal area to join them in their festivities.

I find it particularly revealing that in 1988, it was only yesterday, with a large majority and hardly any resistance, that the House of Commons finally agreed to the Meech Lake

Accord, a document which finally recognizes Quebec as a distinct society, something which Quebec men and women have known for decades and generations, but which will be recognized at last by the rest of Canada. I feel it is a development which should have occurred a long time ago, but it is good that it is now a reality. The fact that Quebec men and women have kept their own traditions and language on an English speaking continent, and that Quebec culture has endured over three centuries, is quite an achievement, Mr. Speaker.

* * *

[*English*]

EXTRADITION

CANADA-UNITED STATES TREATY—CALL FOR UPDATING

Mr. Gordon Taylor (Bow River): Mr. Speaker, the Extradition Treaty signed by Canada and the United States in 1971 is badly out of date. For instance, this Treaty contains a list of offences, and if the offence is not on the list the person cannot be extradited. The list does not contain offences such as computer crimes, some drug crimes, or parental abductions. I recommend to the Government that this list be scrapped and replaced with words like "any criminal act" or "criminal conduct".

The present treaty contains Clause 6 that may prevent the Government of Canada from sending a serial murderer back to the U.S., because that country provides death for convicted murderers while Canada does not. I strongly recommend that this section be removed.

Canada should not interfere with the justice system of another country. More important, Canada should not provide a haven for murderers from other countries.

The present section is an invitation for serial murderers and fugitives from the law to come to Canada. We don't need to import murderers. Out with Ng!

* * *

FUR TRAPPING INDUSTRY

TRIBUTE TO MINISTERS' EFFORTS ON LABELLING ISSUE

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, I wish to welcome our Prime Minister (Mr. Mulroney) back from a highly successful Economic Summit in Toronto. The inroads the Leader has made in coming to a resolution on the important issues of agricultural subsidies and Third World debt are indeed notable accomplishments.

I rise today to commend the Prime Minister, the Right Hon. Secretary of State for External Affairs (Mr. Clark), and the Minister for Indian Affairs and Northern Development (Mr. McKnight), for their successful efforts, perseverance, and obvious negotiating skills in having the British Government drop the harmful fur labelling legislation. Our Prime Minister's personal intervention is indeed appreciated by hundreds of thousands of trappers and fur traders across Canada.

As mentioned yesterday by British Prime Minister Margaret Thatcher, our Prime Minister's resolve is a tremendous asset for Canadians. He has won the admiration of our allies and the respect of the global village.

Again, Mr. Prime Minister, thank you for your efforts on behalf of the fur industry.

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DISASTERS

THIRD ANNIVERSARY OF AIR-INDIA CRASH

Mr. John Nunziata (York South—Weston): Mr. Speaker, three years ago today Air India Flight 182 crashed off the coast of Ireland killing all 329 people on board. It was the worst act of terrorism in aviation history. Of the 329 people who perished, 280 were Canadians. One of those who perished was 16-year-old Mukul Paliwal of Ottawa, the son of internationally recognized plant virologist, Dr. Yogesh Paliwal.

Early this morning, on the third anniversary of the death of his son, Dr. Paliwal, an employee of Agriculture Canada's Plant Research Centre, died of a heart attack at age 46.

Over the last three years Dr. Paliwal had been very involved with the families of victims of the Air India tragedy. Later today a peaceful demonstration will be held on Parliament Hill to call on the Government to hold a public inquiry.

Three years have passed since Flight 182 was blown out of the sky. There have been no arrests. No one has been brought to justice. Some very important questions remain unanswered. There have been serious allegations that the Government had advance warning of a threat. There have been serious allegations that important wire-tap evidence relating to the case was destroyed. There have been serious allegations of shoddy police work, and of political interference in the case.

The Government must immediately convene a Royal Commission of Inquiry to provide some basic answers. Anything less will be a denial of justice.

• (1415)

[*Translation*]

INNOVATION

CANADIAN EXAMPLE

Mr. Gabriel Fontaine (Lévis): In the House yesterday, Mr. Speaker, during Question Period we had a display of what I think was the most degrading demonstration of Liberal-Socialist opposition I had ever witnessed since my election.

The official representatives of 700 million citizens of the free world had agreed that Canada had shown initiative and should be commended for its Free Trade Agreement with the United States.

The G-7 told us that this Agreement will be used as a model by the GATT, an organization consisting of 93 member-countries, Mr. Speaker.

Yesterday, I saw some Liberal Members actually cheer when their Leader made some negative comments about our major trading, social and cultural partners. I thought that some of these Liberals would know better.

Mr. Speaker, who are closer to the truth? The crazy highbrow Socialists, the outdated and ill-assorted Liberals, or the elected representatives of the free world?

ORAL QUESTION PERIOD

[*English*]

DISASTERS

THIRD ANNIVERSARY OF AIR-INDIA CRASH—REQUEST THAT ROYAL COMMISSION UNDERTAKE INQUIRY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, may I put a question to the Deputy Prime Minister. Three years ago today on June 23, 1985, Air-India Flight 182 crashed in the Atlantic Ocean killing 329 people, of whom 280 were Canadians. The families of the victims of that disaster have had no answers from this Government in three years; no answers and no facts.

Why hasn't the Prime Minister appointed a Royal Commission of Inquiry into this tragedy, and will he do so immediately?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, as I have said on many occasions in this House, and I will repeat it again today, there is an extremely active investigation being carried on into this tragedy by the Royal Canadian Mounted Police. At no time have there been less than 50 officers working on this case, and on occasion there have been up to 250 officers.

I think it would be wrong at this time while an active investigation is being carried on to have an inquiry such as that suggested by the Right Hon. Leader of the Opposition. Indeed, Mr. Atkey, Chairman of the Security Intelligence Review Committee, advised the standing committee that to conduct a Royal Commission of Inquiry at present would be counter productive and now is not the time to do that.

[*Translation*]

DEMAND THAT ROYAL COMMISSION OF INQUIRY BE ESTABLISHED

Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Canadian Security Intelligence Service erased tapes of telephone conversations about the disaster which had been intercepted, and failed to provide any satisfactory explanations for this mistake. The Security Intelligence Review Committee investigated the work done by CSIS but its conclusions were unsatisfactory. The Canadian Aviation Safety Board was unable to provide satisfactory answers. A royal commission of inquiry was appointed in India, and another one in Ireland, but none was appointed in Canada, although 288 victims were Canadians. This while Canada has established and appointed commissions of inquiry subsequent to other tragedies such as the Hinton disaster and the *Ocean Ranger* case. Why not in the case of the Air India crash, this tragedy that occurred three years ago?

[*English*]

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, with the greatest respect, the question just posed is basically the same as the previous one only this time it was put in French. I will repeat the same answer.

There is an extremely active investigation ongoing by the Royal Canadian Mounted Police, utilizing no less than 50 officers at any given time and up to 250 on occasion. The matter has been looked into and reviewed by the Security Intelligence Review Committee, which is an independent body, chaired by Mr. Atkey, and composed of other former members of the Privy Council of Canada. They feel, after their investigation, that a Royal Commission of Inquiry at this time would be premature and would have nothing but bad effects on the investigation presently being carried on by the Royal Canadian Mounted Police.

• (1420)

Mr. Turner (Vancouver Quadra): Mr. Speaker, premature, after three years of getting nowhere?

CONDUCT OF INVESTIGATION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister, the Deputy Prime Minister, and now two Solicitors General, the Security Intelligence Review Committee, the RCMP, the Canadian Aviation Safety Board and the Canadian Security Intelligence Service have all failed to provide answers about the reasons for the deaths of 280 Canadians. All we know for certain is that no charges have been laid and that an investigation has been made into the quality of the original investigation.

I ask the Deputy Prime Minister once again, was the investigation into the crash flawed? Were errors made? How much longer does the Prime Minister intend to wait before he inevitably has to call a Royal Commission? Surely the families of the victims, on this anniversary, are entitled to at least that.

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, if I may, I would like to repeat for the benefit of the Right Hon. Leader of the Opposition and other Members of the House the evidence given by Mr. Atkey before the Standing Committee on Justice and Solicitor General, on December 17, 1987. He said:

> We believe that if we launched an inquiry now, we would disrupt the investigation by forcing law enforcement agencies, security service, and individuals engaged in those agencies to concentrate on defending themselves rather than finding sufficient evidence to convict those guilty of these terrible events.

POSITION OF GOVERNMENT

Mr. John Nunziata (York South—Weston): Mr. Speaker, the real reason the Government will not initiate a Royal Commission of Inquiry is because it is trying to cover up its own negligence and gross incompetence in this matter. We know that the Government received advance warnings. We know that this tragedy could have been averted. We know that false affidavits were sworn in order deliberately to mislead a court. We know that crucial evidence was destroyed by way of the erasing of tapes.

My question is directed to the Deputy Prime Minister. Is it not true that the Government is afraid of a Royal Commission of Inquiry? It is afraid because a Royal Commission will indicate how incompetent and grossly negligent the Government was.

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, regrettably there is only one part of that question with which I can agree and that is that yes, indeed, it was a terrible tragedy. Yes, indeed, we all feel and express today a great sorrow for those families on the anniversary of this terrible, terrible accident.

With respect to the allegations the Hon. Member has made, let him come forward with some proof. We have been working very hard and diligently on this matter, and if he has evidence of the allegations, if he has proof of those allegations, then he should come forward in the House, come to see me in my office, or come to see the Royal Canadian Mounted Police to try to assist them in this investigation, instead of making unfounded allegations in the House.

STATEMENT OF CLAIM IN AIRLINE'S SUIT AGAINST GOVERNMENT

Mr. John Nunziata (York South—Weston): Mr. Speaker, the Solicitor General wants evidence. Here is the evidence. The Solicitor General knows that Air-India is suing the Government of Canada, alleging in Paragraph 30 of its statement of claim that the Government of Canada was negligent, and because of the Government's negligence its aircraft was destroyed. It says that in the months of May and June, 1985—this is preceding the crash itself—the existence of circumstances posing a threat to Air-India's operations was brought to the knowledge of all the defendants in the form of letters and verbal communications from the plaintiff.

• (1425)

Is the Solicitor General denying here today, in the House of Commons, that Air-India did not provide advance warning to the Government of Canada that there was a threat to its operations, that there was a threat to Air-India? Is the Solicitor General saying today that the Government of Canada had sufficient security in place in order to prevent this type of tragedy?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, in one sense I am amazed at the question of the Hon. Member because he is supposed to be a lawyer and understand about statements of claim. On the other hand, I am not at all surprised by the question.

The Hon. Member should know that that is an allegation contained in the statement of claim. That is not proof of the allegation made therein. No evidence has been laid as yet before a court of law. Statements of defence have been filed by the federal Government. The action has not as yet come on for trial. It is presently before the courts and we will have to await the outcome. At this point there is no evidence whatsoever to support the allegations made by this Hon. Member.

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TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—CANADIAN WHEAT BOARD PRICING SYSTEM

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, my question is for the Deputy Prime Minister or the Minister responsible for the Wheat Board. I have obtained today a draft interpretive document produced by the U.S. administration on the free trade agreement which offers drastically different views of Articles 701, 705, and 706.

It says in effect that the U.S. now claims to have review powers over the Canadian Wheat Board's pricing system. It claims that it is conducting consultation directed toward establishing a method to determine the price at which the Wheat Board is selling. It goes on to say that the ideal method would be a public price-setting mechanism transparent to the U.S. Government, producers, and processors.

Can the Government tell us anything about this particular set of consultations and the direction that the U.S. is trying to take?

Hon. Charles Mayer (Minister of State (Grains and Oilseeds)): Mr. Speaker, it is no secret that the Canadian

Wheat Board is a very well run organization and has served Canadian farmers very well, especially in the last number of years in the face of international difficulties in sales. As such, the Americans do not like it because we have been succeeding in selling where they have not.

I am not familiar with the documentation about which the Member speaks. I am familiar with the terms and conditions in the free trade agreement which essentially leave the Canadian Wheat Board exactly the way it is. It gives us more secure access to the United States market.

I am sure that the Wheat Board, based on its ability to sell, very much welcomes the ability to compete in the United States away from the political uncertainties which we now have. On that basis it is good for the Canadian Wheat Board and is going to be good, as a result, for Canadian farmers.

U.S. GRAIN EXPORTS—PRICING PRACTICES

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, with regard to the pricing differences which exist between the two countries, can the Minister explain to the House the Government's interpretation of the price-setting mechanism used in the United States?

Does a shipload of grain owned by Cargill leave the United States with a known value on the particular shipment, or is it privileged information for business purposes as that information is on Canadian shipments by the Canadian Wheat Board? Do producers in the United States in fact know the value of the grain being exported in each shipment?

Hon. Charles Mayer (Minister of State (Grains and Oilseeds)): Mr. Speaker, that is a strange kind of question and I am not so sure it has anything at all to do with the free trade agreement. It has to do with the different ways in which Canada and the United States sell grain. I am aware of circumstances under which international grain trading companies buy grain on speculation, hold it for a period of time, and then resell it.

The Canadian Wheat Board operates in an entirely different fashion. It operates in the sole interests of the producers who fund it and therefore have a lot at stake in terms of how the Canadian Wheat Board operates.

I am not so sure that I totally understand the question, especially if the Hon. Member is trying to relate it to the free trade agreement. I suspect that the substance of the question, to the extent that it is a question, has absolutely nothing to do with the free trade agreement at all.

POSITION OF UNITED STATES NATIONAL ASSOCIATION OF WHEAT PRODUCERS

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, this seems to be the whole point of the discussion as far as the National Association of Wheat Producers and the U.S. administration are concerned. They seem to be of the opinion that they know the value of the grain as it leaves their ports, yet under the Canadian Wheat Board system that is not known. In fact we all know, from watching the data, that we are just as ignorant of the value of grain leaving their ports as they are of the value of grain leaving ours.

• (1430)

The National Association of Wheat Growers seems to have given the administration most of the points in this particular agreement. It seems to believe that Section 22 of their Agricultural Adjustment Act of 1933 is still in effect and can override any such agreement that the administration might sign with Canada, giving them the power to restrict imports into their country at any time those imports increase. Is that the understanding of Canada? What is the Government doing to change that particular understanding on the other side of the border?

Hon. Charles Mayer (Minister of State (Grains and Oilseeds)): Mr. Speaker, the National Association of Wheat Growers in the United States, and its president, Jim Miller, have been critical of the free trade agreement because he is concerned that we will be even more competitive with the United States after the free trade agreement is signed because of our quality of product, our reliability of supply, and our reputation.

The Hon. Member refers to Section 22 of the Agricultural Adjustment Act. I do not have the free trade agreement in front of me, but if memory serves me correctly one of the provisions of the FTA is that the United States agrees not to reintroduce or introduce measures that quantitatively restrict our grain at the American border. I suggest that answers the Hon. Member's question about Section 22 of the American Agricultural Adjustment Act.

We believe we produce as high a quality product as anyone in the world. We have a very good system of grading through the Canada Grain Commission. We have a good system of selling. Fair access to the American market and rules that will enable us to sell successfully into that market on a fair minded basis will be to the benefit of Canadian farmers. This will be to the benefit of that Member who is a farmer himself and to the benefit of his neighbours who produce some of the highest quality product in the world.

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[*Translation*]

ETHICS

MERIT PRINCIPLE IN PUBLIC SERVICE—POSITION OF SECRETARY OF STATE

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, Canadians already knew that it cost Secretary of State Lucien Bouchard millions of dollars to buy his victory in the by-election in Lac-Saint-Jean. We thought that was the end of it.

Not at all! Our so-called Mr. Clean is now paying his debts. This morning in the *Journal de Québec*, he had this to say about ex-MP Clément Côté who gave up his seat for him:

> It isn't true that my predecessor is unemployed! In fact, he is now working for the Conservative Party in Ottawa. As I said during my campaign I promised that Mr. Côté would get a job, either in the federal Public Service or at one of the Crown corporations. Our Government pays its debts, and we are going to take care of this very shortly.

I want to ask the Deputy Prime Minister if he doesn't think it is unethical for his Secretary of State to pay his political debts by violating the merit principle with respect to public service hiring. Is that the new image of honesty and frankness the Government thought it would project after the election of "Mr. Clean"?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I do not know what is immoral about an individual wanting to secure a job and make a living. If that falls into his category as immoral, then I guess it is. However, I would think that it is in the interests of any individual to pursue a career of his or her choice. That is one of the freedoms we have in this country. I would think the Hon. Member would preserve that.

Mr. Guilbault (Saint-Jacques): It seems the Deputy Prime Minister fails to understand that this job was promised in exchange for the resignation and for the seat. He may find that kosher; we do not.

GOVERNMENT APPOINTMENTS—PRIME MINISTER'S STATEMENT

Mr. Jacques Guilbault (Saint-Jacques): Let me remind the House and Canadians what the Prime Minister said during the last election campaign. On July 16, 1984, he said:

> The method of making appointments could be corrected by dramatic measures . . . We are going to bring in a brand new dimension to them of objectivity and representation and fairness for all Canadians.

My supplementary question is directed to the Deputy Prime Minister. Has his Party forgotten about this statement I just quoted? Will we finally know the total amount it has cost Canadians in taxpayers' funds to buy the seat in Lac-Saint-Jean?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Member talks about promises. His own Leader went there and promised the Liberal candidate a Cabinet position if they were elected. I suppose the Hon. Member would find that immoral as well.

Mr. Guilbault (Saint-Jacques): He was not appointed beforehand.

Ms. Copps: You gave him one before he was elected.

Mr. Mazankowski: The fact is that a number of changes have been made in the appointments process. All Governor in Council appointments can be screened by the respective parliamentary committees.

Mr. Rossi: Can you say that without a smile?

Mr. Mazankowski: I do not know why Hon. Members are so touchy about this situation. If they have any strong feelings about the appointments we have made, they have the perfect right to call appointees before the committee and examine their credentials and talents. I do not think they are doing a very good job at that.

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TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—POWERS OF CANADIAN WHEAT BOARD

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is directed to the Deputy Prime Minister. I want to return to the question asked by the Member for Humboldt—Lake Centre.

I have a copy of a document, as does he, prepared for Clayton Yeutter, the U.S. Trade Representative. It is the American interpretation of Chapter Seven of the Trade Agreement. It is a clear violation of Chapter Seven, as we read it. It deals with the trade agreement restricting the powers of the Canadian Wheat Board and the powers of the marketing boards in this country.

Will the Deputy Prime Minister of Canada stand up for the farmers of this country and protest to the Americans that we do not want the power of the Wheat Board diminished or the power of the farm marketing boards diminished? Will he stand up for Canada and Canadian farmers, or will he continue to sit on his backside?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I find it rather strange that the Hon. Member would suggest we should stand up for farmers. The farmers know which Government and which Party has stood up for their interests. It certainly has not been his Party.

I do not know to what document the Hon. Member refers, but it is rather strange, considering the anti-American attitude of NDP Members, that they rely very strongly on American documents floating around to defend specific American interests.

The Hon. Member should read the legislation. If he can pinpoint in the legislation where there is a diminishing power in the operations of the Canadian Wheat Board, or pinpoint where the marketing boards are undermined, then he would have a case. But I will challenge him. It is not contained in the Bill. He should start dealing with Canadian documents and Canadian legislation, and stop relying upon American propaganda.

Mr. Nystrom: I am not anti-American, I am pro-Canadian.

INTERPRETATION OF AGREEMENT

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, the Prime Minister could not even deliver on subsidies for the farmers of Canada at the Economic Summit. Clayton Yeutter's own document states that Articles 705, 706 and 707 would restrict the powers of marketing boards in our country. In light of the fact that the Prime Minister of Canada has said that nothing in the agreement would diminish the powers of marketing boards, why is the Government not protesting the American interpretation of the trade agreement which they say will restrict the powers of Canadian farmers? Why do you not stand up and fight for Canadian farmers?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the interpretation of the trade agreement is documented in the legislation that has been tabled before the House. Why does the Hon. Member not deal with it, rather than some phoney document floating around in American hands?

* * *

• (1440)

CANADA DEPOSIT INSURANCE CORPORATION

COVERAGE OF INVESTORS' SAVINGS

Mr. Terry Clifford (London—Middlesex): Mr. Speaker, my question is directed to the Minister of Finance. Canadians who have wisely saved and invested their money are now becoming increasingly insecure with respect to the safety of their investments, particularly GICs. The Government must take a leadership role and make the public aware of what investments are secure through the Canada Deposit Insurance Corporation, and what is not insured.

Can the Minister tell Canadian savers and investors when their money is safe and when it is not?

An Hon. Member: Don't give it to the Liberals.

Hon. Michael Wilson (Minister of Finance): I have just been provoked, Mr. Speaker. The Leader of the Opposition is asking me whether I would invest in Liberal victory bonds. Those are not covered by the CDIC and I don't know that they are very safe investments.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, in answer to the Hon. Member's question, GICs up to $60,000 and up to five years maturity are covered by CDIC, the Canadian Deposit Insurance Corporation.

Ms. Copps: Thank you for that information. Order Paper!

Mr. Wilson (Etobicoke Centre): In answer to the second part of the Hon. Member's question, the CDIC is embarking on a campaign, working with the member organizations of the CDIC, to make sure they advise investors in the savings certificates and saving instruments that are issued by these corporations which are covered by CDIC and which are not covered by CDIC.

* * *

NATIONAL DEFENCE

ACQUISITION OF NUCLEAR POWERED SUBMARINES—U.K. PRIME MINISTER'S ADDRESS TO PARLIAMENT

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, my question is directed to the Deputy Prime Minister. On the floor of this Parliament yesterday, the Conservative Prime Minister of Great Britain went out of her way to try to prop up the credibility of this Conservative Government in Canada. Now that Mrs. Thatcher has inappropriately given her support to the Canada-U.S. trade deal, is the price to Canadians for that endorsement going to be the purchase by Canada of British submarines?

Hon. Perrin Beatty (Minister of National Defence): Mr. Speaker, Hon. Members opposite may not like hearing the truth from Mrs. Thatcher, but their objections won't change the truth. The fact is that the Canada-U.S. trade deal is a good deal for Canada.

Mr. Turner (Vancouver Quadra): What was the price for the speech?

Mr. Beatty: The navy will be completing its evaluation with respect to the two competing models based on which model could best serve the needs of Canadians. I will be carrying that recommendation to Cabinet.

Mr. Hopkins: Well, Mr. Speaker, I realize that it is very difficult for the Government to have praise heaped on it one day and valid scorn the next.

DECISION ON CHOICE OF SUBMARINES

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Did the Prime Minister at any time during or after the Summit have a discussion with Mrs. Thatcher about the possible purchase by Canada of British submarines? Did they discuss at that time what should be in Mrs. Thatcher's speech to this Parliament? Again, I ask the Deputy Prime Minister if the price for that is the purchase of British submarines? Or was the good old mother country simply propping up the colonial Prime Minister of Canada?

Some Hon. Members: Oh, oh!

Hon. Perrin Beatty (Minister of National Defence): It is a delight to see that even after that by-election disaster earlier this week the Liberals have still maintained their sense of

humour—with the exception of the Right Hon. Leader of the Opposition, possibly.

Mr. Beatty: Mr. Speaker, both the President of France and the Prime Minister of Great Britain put the merits of their respective cases to the best of their abilities. The navy will make its judgment as to which one best serves the needs of Canada. I appreciate the recommendation of the Hon. Member as to his choice and we will certainly take it into consideration.

TESTING OF LETHAL GAS AT SUFFIELD, ALTA.—1986 INCIDENT

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is also directed to the Minister of National Defence. As the Minister knows, deadly nerve gases used in chemical weapons are being tested in the open air as well as inside the experimental station at Suffield, Alberta. The Minister has stated these tests pose no danger, but Beryl Kirk, the Deputy Director of Mountain Region of Labour Canada, has confirmed that on May 26, 1986, there was a near fatal accident at Suffield involving two researchers who were exposed to lethal nerve gas. In fact the experimental station was evacuated and the researchers were hospitalized, one for a lengthy period.

Would the Minister advise the House how this squares with his statement that the tests at Suffield pose no health risks?

Hon. Perrin Beatty (Minister of National Defence): Mr. Speaker, with respect to the incident in 1986, I understand that in 1986 a World War II shell which contained nerve gas was found on the range. In the process of decontaminating it one of the technicians had an accident and two technicians were exposed to gas. Both of them were taken in for medical treatment and both of them were released virtually immediately afterward. In follow-up studies, neither one suffered long-term damage at all.

REQUEST THAT OPEN-AIR TESTS BE HALTED

Mr. Jim Fulton (Skeena): Mr. Speaker, I would hope the Minister is referring to the same incident as Beryl Kirk. My supplementary question is with respect to an independent analysis of the threat posed by the field tests of nerve gas at the Suffield range. A professor of chemistry at the University of Alberta, Dr. Mark Hollingsworth, states unequivocally in relation to the Tabun, Sarin and Soman test:

> . . . these releases constitute real and immediate public health threats to communities near the base, including Medicine Hat itself.

In light of the near fatalities at Suffield, and the severe health threat to communities like Medicine Hat, will the Minister order an immediate halt to any further open-air tests of these deadly nerve gases?

Hon. Perrin Beatty (Minister of National Defence): Mr. Speaker, first, with respect to the incident mentioned by the Hon. Member, in one case one technician spent one day in hospital. The technician was given an additional three days off. The junior technician returned to work the following day. That is hardly an indication of "lengthy time in hospital" as a result of this. Both technicians are working for DRES at the present time. Neither of them had any long-term effects from this at all.

With respect to the scare tactics being used by the Hon. Member to prevent defensive research designed to protect members of the Canadian Forces, the public is well protected. If the Hon. Member is suggesting we should be closing down this defensive research which is designed simply to ensure that, if Canadian troops are exposed to deadly agents, they are properly protected, then the Hon. Member should have the honesty to say so.

From the point of view of this Government, until the day we succeed in having a ban on all chemical weapons we have an obligation to ensure that members of the Canadian Forces, who are defending freedom on behalf of Canada, have adequate protection against nerve agents which are possessed by the Soviet Union.

* * *

THE ECONOMY

EXCHANGE VALUE OF DOLLAR

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Acting Minister for International Trade. When the Tories began discussions on the disastrous free trade deal, Canada had a 69-cent dollar in relation to the U.S. When the deal was signed last December, the dollar had risen to 77 cents. Yesterday, as a result of the secret monetary agenda related to the Canada-U.S. trade deal, our dollar rose to 83 cents.

Does the Acting Minister not realize that this policy, combined with the trade deal, has already caused a disastrous loss of jobs in Canada?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, there are so many inaccuracies in the preamble of the question that it is hard to know where to start. But what I can say is there is absolutely no connection at all between the free trade agreement and the rise in the Canadian dollar except for the fact that investors from many parts of the world are looking at Canada and saying Canada is a good place to invest.

If the Hon. Member was here yesterday she would have heard the Prime Minister of Great Britain saying that these are the things, free trade agreements like what we have just agreed to with the United States, that will lead to a strengthening of the economy. People are investing here because Canada is going to grow as a result of the free trade agreement. That is the message the Hon. Member seems to miss.

Ms. Copps: Unlike the colonials on the Conservative side of the House, this Party examines the deal and the worth of the deal.

EFFECT OF MONETARY POLICY

Ms. Sheila Copps (Hamilton East): Mr. Speaker, if in fact this monetary policy is so successful, can the Minister of Finance explain why last Friday 150 workers in St. Catharines were laid off from TRW Canada? One of the reasons for the lay-off, as stated by a company spokesman, was every time the Canadian dollar rises one cent, the company loses $1 million in profits annually. Is that what the Minister thinks of this so-called support of a monetary policy?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am not going to comment on individual and specific situations.

Ms. Copps: I bet you aren't.

Mr. Wilson (Etobicoke Centre): But I will comment for the Hon. Member, that when asked for their evaluation of the local economies, the economy in their local regions, 73 per cent of Canadians said they were pleased or very pleased. Twenty-four per cent said that they were not.

• (1450)

Mr. Nunziata: That's the Anacin commercial.

Mr. Beatty: To clear the headaches of the old Liberal Government.

Mr. Wilson (Etobicoke Centre): I can understand where the Hon. Member for York South—Weston—no, it is not York South—Weston—York West—

Mr. Marchi: York South—Weston.

Mr. Wilson (Etobicoke Centre): I keep forgetting. I know why he needs an Anacin. It is because he is getting a headache from all the good things that are happening to the country. Canadians are on a roll, and it is making the Hon. Member feel very, very uncomfortable.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

OFFICIAL LANGUAGES

FRENCH IN ALBERTA—REQUEST THAT GOVERNMENT INTERVENE

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I would like to put a question to the Deputy Prime Minister about Bill 60 in Alberta.

The Government stated it was very disappointed in the Bill because it gives practically no recognition to the needs of the Francophone community in Alberta.

What does the Government intend to do to ensure that the Government of Alberta gives at least the same rights and services to Francophones in Alberta as were granted Francophones in Saskatchewan, in other words, that it will translate into French those provincial laws that are important to the public, consult with the *Comité franco-albertain*, improve Government services for the Francophone community in Alberta and improve education services for the Francophone minority in that province.

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, as the Government Leader in the Senate indicated yesterday, the Government would have preferred a more generous response by the Government of Alberta. We have indicated to the province, as we have to all provinces, our willingness to participate in supporting the English and French linguistic minorities in the areas of education and translation. We are prepared to provide the kind of assistance that would be necessary to achieve the goals and the objectives.

As the Hon. Member indicated, we have been successful in negotiating a satisfactory framework agreement with the Province of Saskatchewan. I know that the Secretary of State will be in touch with provincial authorities in Alberta to reaffirm our willingness to work toward a more generous approach to the rights of Francophones in the Province of Alberta.

[*Translation*]

APPARENT INDIFFERENCE OF GOVERNMENT

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a supplementary for the Deputy Prime Minister.

Is it really in keeping with the spirit of the Meech Lake Accord that was passed in the House yesterday for the federal Government to express its disappointment and then tolerate this decision by the Government of Alberta to do practically nothing about providing the services that are necessary to protect its Francophone minority?

What does the Government intend to do, aside from voicing its good intentions? Does the Government have other plans or is it going to tolerate this intolerable situation in the Province of Alberta?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am not sure whether it is a matter of trying to determine who is right and who is wrong. What is important is an indication on the part of the federal Government to sit down to work out a package with the province that would be satisfactory and would reflect the reality of that province. That has been our policy in the past. I think it has worked quite well. I am confident that it can work again in the future.

In so far as his reference to the Meech Lake Accord is concerned, certainly once it is ratified the official language

minority groups will be able to invoke the linguistic equality clause. Therefore that would certainly add further strength.

I can assure the Hon. Member, and reiterate and reaffirm, the federal Government's position is that it is willing to sit down to work out a satisfactory agreement together within the context of the goals and objectives that clearly are desirable and attainable.

* * *

SEARCH AND RESCUE

FACILITIES AVAILABLE TO NOVA SCOTIA FISHERMEN

Mr. Howard Crosby (Halifax West): Mr. Speaker, I have a question for the Minister of National Defence concerning the search and rescue facilities available to Nova Scotia fishermen and others. I am sure the Minister is aware of the concerns that have been expressed by fishermen with respect to the response to their needs in dire circumstances.

Has he taken the opportunity to discuss this concern with his colleagues, the Minister of Transport and the Minister of Fisheries and Oceans? If not, will he take up the matter again to determine whether he can find a quicker way to respond to difficult circumstances in which fishermen find themselves, and provide a more flexible system of search and rescue for the benefit of fishermen and all persons who go down to the sea in ships?

Hon. Perrin Beatty (Minister of National Defence): Mr. Speaker, I thank the Hon. Member for a very good question. The issue of search and rescue, particularly on our East Coast, is a very important one for the Government. I visited Summerside, Prince Edward Island myself just a couple of weeks ago in order to get a first-hand view of search and rescue and the operations that we have there. I am convinced that with the equipment available the structure that we have at the present time best serves the needs of people in the area.

From time to time, obviously, we will dispatch equipment to specific areas to try to help out as there are changes, in terms of patterns of fishing and other activities taking place.

We also are constantly reviewing with other Departments and within the Directorate of Search and Rescue the way in which resources are used. We will keep it under constant review for the future. If improvements can be made, we will certainly make them.

* * *

HOUSING

LACK OF AFFORDABLE HOUSING IN METRO TORONTO

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Acting Minister of Public Works. Given that the lack of affordable housing is a serious problem in Metro Toronto now, and given that the Government's tax reform will add 9 per cent to the price of a new home by 1990, and given that Central Mortgage and Housing Corporation is now an also-ran rather than a leader in the field of housing, does the Minister have any intention at all to deal seriously with this housing crisis?

Hon. Otto Jelinek (Minister of Supply and Services): Mr. Speaker, I cannot accept the premise of that question at all.

Mr. Marchi: Then you don't know what's happening in Toronto.

Mr. Jelinek: The Government, through CMHC and the Minister of Public Works, under the direction of the Prime Minister and Cabinet, has taken a leadership role. We have provided more dollars for affordable housing in the country than ever before.

We are currently in the process of continuing to discuss the matter and encouraging the Government of the Province of Ontario, and other provincial Governments, to co-operate in a co-ordinated effort with us. We are hopeful that progress will be made in that direction.

REQUEST FOR DEBATE ON BILL C-111

Miss Aideen Nicholson (Trinity): Mr. Speaker, the Government has had a Bill on the Order Paper for some time, Bill C-111, which would assist people with low down payments to buy a house. Even though there are other problems with the Bill, if the Government is serious does it intend to bring this Bill forward for debate?

Hon. Otto Jelinek (Minister of Supply and Services): Mr. Speaker, I do not have to stand up to let the Hon. Member know that the Government has taken a leadership role. The facts and the record speak for themselves. If the Hon. Member wants to aid any progress toward the success that the Government has made, then she would be supportive of the initiatives that the Government has taken in that regard.

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BROADCASTING

CONTENTS OF PROPOSED LEGISLATION

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my question is for the Minister of Communications who today tabled a policy statement and a Bill on broadcasting that reflect very much a rejection of the main principles of the Caplan-Sauvageau Report, and those of the Standing Committee on Communications and Culture.

Would the Minister explain in respect to her position on human rights why the Bill does not reflect the strong recommendations for balanced representation in Canadian society?

She may remember that Bill C-20 even talked about promotion of equality.

Would she explain to women, native people, multicultural groups, and visible minorities why she has abandoned them? Why is there no strong statement in the Bill as proposed by the standing committee?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, today I had the honour of introducing a new broadcasting Bill, and a new broadcasting policy for Canada, with an additional expenditure of some $250 million in new funds toward those goals.

Some Hon. Members: Hear, hear!

Miss MacDonald: Mr. Speaker, for the first time in broadcasting legislation, will refer to those groups which in the past have been disadvantaged. I am referring particularly to women, multicultural groups, aboriginal peoples, the handicapped, and linguistic minorities. For the first time, all of these groups are addressed in the Bill.

• (1500)

Ms. McDonald: Mr. Speaker, they are not addressed very adequately or as thoroughly and precisely as had been recommended.

GOVERNMENT FUNDING OF CBC

Ms. Lynn McDonald (Broadview—Greenwood): Would the Minister explain what this new money that she has referred to really means? Is it above increases in the cost of living? Are they real increases, or not? I suspect that they are not real increases.

Would the Minister confirm that her spending plan for the CBC means that the cut-backs, instead of being 15 per cent from when the Conservatives came into office, will now be a mere 5 per cent cut-back since the Conservatives came into office? Is that good enough?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I would be delighted to explain this to the Hon. Member.

First, let me assure the Hon. Member that we are talking—

Mr. Turner (Vancouver Quadra): Take her to lunch.

Miss MacDonald: The Leader of the Opposition says: "Take her to lunch". I will give him that privilege.

The $250 million is new money. The allocation for the CBC to increase its Canadian programming to 95 per cent, the allocation of $20 million for English-language programming and $15 million for French-language programming, is what the CBC considered necessary. Quite frankly, I did not think it necessary to go beyond what the CBC put forward as its requirement.

In addition, we have put $31 million into the extension of services in the North, to remote communities, and to persons who are handicapped. We have also put additional funding into Telefilm to increase the broadcast development fund of Telefilm in order that there will be more Canadian production in our programming.

Mr. Deputy Speaker: There will be one question from the Member for Glengarry—Prescott—Russell to close off Question Period.

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[*Translation*]

OFFICIAL LANGUAGES

ACQUIRED RIGHTS OF ALBERTA FRANCOPHONES—GOVERNMENT POSITION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is also addressed to the Deputy Prime Minister and concerns the unfortunate decision made yesterday by the Government of Alberta which removed most of the vested rights of the French- speaking community of that province.

I would like to ask the Deputy Prime Minister, himself a minister and a member from Alberta, the following question: Does he intend to personally contact the premier of Alberta in order to express the dissatisfaction of his governement, and also, I hope, of all members of this House, about the initiative of the Government of Alberta? Will he ask the premier to at least offer the French-speaking citizens of Alberta the same services given to the Fransaskois, even though those services are far from satisfactory? Can he promise us to at least ask the Government of Alberta for those services?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I indicated in response to an earlier question the willingness of the federal Government to participate in the framework agreement.

I do not become personally involved in every issue with respect to the Government of Canada. There is ministerial responsibility, and there are processes that are followed.

The Leader of the Government in the Senate, whose responsibility is federal-provincial affairs, has been in contact with the Government of Alberta. The Secretary of State for External Affairs will be in touch with the Government of Alberta to see if there is anything further that the federal Government can do in co-operation with the Government of Alberta to further the interests of the francophone community.

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I would like to ask the Deputy Government House Leader to give us a statement of government business for the coming week. In particular, I would like to mention the point raised by the Hon. Member for Trinity (Miss Nicholson), and ask about the Government's intention to bring forward Bill C-111, a Bill devoted to changes in the Government's housing policy.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, tomorrow will be St. Jean Baptiste day, and naturally the House will not be sitting.

On Monday we will call the tenth and final allotted day for Supply. I will be proceeding with a motion, which I understand has all-Party agreement, to postpone today's vote to Monday at 6 p.m., and also to adjourn the House at 6 p.m. on Monday, with a further adjournment next Thursday, which I will address in a moment.

On Tuesday, Wednesday, and Thursday the Government will be calling Bill C-130, the free trade legislation. The intention is to adjourn at three o'clock on Thursday.

My friend makes reference to Bills which might be on the Government's legislative program. If the Hon. Member will turn to the Projected Order of Business he will see that there are several Bills on which we have made considerable progress. There may be one or two that come up.

I take with great interest the question of the Hon. Member for Trinity vis-à-vis Bill C-111. That is something that we can get together on and ask the Minister and his spokespersons to see if there can be quick debate and perhaps put that through in all stages. In any event, I will certainly take that up with my colleague.

There have been discussions among the Parties, and I think you would find, Mr. Speaker, that there is unanimous consent to put the following motion immediately. I move:

That on Monday, June 27, 1988, the House shall adjourn at 6 p.m.; and—

That would be after the divisions on today's vote and after the divisions on any necessary Bills on the final allotted day.

—that on Thursday, June 30, 1988, the House shall adjourn at 3 p.m. until 11 a.m. on Monday, July 4, 1988.

Mr. Deputy Speaker: The House has heard the terms of the motion proposed by the Deputy Government House Leader (Mr. Lewis). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

Ms. Mitchell: Mr. Speaker, I rise on a point of order. I would like to ask the Deputy House Leader if he can explain why the child care legislation has been taken off the legislative list of priorities.

Mr. Lewis: The House will be aware that the Minister of Health and Welfare (Mr. Epp) negotiated with the provinces the first comprehensive child care package that this country has seen.

Ms. Mitchell: We have not seen anything in four years.

Mr. Lewis: There are ongoing discussions with the provinces. The legislation which will come forward will be enabling legislation. I have the *caveat* that there may be additional pieces of legislation we can deal with quickly. I would hope that my hon. colleague from the New Democratic Party might be disposed to give us quick passage of this Bill once we have the enabling legislation and all negotiations are finished.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—BANK CHARGES—CONCURRENCE IN REPORT OF STANDING COMMITTEE

The House resumed consideration of the motion of Mr. Rodriguez:

That the Nineteenth Report of the Standing Committee on Finance and Economic Affairs, respecting bank charges, presented to the House on Monday, June 6, 1988, be concurred in, and that the adoption of this motion shall not be considered to be a question of confidence in the government.

Mr. Deputy Speaker: There are ten minutes left in the question and comment period following the speech of the Hon. Member for Regina East (Mr. de Jong). On questions and comments, the Hon. Member for Nickel Belt (Mr. Rodriguez).

Mr. Kilgour: Mr. Speaker, I believe that I had the floor to ask a question before you called it one o'clock.

Mr. Deputy Speaker: I will recognize the Hon. Member for Nickel Belt, and then the Hon. Member for Edmonton—Strathcona (Mr. Kilgour) immediately thereafter.

Mr. Rodriguez: I would like to address a question to the Hon. Member for Regina East (Mr. de Jong), who gave an excellent speech this morning. In the response that the banks had to the standing committee's report on bank service charges, Mr. MacIntosh *et al* stated: "Of course the Government should not force us to provide services free. The grocery stores are not asked to provide free groceries. There is no such thing as a free lunch."

I would like the Hon. Member for Regina East to comment on the fact that the banks have been getting a free ride on the taxpayers of Canada. Did the Government and the people of Canada not allow the banks to write down their Third World debt to the extent of $3 billion, and defer their taxes? I would

like the Hon. Member to comment on the free ride and the free services that the banks have been getting out of the Canadian taxpayers.

• (1510)

Mr. de Jong: Mr. Speaker, I wish to thank my colleague for a very good question. For the banks to say that there is no free lunch—of all groups in Canadian society to say that—is silly. The banks have been one of the most privileged groups in the country. They get special rights from Parliament as contained in the Bank Act. They have been allowed to accumulate an amazing amount of wealth and power, especially on a per capita basis, more than the American banks have. We have allowed them to develop into an almost monopolistic position in this country. They were described by the consumer groups as an oligarchy. For the banks to say there is no free ride, is a little amusing. The banks have paid very little and in some years no tax at all on the hundreds of millions of dollars profit. If anyone is having a free ride in Canada it is the banks.

My colleague mentioned the Third World losses which the banks will experience. That is true. But again, those losses all become tax deductible. Even if the banks are taxed at the 50 per cent level, half of those losses will be paid for by the Canadian taxpayer. If one looks at the profits the banks have made and the dividends they have been paying out one will see that there have been no substantial decreases in dividends. In fact, the banks' profits have been up even though they have been writing down and are potentially in a position of writing off many Third World losses.

The type of financial world that Governments in part have created has been to the benefit of the banks. I remember as a youngster working in a clothing store. On Saturday I would get paid in cash. Now almost everyone is paid by cheque, and that is a help to the banks. Low-income Canadians, the young and the old, do not have big amounts in their banks. They are the ones who suffer the high charges under the banking system.

In committee we proposed having basic accounts without charges for certain people. For the banks to say that poor people, old and young people and those on low incomes should not expect something free from the banks is somewhat obscene and shows insensitivity. It shows that the banks do not realize or appreciate the tremendous benefits they get from doing business. Banks do not seem to be willing at all to help share the wealth they have gained by helping out low-income Canadians by providing a no frills, free bank account-type of business.

Mr. Kilgour: Mr. Speaker, does the Member's Party still have a policy to nationalize one of the banks, and which one is to be selected if that is the case? While I am on my feet let me tell him that in 1981 when the Mitterrand Government was elected in France a number of banks were nationalized. A friend of mine who worked for a small export bank in Paris told me that once his bank was nationalized it was told to get rid of its clients and to take on a friend of the Government of the day who was to be the preferred client. That was done. About two years later when the policy was reversed the Government then told the bank in question to get back its former clients. They were, of course, no longer available.

Would that be the intended policy of the New Democrats in the incredible situation either ever being elected as a Government? Would the New Democrats do that sort of thing? Would the Member tell us whether or not the New Democratic Party has since abandoned its policy to nationalize banks in favour of our policy, which is to try to get a grip on the banks' performance? Will the Member tell us which bank the New Democrats would intend to nationalize?

Mr. de Jong: Mr. Speaker, I understand it was the Conservative Government of the day that nationalized the banks.

Mr. Andre: It was a socialist Government—Mr. Mitterrand's.

Mr. de Jong: No, the first banks nationalized in France were nationalized by a Conservative Government. With the election of the Mitterrand Government and a socialist majority they finished off the job, so to speak. If the Hon. Member would look at the records in France he would find that the nationalization of the banks was done originally by a Conservative Government.

The resolution on our books concerning the nationalizing of banks occurred when interest rates were at the 18 per cent, 19 per cent and 20 per cent level. It was felt by delegates at our convention that the Government needed a handle on the financial sector and that nationalizing a bank or banks would do the trick. I would tend to think that an NDP Government would not have as its top priority the nationalization of a bank, and I do not think we will reach into a hat for a name. It would seem to me the money which the Government has spent bailing out banks, particularly in Alberta, would have brought us some financial institutions.

Mr. Cassidy: We could have one now.

Mr. de Jong: Irresponsibility occurred, particularly because of the Tory Government of Alberta, which led to amazing losses in money to the individual investors through CDIC—

Mr. Cassidy: We bailed out foreign speculators.

Mr. de Jong: But had that money not been used to bail out other banks which had money on deposit in those financial institutions, it could have bought assets and we would have had a public bank.

Another area to explore to which some serious thought should be given, which several other countries have, is to have a type of savings institution connected to the Post Office. Perhaps we can make our Post Office a little more viable. Certainly it needs some imagination and some imaginative leadership. This is an option that should be explored.

Mr. Shields: Mr. Speaker, I am sure the Hon. Member across the way would not want to mislead the public. The federal Government did not bail out banks. If it had, I imagine the CCB and the Northland Bank would still be there. The Government bailed out credit unions, teachers' unions and municipalities. It suffered the loss for those. That is what happened. I think the Hon. Member would like to correct the misrepresentation that he made.

Mr. de Jong: Not at all, Mr. Speaker. As far as the Canadian Commercial Bank is concerned, many deposits were made by some of our biggest banks. They deposited in the CCB because it was paying a fraction more in interest, and the Government paid them off.

We have a strange situation. The Canadian Government has a deficit. We borrow money from the banks and pay them interest in order to pay the banks the money they lost when they were speculating. Can you understand that logic, Mr. Speaker? We borrow money from the banks to pay them off on money they lost while speculating in CCB, and we pay interest on that. That, I suppose, makes some sense when you are a friend of the banker. When you are in charge of looking after the public interest and the public purse, I would suggest that that is irresponsible. I suggest this Government has been irresponsible.

• (1520)

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, I appreciate being able to participate in this debate this afternoon. Perhaps I could just mention something the Hon. Member for Regina East (Mr. de Jong) seemed to have glossed over a little quickly in his comments. He mentioned the irresponsible actions that led to the bank failures in Alberta, and I think every credible person in this country would agree that, indeed, there were irresponsible actions, but it was the introduction of the National Energy Program, supported by the Hon. Member's Party, which destroyed the economy of Alberta. The economy of Alberta was sent downward before any other area of the oil patch in the world as a result of the measures taken with the support of his Party.

Today, we are discussing an NDP motion to concur in a report of the Finance and Economic Affairs Committee. This is a report which I, along with the Hon. Member who moved the motion, played a part in drafting. I would like to argue first, for the benefit of those following the debate on television, that this motion is particularly inappropriate and unsupportable today. I will go through the reasons why it is both inappropriate and unsupportable today in some detail—

Mr. Cassidy: That's totally ridiculous.

Mr. McCrossan: I would be happy to take questions from the Hon. Member for Ottawa Centre (Mr. Cassidy).

Mr. Cassidy: We get along so well in committee, why are you abandoning the committee now?

Mr. McCrossan: I am not abandoning the committee.

Mr. Cassidy: You talk with forked tongue.

Mr. Andre: And you listen with empty head.

Mr. McCrossan: There is a procedure of which all Members are aware for moving concurrence in a committee report, and that procedure is provided for under Standing Order 56(1)(b). Indeed, at any time, an Hon. Member is within his or her rights to move concurrence in a report. However, there has been parliamentary reform introduced into this House, and I would argue that bringing this motion forward today is inappropriate for several reasons.

First, under Standing Order 99(2), the committee can ask the Minister to respond in Parliament to the report. Indeed, the committee has asked the Minister to respond, and the Minister has indicated that he will respond in the House on Tuesday of next week. Since parliamentary reform has taken place, to the best of my knowledge, this is the first time any member of any committee has tried to move concurrence in a report before the Minister has given the ministerial response to the report. There have been instances of concurrence being moved following the Minister's response, and indeed, members of the Finance Committee have moved concurrence in a report following a Minister's response to bring onto the floor of the House of Commons the fact that they are dissatisfied or wish to proceed with this argument.

The second reason it is inappropriate is that we do not require an opposition day to do this. Indeed, while I did not raise this as a point of order today, I believe, had it been challenged, that the Speaker might well have found that today's motion was out of order. I refer specifically to Standing Order 82(3) which reads:

> Opposition motions on allotted days may be moved only by Members in opposition to the government and may relate to any matter within the jurisdiction of the Parliament of Canada and also may be used for the purpose of considering reports from standing committees relating to the consideration of estimates therein.

This Standing Order is quite clear that it is foreseen that opposition Parties may choose to use their allotted days to move concurrence in a committee report which deals with the Estimates, but there is no indication in the Standing Order that it should be used for today's particular purpose.

I indicated that I might have been willing to make such a procedural argument, but I did not because I think it is important that we have the opportunity to discuss this report today. The Hon. Member for Nickel Belt (Mr. Rodriguez) was the first speaker on this motion today, and in his introductory remarks, he raised another ambiguity which has to do with the motion, and that is exactly what we would be voting on if we were to vote in support of this motion.

The Hon. Member for Nickel Belt indicated on several occasions during his speech that he was seeking approval of the report including the recommendations made by members of the New Democratic Party in that report. One of those

recommendations is that the Government place a freeze on all bank service charges with the exception of those prohibited by the Finance Committee majority report for one year effective on the date of this report's tabling in Parliament. The Hon. Member for Nickel Belt indicated quite clearly that he would interpret a vote in favour of this motion as a vote in favour of the recommendations he placed in the report of the Finance Committee. Of course, neither members of the Liberal Party or of the Conservative Party could support those particular recommendations when we put together the report.

There is an argument that today's motion should be acceptable to government Members because, after all, government Members endorsed the vast majority of the report, which of course they did. However, the NDP Member who moved the motion today has tried to take it one step further and has indicated that he views his motion as encompassing his recommendations, and he said so on several occasions.

There is another reason, of course, why I view this motion as being inappropriate, and that is that the House is already seized of the majority report. Yesterday, the Chairman of the Private Members' Business Committee tabled a report in the House indicating that the majority report of the standing committee encompassed in the Bill tabled in my name and seconded by the Hon. Member for Trinity (Miss Nicholson) would be made a votable Bill and that that Bill would be debated, I believe, on July 12, in just over two weeks' time. Already we can eliminate the ambiguity in today's motion. We can see that Members will have every opportunity to express their views on, and indeed to vote for, the majority report, the part of the report with which we all agreed, on July 12 when this Bill comes before the House.

Indeed, perhaps I could make a comment as an aside, because I see the Hon. Member for Laval-des-Rapides (Mr. Garneau) in his seat, a very distinguished member of the Finance Committee. From time to time when he was a candidate, he indicated that he felt that some of the support for the Conservative Party had historically come from the Orangemen of Ontario. July 12 happens to be regarded by those people as the glorious 12th, and I would hope that if we have not resolved the issue by unanimous consent before that date, following the adoption of Bill C-292 on July 12, the Hon. Member for Laval-des-Rapides and I might indeed go out to celebrate the glorious 12th together after we take a major step for Canadian consumers.

I would like now to review why the Finance Committee decided to take up the issue of bank service charges and what is in the report, because I believe that the majority report deserves the support of all Hon. Members. The complaints to the members of the Finance Committee and indeed to individual Members of Parliament started to arrive in large numbers last May, and it was not by coincidence that they started to arrive in large numbers last May. One of the major chartered banks instituted massive increases in service charges in May, and indeed instituted a whole series of new service charges in May, and this led to consumers being hit with charges about which they did not know and charges which they had no reason to believe would ever be applied to their accounts.

The basic problem arises out of a section of the Bank Act which has been around for 65 years. Any person who hears me speaking might think he or she knows what these these words mean, but obviously they do not mean what every layman thinks they mean. In the Bank Act it says in Section 201(2) that a bank shall not in Canada, directly or indirectly, charge or receive any sum for the keeping of an account for the customer unless the charge is made by express agreement between the bank and the customer.

One might well ask how a customer can be surprised if the only way a bank can levy a charge is with the express agreement of the customer.

• (1530)

The reason is the following. For years the only way a person has been able to open an account in a bank or indeed in a trust company has been by signing a form saying that notwithstanding what may be in the Bank Act, the bank has the right to change any charge at any time, as long as it is charging all of the customers the same charges and indeed, it has the right to introduce any new charge at any time, without necessarily giving any notification to the customer.

It is obvious that this can lead to a host of problems. I will quote a portion of a letter from one constituent, because it deals with all four major areas of the bank service charge report. This particular customer had everything that could possibly go wrong with an account go wrong. I quote the letter:

> Recently I withdrew all the money except a few cents. Now they transfer money from my chequing account to this other account just so they are able to cover their one dollar service charge every month. I did not authorize this transfer of funds. Nor at any time was I informed that a minimum balance was required for that account. Since this account is not often used the one dollar charge was not detected for eleven months. This meant eleven dollars less in the account.
>
> When this problem first occurred I phoned the bank on three separate occasions. Each time I was told that the Manager would return my call which he never did. They are now refusing to return the money transferred without authorization.

The issues that are dealt with in this one consumer's letter to are the following: First, charging fees without agreement of the client. Second, charging fees without notice to the client. Third, unauthorized actions by the bank, in this case transferring money from one account to another without notice to the client. Fourth, the need for an ombudsman. Even when the client brought this action to the attention of the bank, the answer at the branch was; "Sorry, we are keeping your money".

Once I made a phone call to the vice-president of this particular bank, it refunded the charges and sent a letter of apology to the client. I think all members of the committee will agree that in order to get simple justice in this country, customers should not be required to write and ask their MP to

take up an issue with the vice-president, executive vice-president, or president of a bank, to get back $11.

Some Hon. Members: Hear, hear!

Mr. McCrossan: It is not very productive—

Mr. Cassidy: Why don't you support the motion?

Mr. McCrossan: I do support the content of the majority report, unequivocably.

Mr. Cassidy: Why don't you support the motion today?

Mr. McCrossan: There is a Bill standing in my name to this effect. I would like to review what is in the majority report because I think it is important that consumers know what the Finance Committee is pressing for. The first area has to do with information, getting notification and disclosure of what on earth is happening. Certainly the Conservative Members on the committee are committed to the free market system. We recognize that the only way a free market system can work is if customers can actually find out what the costs are of the services which they wish to buy.

First, when a customer opens an account at a deposit-taking institution, he must be told the complete list of charges applicable to that account. It does not seem too radical that you are actually told what is going to be charged.

Mr. Cassidy: Why would you vote against that on the vote on Monday?

Mr. McCrossan: Second, regardless of what form the bank or trust company makes the consumer sign, waiving his rights, there is a provision in the Bill standing in my name saying they cannot waive the rights to protection under the Bank Act. Third, there is established a consumer-complaint procedure, first at the branches, and then at the head offices. Finally, if the consumer cannot achieve simple justice, the bank has an obligation to notify the customer of the right to take the complaint to the Superintendent of Financial Institutions to have the Superintendent pursue the complaint on the customer's behalf.

In addition, there is a requirement that the Superintendent report annually to Parliament on the nature and number of complaints that are received by him, and how they were resolved. What we have provided for, in addition, is that when fees are about to change, the bank or trust company, the deposit taking institution, has a choice of how they notify the customer. They can do it directly in writing, in which case there is a 30-day advance period, or they can post notices, prominent notices, in the bank branch. If they don't contact the client directly, they have to post the notice 60 days in advance. This all designed to ensure that the customer has available to him or her a complete list of the charges so that if they see a charge that they do not like, they know well enough in advance that they can move the money to another institution.

There are a number of practices occurring among deposit taking institutions which the committee feels should be prohibited, as they are against the public interest. The first of these is charging for closing an account after the account has been opened for a long period of time.

It is the feeling of the committee that if we are to have an efficient system where consumers can indeed shop, they should have the right to take their money out of the bank and indeed shop with it rather than having a deterrent-fee levied on that account simply because they want their money back.

The second type of transaction which we found repugnant was the concept of charging consumers for not doing anything. We didn't have a particular problem with charging the consumers for utilizing the bank services, writing cheques and things like that. We did find the practice was creeping in of charging consumers for not doing something, after they had not written any cheques or made any deposits for a year, or for a matter of months in some cases. We felt that these practices should be prohibited. After all, if the money is just sitting there, the bank is earning interest on that money. The fact that you don't cause the bank any work should not be a reason for it to levy a charge.

We have had no problem whatsoever with banks or trust companies charging people who wrote NSF cheques. When we get to the person who deposits an NSF cheque, this person is already a victim a victim of the person who wrote the NSF cheque. We do not feel the deposit taking institution should apply a further penalty on the depositor. If they are going to collect money, let them collect every cent that it cost them to cover the transactions with the bounced cheque by charging the person who wrote the cheque.

Similarly, banks have recently introduced charges simply because the balance is small. We think this should be prohibited. On savings accounts, the bank do nothing. It does not process cheques or send out monthly statements. The money is left in the bank. The bank should not apply a charge to a consumer just because there is a low balance.

In summary, to incorporate these recommendations, we have recommended prohibiting five specific transactions. We have recommended that a basic or lifeline account be established for those of modest means who have modest needs in the banking system. We would allow up to six deposits or withdrawals monthly without any charge for maintaining the fee with this basic account. The reaction of the banks has been fairly extreme on this. They suggested that allowing people to have the right to make deposits and withdrawals—a very small number, six a month—is somehow requiring them to offer free banking.

These are the types of accounts that the banks lived on for the first hundred years in this country. To the best of my recollection, at no time during those hundred years were the banks ever registered as charities.

• (1540)

Finally, it is evident that there will be questions in the future as to whether or not the banks are complying with the Act. Since 1923 the maximum fine which could be imposed for non-compliance by the banks has been $1,000. Obviously, $1,000 is worth a lot more in today's dollars. Therefore, the majority report recommends that if banks do not comply with the recommendations of the committee in the future, they should be subject to a fine of up to $10,000 for the first occurrence—that is the shot across the bow—and, if they continue to repeat within a three-year period, to a fine of up to $100,000.

In summary, I will give my full support to the majority report of the committee. However, the motion standing in the name of the Member for Nickel Belt is premature, ill-advised, and possibly procedurally destructive of the parliamentary reform process because of the timing and the way in which the motion is put.

Mr. Kilgour: Mr. Speaker, will the Member who just spoke, who is an actuary, tell us something about what the banks call balance of revenues in terms of the concept of profits which most of us know? While he is doing that, again as an actuary, would he tell us something about the way the banks create money and, if he is able, what kind of profits this unique ability they have has generated for them?

Mr. McCrossan: Mr. Speaker, the committee commissioned a report from Dr. Terry Thomas, an economist, with the Library of Parliament, on this specific subject. Banks, of course, have available to them essentially two sources of profit. One is the spread on interest rates and the second is service charge fees.

We found that the rate of increase of service charge fees had been averaging nearly 17 per cent a year, considerably in excess of the rate of inflation or the rate of transaction growth. We also found that while the combination of interest spreads and service fees had remained stable for many years, giving a legitimate argument to the banks that as they raised service fees they were decreasing their interest margins, in 1987, the year in which all the complaints arose, there was in fact a quantum jump in the total profitability of the banks.

The combination of the interest spread fees and the service charge fees jumped total bank profitability on Canadian operations by 35 per cent over 1986 and the profit on Canadian operations in 1987 was the highest recorded since we have been keeping statistics. It is, therefore, no wonder that bank consumers were very aware that this massive increase in service charges was going through.

One additional thing occurred. We also commissioned a study on domestic profitability versus profitability on foreign operations. We found it very interesting to observe that while historically the profit on foreign operations had been large and sustained, in 1987 there was a very sharp drop in the profitability on foreign operations which just happened to offset the very large jump in domestic operations. There was roughly a 35 per cent jump in charges to Canadian consumers per $100 of assets administered and at the same time there just happened to be a drop of 25 per cent per $100 of assets administered in the foreign branch. Over-all, the total profitability of the bank per $100 of assets administered was virtually unchanged from the year before.

So there certainly appears to be a case to question whether that rise in the charges on Canadian operations was not introduced in part to offset the losses which were occurring particularly from South American and Third World loans.

Mr. Cassidy: Mr. Speaker, I am a bit disturbed by the comments of my friend and colleague on the Finance Committee, the Member for York Scarborough (Mr. McCrossan). He stated in length why he supports the recommendations of the committee and in the same breath said he is going to vote against them by opposing the motion before us which calls for concurrence in those recommendations and makes it clear that this is not a question of confidence in the Government.

His procedural arguments are both unnecessary and specious. I am very concerned to see that Members on the government side seem to be backing away from taking on the banks on an issue which has made Canadians from coast to coast more angry on any particular issue than almost anything else I have seen over the last three or four years.

I would assume that the Member's statement about favouring the recommendations stand. He is obviously undermining his own credibility by voting against this. However, rather than going into that in too much detail I would like to ask him a very specific question.

In the NDP's report we recommend that there should be a financial services ombudsperson who would in fact protect consumers when they get into the kinds of situations which many Members have raised in debate in the House of Commons during the course of this debate. We have argued cogently that to leave the Superintendent of Financial Institutions as the relevant officer for complaints would not work particularly well. There are conflicts of interest and conflicts in terms of functions, et cetera.

Does the Member support the concept of a financial services ombudsman, someone to whom Canadians can turn if they continue to have problems with the banks after, one would hope, concurrence in the report which is before the House today?

Mr. McCrossan: Mr. Speaker, the Member raised two issues. In his questions he explained the rationale for why the motion before us is not supportable. First, the NDP itself would not concur in the majority report of the Finance Committee. The NDP chose to add a minority report to that.

His subsequent question reinforces the point I made in my speech. Both this Member and the Member for Nickel Belt have suggested that support for the motion before us today would indicate support for their ideas in their minority report

and the Member has just now asked me to support their minority report. The answer is that I do not support their minority report.

The concept of having an ombudsman, without a capital "O", is contained in the majority report. I support the idea of having a person to mediate, to represent the consumer, a person to whom the aggrieved bank customers can turn in the office of the Superintendent of Financial Institutions. That is contained in my Bill and in the majority report. There is no question about that.

The Member has gone one step further and asked whether I support the NDP minority report to establish an independent office of an ombudsman. The answer is no and it is no for several reasons.

First, by putting it in the office of the Superintendent of Financial Institutions, as contained in my Bill, we provide for the banks themselves to fund the operation. If we establish a separate government operation—

Mr. Cassidy: Just like the Conservative Party.

Mr. McCrossan: No, no, this is because the Superintendent's office is funded from levies on the banks themselves. The NDP would argue that we should set up another elaborate government bureaucracy which would have to acquire expertise in dealing in banks and would have to represent the consumer. We believe that there is sufficient expertise in the office of the Superintendent of Financial Institutions and that by applying the discipline of an annual report to Parliament whereby the Superintendent has to bring forward all of the complaints which were brought to him together with how they were resolved, Parliament will be able to keep its finger on the pulse of what is happening in the banking community by ensuring that if a significant problem is occurring in large numbers the parliamentary committee or the Government can take immediate action.

No, Mr. Speaker, I did not sign their minority report. I do not support their minority report and the fact that they are trying to include that minority report in this vote today is precisely why I cannot support this motion.

Mrs. Browes: Mr. Speaker, I want to compliment the Member for York—Scarborough (Mr. McCrossan), my neighbour, on his comments today. As you know, in Scarborough we have had a number of public forums on this issue of bank service charges in which my colleague, the Member for York—Scarborough, has taken a leading role. About six or eight weeks ago, prior to the Finance Committee meeting on this, Members of Parliament from Scarborough held a public forum. It was certainly obvious at that time through hearing from residents of Scarborough that there is a need for some action on bank service charges.

• (1550)

They cited some examples of horrendous problems. I am interested in the proposal of an ombudsman that was brought forward by the Finance Committee and mentioned by the Hon. Member for York-Scarborough. This would provide a third party to whom people could bring their complaints and have them resolved.

Britain introduced an ombudsman a couple of years ago. Has the Finance and Economic Affairs Committee had an opportunity to determine the effectiveness of that system in Britain? What could we expect from an ombudsman in Canada to look after some of the problems that have arisen from bank service charges?

The Acting Speaker (Mr. Ellis): I will give the Hon. Member for York-Scarborough (Mr. McCrossan) a minute to answer. The Member for Laval-des-Rapides (Mr. Garneau) is to speak next but he is out of the House at the moment. I will give him a minute, then go to the New Democratic Party for the next speaker if he does not show up.

Mr. McCrossan: Mr. Speaker, indeed, the committee looked at the British ombudsman and we were quite impressed by that approach. The situation is somewhat different, however. In the United Kingdom, the banks themselves fund the office of ombudsman directly. The ombudsman in the United Kingdom is not a mediator between the banks and the consumer, but is, in effect, a person who can make a decision and impose a fairly large fine directly on the banks under the legislation.

While we considered this approach and thought it interesting, we thought we would rather go the mediation route because a person cannot be both mediator and the one who imposes the fine if they do not agree with the mediator.

Mr. Rodriguez: Mr. Speaker, I rise on a point of order. During his remarks, the Member for York—Scarborough (Mr. McCrossan) referred to comments I made in my speech, that the NDP minority report was part of the report. I want to correct the record and read from the "blues" what was said: "He", meaning the Member from Mississauga, "... did not like the NDP minority report which is attached to this report. I believe our minority report would complete the report of the Standing Committee on Finance and Economic Affairs". It goes on to deal with those recommendations in the minority report.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, as my colleague, the Member for Nickel Belt (Mr. Rodriguez) pointed out, the concurrence is with the report. What was published as a report is the recommendations made by the committee as a whole, in which the New Democratic Members concurred. It was a unanimous report. There was an addition by the New Democratic Party in an effort to elaborate and improve the recommendations in the main committee report. That did not mean we did not concur with the thrust of the report. We are asking for concurrence in the report. The report

itself includes several appendices which are attached to provide information and not to represent a position from the committee. The committee's position is in the text of its report.

I am rather concerned about the comments of my colleagues from the Finance and Economic Affairs Committee which suggest they are backing off on this particular subject. They have shown a good deal of political initiative in this area and have, as in other areas, been innovative and prepared for the committee to take its own line. It has been clear for some time that the Minister of State for Finance (Mr. Hockin) and the Minister of Finance (Mr. Wilson) would much prefer that the committee do something else than look at the question of bank charges. They would much prefer that the committee simply scold the banks and then go away, to be deep sixed until after the next election, and hopefully never see the light of day again.

The Member for York—Scarborough (Mr. McCrossan) and the Member for Mississauga North (Mr. Blenkarn) and others on the committee are not known for kowtowing to the Minister of Finance and the Minister of State for Finance. Those Members have taken an independent line on such issues as deregulation of financial institutions and banking centres, as well as on other matters. That is why I am puzzled that their courage seems to have suddenly run out in this particular case, and they have decided not to support this motion to concur in the report of the committee.

It is not true that this procedure has not been done before. My colleague, the Member for Nickel Belt moved concurrence in a report on the unemployment insurance system which came unanimously from the Standing Committee on Labour, Employment and Immigrant prior to having had a response from the Minister. Furthermore, our motion allows the House of Commons as a whole to state our opinion about the way the banks have been gouging Canadians steadily in the last few years by the unsupportable and unsustainable increases in service charges. A simple debate on concurrence which is permitted under the rules of the House does not lead to a vote and would not have the same force in sending the message to the banks that they have been singularly asinine in their reaction to the concerns of Canadians as reflected by the committee.

Monday will be the final day on which to deal with the question of Supply and the Estimates. It is a parliamentary tradition dating back to the Magna Carta that the grievances of the citizens are heard by Parliament before Supply is voted. Banking is a federal responsibility in this country and citizens have a real grievance with respect to the performance of the banks. The federal Government has the power to stop the gouging, the deception and misinformation. It has the power to ensure that the banks deal honestly and fairly with their clients and customers. I do not know of another grievance that is as legitimate as that for airing at this time.

I am concerned that the Government Members, most of whom come from the Finance Committee, are continuing an elaborate web of explanation in order to vote directly contrary to that which they purport to support in the unanimous report of the Finance Committee. While the Government Members talk tough, I daresay they are turning into wimps. That is unfortunate.

It has also been suggested that New Democrats are Johnnys- come-lately with respect to this subject. The chairman of the committee suggested that we have tried to jump on board with this issue. The New Democrats raised the issue of interest rates in the early 1980s, and fought on the issue of the unfair retail credit card rates. That issue continues to persist. New Democrats fought on the issue of bank profits. We complained that the chartered banks had made profits of hundreds of millions of dollars but paid no tax on those profits.

• (1600)

When we have talked about the abuse of oligopoly of power by the chartered banks, on many occasions we have done so alone. It is a pleasure to welcome members of the Government in airing the grievances of their constituents on this particular subject, but it is wrong to suggest that the NDP has not been there on these issues for a long time.

I am struck by the absence of a representative of The Canadian Bankers' Association in the House of Commons today. I am looking around the galleries and I do not see anyone from the Bankers' Association. Frankly, I think that is too bad. I am sure if there is a representative here, he would silently raise his hand to indicate that I have made an error. Perhaps there is a representative of one of the chartered banks in the gallery? Apparently that is not the case, either.

Perhaps they think the Minister of Employment and Immigration (Mrs. McDougall) is here to look after their interests in view of the fact that the five major banks contribute $175,000 a year to the fund of the Progressive Conservative Party and a slightly lesser amount to the Liberal Party. When the debate over bank service charges in the spring and summer of 1988 has passed, when this House has taken effective action to outlaw and stop some of these unacceptable practices, I suspect there will be studies at business schools such as York University, of which I am a graduate, on corporate public relations with some awful examples of how not to act. One of the worst examples of corporate public relations, I am sure, will be the mishandling of this particular issue by the Canadian Bankers' Association and the Canadian chartered banks.

The President of the Bankers' Association, Mr. MacIntosh, is a man who is well known to many Members of Parliament, particularly those of us who deal with economic issues. He is a man who not long ago had a reputation as being the lobbyist's lobbyist, one of the most effective lobbyists in Ottawa. But he has blown it this time, with what he has said on radio, television and in the press. He has even called the chairman of the committee a socialist, a charge which I can categorically deny. I know the chairman of the Standing Committee on

Finance and Economic Affairs well and if he is a socialist, then I would have to abandon my Party, and I can tell you, Mr. Speaker, that there will be no need for me to do so.

Mr. MacIntosh has talked about the power grab by the Finance Committee without recognizing that under the reformed rules of this Parliament, the Finance Committee was simply doing its job when it took the reference to look into bank service charges. This esteemed lobbyist has attacked the press, particularly the *Toronto Star*. He has suggested that everyone makes a few mistakes and the press is simply dealing in horror stories. He has not recognized the anger that is out there among Canadians. As the committee put it, one of the major reasons for all this is that there is a whole generation of Canadians of the age, perhaps, of the Hon. Member for Vancouver East (Ms. Mitchell) and myself, who were brought up to trust the banks. There was not a lot of variety of financial institutions in those days. When I started a bank account, it was with the Toronto Dominion Bank some time in the 1940s. I fully expected to stay with that bank for most of my life at the time and did so, in fact, for something like 20 or 25 years until I became so annoyed with the way they were dealing with me as a customer that I switched to another bank.

I have to say that for all the courtesies I receive from the other bank that from time to time I have problems. For me, as a Member of Parliament, someone with perhaps a larger income and more financial dealings than many Canadians, it is difficult to know who the devil is in charge. I also get these quixotic service charges from time to time. I have found that if I go to the bank and pound my fist on the table a couple of times, I can get the charge reversed. I think bank managers have that particular discretion. But that is not a privilege that is available to a lot of Canadians. They feel afraid to do it. They feel they are in the grip of the banks and because they are powerless they feel this frustration and anger which has grown and grown.

There have been a number of cases cited. One of the cases is about a woman who was charged $2 to convert a $20 bill into change so she could go to the launderette. She was a woman who eventually got so mad she called up my constituency office. After this matter was raised the transaction was reversed. The bank said: "Gee, I guess someone made a mistake". But these cases are not mistakes if they occur and reoccur. What is happening, of course, is that the banks are being hypocritical on this particular subject. They have given instructions to the local branch managers to improve their fee income without much regard as to how that would take place. Senior managers have blinded themselves. They have covered their faces and told their subordinates: "Go ahead and do it, but if you get caught apologize and turn it around".

A case came into my office just the other day from a student who lives in my constituency. She had problems with the Bank of Montreal just across the street from Parliament Hill. She gave her landlord a post-dated cheque for her July rent because she was going on holiday sometime in June. When she came back from holiday she found out that the cheque had bounced. It had been presented by the landlord, possibly in error, prior to the time for which it was dated. The bank had refused to honour it and, therefore, there was a $6 charge and the cheque went NSF. When the student complained that it was the bank's mistake, she was told by the bank's customer service officer that the banks do not check the date on cheques under $1,000. I deal with that particular bank and they have never told me that they do not check the date on post-dated cheques that are under $1,000. That raises the question of what kind of service it is when those people who can afford to write cheques for $1,000 or more receive one service from the bank and those people who cannot receive another service.

That particular $6 charge was refunded after we spoke to the bank manager. We were told that the charge that was imposed does represent the usual practice. In other words, it is not even a mistake in this particular case, it is the usual practice. How was the public to find that out? They would find out when they were dinged by the bank.

There was another case of a particular constituent who teaches at Carleton University. Without any instructions, the bank had begun to cover the overdraft on their account not by a transfer from their savings account, which had been the practice in the past, but by transfer from their Visa account. They had not even been able to find out what was happening with the Visa account unless they went to the money machine. This was a person who was seeking to manage his financial affairs so as not to pile up a lot of credit card charges, but here was an unannounced change in policy by the bank which hurt that particular constituent.

I have another case which I am still trying to track down. A small business in my constituency deals a lot in coins. The coins are rolled but its branch is refusing to accept rolled coins despite the fact that those coins are and should be treated as legal tender and should be accepted at any bank.

There was a suggestion already cited here in the House. The Bank of Nova Scotia in Toronto suggested it would close branches in areas where there was a substantial number of senior citizens or people on welfare because those bank branches would not be profitable. These persons would have to go to the banks of marble in downtown Toronto, I presume, in order to get service.

We already have a problem in my constituency in areas where there are significant numbers of senior citizens and people on welfare. They find the time it takes to cash a cheque is so long that they wind up in the hands of the cheque cashing services where they pay from 3 per cent to 6 per cent of the value of a government cheque or some other cheque in order to get it cashed. I think it is wrong that someone should pay up to $15 or $18 to get their monthly cheque cashed. I think there is something seriously wrong with that.

I believe that if the banks really cared about the people they are supposed to be serving, if they really felt they had any responsibility to their clientele, after all, they do perform a

service, I would assume, on behalf of all Canadians, particularly as we move into a cashless society, they would not tolerate that kind of competition and would provide a service that was sufficiently adequate.

• (1610)

I have to accept that the banks are not the only villains in this particular piece. I note, for example, that Government of Canada cheques are extremely difficult to cash for cash and that in many cases the banks have a hold of a week, two weeks or three weeks on them because of the Government's own practice in terms of clearing those cheques and passing on responsibility if the cheques are fraudulently presented. That is a problem which could be solved if the banks cared about the people on whose backs they make hundreds of millions of dollars of profit every year.

What we are seeing is where there used to be a relationship of trust people now feel that they are being exploited by the banks and being pushed around by a bank oligopoly.

I have another case which came to me today. I talked to a constituent. It is very interesting that this constituent said: "Please do not identify me. Do not give the details of my case. Do not indicate which bank I was dealing with". The constituent said: "I may need a loan from the bank in the future. I may need my mortgage rolled over or renewed. I am afraid that if I went public with my concerns that the bank would blackball me and I would be driven out of business because I would not be able to get loans on any reasonable kind of basis".

This constituent, who has a substantial income, had a series of misfortunes which I do not need to go into. The result was that about a quarter of this person's monthly income was garnisheed by the bank in order to pay off a debt. Whatever happened, was not the subject of complaint. The complaint was the following. Earlier this year the outstanding amount of the debt of the loan which had been called was paid off because of the garnishee. The constituent went to the bank and said: "Well, would you please stop collecting that money. According to the court order you have your pound of flesh, you have your money". The bank refused. It refused for about four months running, through the late winter and spring of this year until finally just a few days ago matters came to a head. By that time the bank had received several thousand dollars more than was its due, according to the court order. The constituent finally went to the bank and said: 'Enough is enough. If you won't deal with this, then I am going to talk to my Member of Parliament. I am going to talk to the press. I will raise it with the newspapers in places such as Toronto, Montreal and Ottawa. Something has to be done. This is not right".

The bank then responded. It said that it was sorry. It gave the constituent the excessive amount of money back. It stopped taking the money that was being garnisheed and said: "It was just a clerical error. It was a mistake".

We have to bring such situations to an end, situations in which banks rip off their clients and then when they are finally caught out, when the clients or customers finally rise up in anger, they reverse the charge, refund the money and say: "Well, it was a mistake". That kind of excuse will not wash any more. We need to get away from a situation in which millions of Canadians have to come to their Member of Parliament in order to get redress in such cases.

The bank fee for service income has been by about 19 per cent per annum. This represents a 10 per cent or 11 per cent increase in the level of rates. Banks have been having about a 7 per cent increase in their volume of business. The cost of doing business has been going up at about the same rate as their volume of business, about 7 per cent. They are benefiting in terms of more efficient operations because of computerization, the public not seeing that. The public is being charged more and more and more.

It is as though I went to The Bay to buy a suit and I had to pay $2 to get in, $1 to ride upstairs on the escalator, $20 an hour for the sales clerk for consulting fees while deciding what suit to buy, a charge to have the suit fixed, another delivery charge to have it delivered to my home, and something else when I went out the door to leave the place. That is the concept that the banks have. It does not work in commerce. I expect to pay $300 or $250 for a suit, and those charges are rolled in.

But the banks are saying that every nickel that it costs to run a local branch it will rip off from the customer by means of these service fees. That is not the way it should be done. That is not the way other people do business. I do not believe it should be done in the case of banking as well.

We need not just concurrence in this report, we need support for the concept of a genuinely independent and effective financial services ombudsman who can bring to an end the kind of abuse of power which we are seeing from the banks, something which we have been seeing over the past few years. Let us not forget the banks have a federal charter to fulfil their responsibility. They have a privilege which no other institution has, that is, they are able to create money at the stroke of a pen. I believe that they have obligations to the people of Canada in return for the enormous privileges and profitability that they enjoy because of the charter they have from the Government of Canada through this Parliament.

Mr. Kilgour: Mr. Speaker, I listened with interest to the comments of the Hon. Member for Ottawa Centre (Mr. Cassidy). I would like to suggest to him that he is criticizing the banks because he does not like banks. He does not like private ownership in regard to banks as they epitomize the commanding heights of capitalism. On this side of the House we are trying to get the banks to clean up their act and stop abusing their customers, for example, older people. We will ensure, and Hon. Members will see this very shortly, that we are not going to put up with the type of abuses they have been carrying out in terms of user fees in the past little while.

Mr. Cassidy: By voting against this report.

Mr. Kilgour: Whether we vote for or against this motion, which is quite different from the report, as the Member should know as an experienced parliamentarian, is entirely beside the point.

The Hon. Member will recall that this morning his colleague, the Hon. Member for Regina East (Mr. de Jong), indicated that nationalizing a bank was, I think his phrase was, not a priority of an NDP Government. What rank would it have on the list of priorities? Which bank?

I noticed that the Hon. Member for Ottawa Centre was shaking his head when I was trying to tell something about what happened in France when the Mitterrand Government nationalized a number of banks after 1981. Was he disputing that? Was he denying that this experience of my Paris friends happened? My friends lived through it and saw what it was like to have political interference with commercial banks. They did not like it. It did not turn out well for exporters. Finally, they abandoned it. I believe, however, that the nationalization of banks was not abandoned when the Chirac Government took office.

Will the Hon. Member answer another question for me since it is one with which I have a personal problem. My bank happens to be the Bank of Nova Scotia, which has done well for many years. However, the Chairman of that bank, Mr. Ritchie, as the Hon. Member will know, has been basically trying to do what he can to stop the free trade agreement. As someone who believes that the free trade agreement is very much in the interests of western Canada, central Canada and Maritime Canada, I take, as I have indicated to Mr. Ritchie, considerable offence with that position. Would the Hon. Member advise me to transfer my account to another bank, or would he advise me to transfer it to the Democratic Party account? What recommendation would he give me in light of this conundrum I face?

The serious question I ask is if it is not a priority to nationalize a bank, or banks, will the Hon. Member explain to us exactly what the policy of his Party would be if it ever took office with respect to nationalizing a bank or banks?

Mr. Cassidy: Mr. Speaker, if the Hon. Member wishes to deposit his wealth in the coffers of the New Democratic Party to help us in the next election, all contributions are gratefully received. I anticipate, as I have told him on platforms earlier, that the next Member of Parliament for Edmonton—Strathcona will in fact be a New Democrat. If he wants to join our Party, that might be himself.

The motion states:

> That the Nineteenth Report of the Standing Committee on Finance and Economic Affairs, respecting bank charges, presented to the House on Monday, June 6, 1988, be concurred in, and that the adoption of this motion shall not be considered to be a question of confidence in the government.

This is the motion that the Hon. Member who says he wants to bring the banks to heel intends to vote against. How contradictory that is. I do not know what the Hon. Member has in mind when he talks about how his Government will bring the banks under control. If he is not prepared to support a committee report, I think that his credibility is particularly weak.

• (1620)

The Hon. Member has asked me about the NDP's position on financial institutions. As the finance critic I have been developing and putting forward positions and terms of limiting the ownership of large financial institutions, be they banks or trust companies, including the ones which are presently grandfathered according to proposals coming from the Government. I would hope to have the support of the Hon. Member in that particular area.

We will be outlining our priorities in terms of our platform during the course of the election campaign. At that point we will talk about financial institutions, and other areas.

One of the key priorities that we will talk about is quite specifically the issue we are presently discussing, which is when it came to the crunch the Progressive Conservatives, with 210 seats, were not prepared to take effective action to protect Canadians from being mauled and mishandled by the chartered banks. New Democrats are prepared to take that effective action. We have made a number of proposals in that direction. There is still time, and I invite the Hon. Member to join with us in order to take the necessary action through the House of Commons so that we can control abuses by Canada's banks now.

Mr. Deputy Speaker: On a question, the Hon. Member for Edmonton—Strathcona.

Mr. Kilgour: Perhaps I was not present earlier when you ruled on this question, Mr. Speaker, but I would ask the Hon. Member whether a motion to concur in the particular circumstances we face today is proper under the present rules of order in the House. If Your Honour will advise if that question has been ruled upon, then I would specifically ask the Chair if there has been a ruling, or if I should assume, since there has not been a ruling, you have made a presumption of validity and allowed the debate to go ahead today.

My understanding from people who know the rules is that this motion we are discussing today is most improper under the rules, and we should not be discussing it on an opposition day, or on any day in the House, given the fact that the Government has not yet had a chance to reply to the report with which we are asked to concur today.

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

Mr. Deputy Speaker: There is no need to hear the Hon. Member on that point. The motion is obviously in order, otherwise the Speaker would not have allowed it to come forward. The Hon. Member for Ottawa Centre.

Mr. Cassidy: In reply to the question or comment from the Hon. Member, Mr. Speaker has made it very clear that this motion is in order. Perhaps that clarification was needed in order to expose exactly what game the government Members are up to. Since eleven o'clock this morning government Members have been arguing that this motion was improper, that it should not have been put forward, and that they feel it is against the rules of order of the House. For those reasons they will oppose it, rather than dealing with the substance of the motion.

I would ask the Hon. Member to deal with the substance of the motion. Is the Hon. Member in favour of the report of the Finance Committee, which has been made clear does not include the minority report, or does he oppose it? If he is in favour of it, does he intend to vote for the motion, which the Speaker has clearly indicated is in order, or is he going to be hypocritical and confusing in his position by voting against something which he purports to agree to?

Mr. Kilgour: My understanding is that if, under the bizarre rules that we have in the House, a supply matter—

Mr. Rodriguez: You are reflecting on the House. You are reflecting on the Chair.

Mr. Kilgour: Those rules cannot be blamed on the Speaker, and the Member knows it.

Under the bizarre situation that we live under in this House, if Members on the government side vote for the motion this afternoon, I understand—and if I am incorrect, I hope that the Hon. Member will tell me where I am incorrect—that would constitute non confidence in the Government.

An Hon. Member: No.

An Hon. Member: Yes, it will.

Mr. Kilgour: I am fully in sympathy with the position of the Member.

The Member was present one month ago when we debated on this side of the House that NATO was not an important part of Canada's defence, and the Members all know on that side that most of us found that simply preposterous that we were asked to do that. It was explained to us by knowledgeable Members like the Minister of Consumer and Corporate Affairs (Mr. Andre) that that would have constituted non confidence in the Government.

I hope the time will come in the next Parliament, as they have done in other places like the Bundestag and other assemblies in the world, when there will be a free vote on every matter except when it constitutes non-confidence in the Government, that it will be specified very clearly for all Members what those situations are, and we can get away from situations where all of us on this side of the House who support the report of the Finance Committee as strongly as does the Hon. Member, I trust, would like nothing better than to support it with our vote. But because of the rules which I understand we operate under in this particular case, we cannot vote for it because we would therefore be voting non-confidence.

Mr. Cassidy: Perhaps this is the final round of this interesting turnabout. I very much appreciate the response of the Hon. Member to my questions. I would point out to the Hon. Member that the motion states specifically: "... that the adoption of this motion shall not be considered to be a question of confidence in the Government".

I would also point out to you, Mr. Speaker, that where a motion is put forward by an opposition Party and states quite specifically that it is a matter of confidence, then I believe the established practice is that it is a matter of confidence and should the Government be defeated on that particular motion then the Government falls. That is done in the normal way with words such as "and for the following reasons this House has no confidence in the Government". That can be initiated by the opposition Parties.

Where the motion is not explicit then the Government can treat a motion as a matter of confidence or not. Where a motion is explicit that it is not a matter of confidence then I would assume that anybody understanding plain English would assume or draw from that that it is not a matter of confidence.

If the Government deems a motion to be a motion of confidence then it is a motion of confidence, and it is possible that a motion can be deemed to be one of confidence by the Government, even if the motion itself states that it is not a motion of confidence. I have to draw from all that that the Member for Edmonton—Strathcona has been told by the brilliant parliamentary tactician, the Minister of Consumer and Corporate Affairs (Mr. Andre), that a motion here which is explicitly stated by the Opposition not to be a matter of confidence has been declared by the Government to be a matter of confidence.

In other words, at the highest level of the Government, the House Leader or the Prime Minister (Mr. Mulroney), heard what the Royal Bank told them and decided to make this into a motion of confidence in order that they could get the Member and his colleagues who want to vote for the motion to vote against it. That is preposterous. Perhaps the Hon. Member could clarify that. I can only assume that he has been told by the Government that it is a motion of confidence, because nobody else would be able to declare it so.

Mr. Deputy Speaker: Resuming debate.

Mr. Kilgour: I rise on a point of order. It should be cleared up that, when I indicated that the Minister of Consumer and Corporate Affairs had indicated something about the earlier matter of NATO, the Minister had said nothing to me or, to my knowledge, to anyone else on this side about today's motion.

The problem is that the last time when the NATO matter was raised, the Leader of the Official Opposition (Mr. Turner) gave an interview in which he stated that if we win this vote the Government will fall on a vote of non-confidence. At the same time, the Member will recall that last time the NDP motion also said that the passage of this motion will not constitute a vote of non-confidence. That is where we get into the hypocrisy on all sides of the House, an hypocrisy which is created by the rules and practices of the House, and which in the spirit of the McGrath Commission I hope very quickly we will have resolved.

[*Translation*]

Mr. Rossi: Mr. Speaker, on a point of order.

Mr. Deputy Speaker: The Hon. Member for Bourassa (Mr. Rossi), on a point of order.

Mr. Rossi: First of all, Mr. Speaker, since the period provided for questions and comments has now expired, I would, if I may, like to take this opportunity, as a Quebecer, to wish a Happy Saint-Jean-Baptiste Day to all French Canadians across this beautiful country of ours, and Quebecers especially. Happy Saint-Jean-Baptiste Day! Tomorrow is a day of pride for all Quebecers!

[*English*]

Mr. Deputy Speaker: Resuming debate with the Hon. Member for Okanagan—Similkameen.

Mr. Fred King (Okanagan—Similkameen): Mr. Speaker, thank you for recognizing me to participate in this debate. It gives me a welcome opportunity to discuss a very important issue. I wish I could congratulate the Hon. Member for Nickel Belt (Mr. Rodriguez) as warmly for the way he has chosen to raise the issue. Bank service charges are important and deserve to be considered by the House, so does the larger issue of consumer protection.

• (1630)

I want to spend some time addressing both of these issues. This motion brings up the matter in a way that is unacceptable to the Government. The Hon. Member can word his motion as he pleases, but he cannot thereby slip out from under the precedents of this House. As the Deputy Government House Leader pointed out just three and a half months ago on a motion moved by the Liberal Party, under the provisions of Standing Order 82(9), we have no choice but to consider this a matter of confidence. Therefore, despite our appreciation for the work of the committee, the Government will be voting against this motion today.

I do want to say a few words about the work of the standing committee. Members of the committee are to be profoundly congratulated for their work. They have brought this issue clearly and concretely to everyone's attention. If I may say so, they have done so in a non-partisan way which did not make the issue a tool of perceived political advantage, such as members of the New Democratic Party are attempting to do today.

Mr. Cassidy: You are making it partisan.

Mr. King: We know that all those who deal with financial institutions have a stake in knowing that their interests are well served. They are all affected by service charges. It would be an error to think that this is a minor issue, and some of the credit for ensuring that no one can stand aside on it is due to the work of the committee.

Let me begin by looking briefly at the context in which this whole question has arisen. We need to have a firm understanding of the issue and the full implications of any possible action before accepting any detailed recommendations. We also have to understand the recent history of the financial services industry and the way it has developed in recent years.

This Government has a proud record of action in defence of consumer rights. We have consistently put it as one of the goals of our reform of the financial institution sector. Legislation has already been passed by Parliament to implement the first stages of that reform. A significant part of the package contributed to strengthening the protection of consumers, depositors and policy holders. Still further measures are part of the remaining legislation on financial institution reform as has been clear since the Minister of State for Finance (Mr. Hockin) released his draft of the new trust and loans company Bill last December. These measures will go even further to protect consumers from conflicts of interest and will encourage competition. They will ensure that the present high standard of corporate behaviour is enhanced in the interests of all those who participate in the financial system, which are most Canadians.

There is a valid role for Government in ensuring that individuals are treated fairly. When we look at how that responsibility has been carried out in the past, it is fairly clear that the existing provisions in the Bank Act and in regulations do not go far enough. They need to be updated to take account of current conditions. At the same time we must be careful not to go too far with regulation. Unnecessary detailed regulations must be avoided. Instead, we must remember that market competition is the best way to obtain fair pricing practices.

I want to note that competition has already produced positive changes for consumers in certain institutions. We also must emphasize that disclosure of information is the foundation of the effective exercise of consumers' rights. Disclosure enables individuals to exercise their own rights without having to rely on the Government. I want to return to this in a few moments.

One key element in understanding why service charges are before us today is the recent history of the financial industry. I want to very briefly go over some of the key points in the way the industry has been developing. We all remember the days when there were no service charges for most bank services at banks—at least I remember that. Of course, there was very

little interest paid on deposits because, as we all know, the banks used the difference between what they earned from deposits and what they paid to depositors to cover their expenses.

Those were also the days when you had a simple choice going into a bank. You could have a chequing account or a savings account. On one you got next to no interest even in nominal terms, and on the other you had the privilege of depositing in person and making withdrawals in person. You also had a simple choice of where to bank. Outside the big cities you could go to whichever of the one or two or three chartered banks had a branch near you. In the cities the choice was larger. There might be a branch of each of the big banks near you. If a local trust company had a branch, you might be able to use it for some services. If your province had established a savings bank with a local branch, you could go there, or if you lived near a credit union you could get some banking services there also. But that was about it. The point I am making is that in the last two or three decades the financial services system has changed enormously. The number of choices each participant in the system has to make has multiplied many times. There is vastly increased flexibility, and there is far greater capacity to get the services that you need. There is also much greater competition.

The trust companies, and we now have many more trust companies operating across the country, are into the provision of service and what amounts to direct competition with the major chartered banks. Credit unions have grown in number and are also offering a far wider selection of options. Today as a consumer of financial services, you have a choice of institutions. You are not limited to just one bank even in small communities. You have a choice of instruments. The two or three types of accounts of 20 years ago have been replaced by dozens of types of accounts with different terms and conditions and with different advantages. You are not even limited anymore to bankers' hours. The automatic tellers machines and competition between institutions has brought Canadians longer hours of service, Saturday service and, in many areas, 24 hours a day service.

There is always a price to pay for improvements on this scale, and in the case of the financial system more competition and more choices for consumers has meant greater complexity and a much more elaborate infrastructure. But most of us benefit very considerably from the new situation. I have heard no widespread demand that we go back 30 years. I do not believe that the people want that. I know that our economic health would be considerably impaired by any attempt to return to the simpler, but less flexible, less adaptable, less competitive system of an earlier period that I remember so well. As there is therefore no going back, the question is only about how we pay for what we get.

Specifically, do we extend the "user-pay" principle which enables individuals to "buy" the services they need, or do we revert to a system which spreads the cost of all services over all customers? Or do we recognize that no single approach is appropriate in this less than perfect world and look for a solution that combines elements of both approaches?

• (1640)

The committee report has left us in no doubt about what has happened, and it describes very accurately the process that has brought us to where we are today. Let me quote very briefly at this point from the report itself which reads:

> The Committee is not interested in turning back the clock. In principle explicit pricing is a welcome development.

The committee has accepted that greater choice must be paid for, and that service charges by and large make an acceptable and appropriate contribution to the cost of doing business.

The committee has highlighted flaws in the system, at least in terms of the requirements for disclosure. It has brought to our attention that the present system does not always work without error or mistake. It has indeed pointed to specific cases where obvious injustice has occurred, either because of individual mistakes or because an institution's system has been too rigid.

The Government's proposals have to take into account that the basic system is sound and not in need of major structural changes. Whatever is wrong will not be fixed by forcing the whole system backward. We do not want to interfere needlessly in one aspect of the sector's activities.

We also have to take into account what in the sector has caused the confusion and problems. It is perfectly clear that the real problems arise from a lack of communications. I say that without in any way denying that mistakes and wrong decisions may have been made, and I do not mean to suggest either that the problem is not real, that it is a question of how we look at it and that a good public relations job will make everyone happy. That would obviously be very wrong.

I do mean that when we listen to the people on the street or the people who have been writing to the offices of the Minister of Finance (Mr. Wilson), the Minister of State for Finance and individual Members of Parliament, including the Hon. Member for Edmonton East (Mr. Lesick) and me, the biggest question we hear is: "How was I supposed to know what the financial institution was going to do to me"? The cry, heard over and over again, is: "I just didn't know".

We can all appreciate the problem. People must know when they have choices, and must have sufficient information to make their choices. They must have the proper information to allow them to shop around to find the best deal possible and to take advantage of the options and flexibilities now provided by the system, and of which the system is justly proud.

This is basic to any idea of natural justice. It is fundamental to any system of free enterprise and free competition. So, as I said at the outset of these comments, we come to disclosure and we come also to the thorny question of the best way to ensure that full and proper disclosure occurs.

The Government does not believe that it is all black or white. Beyond a certain point, we cannot force people to learn or understand what they need to know. Beyond a certain point, we cannot effectively force institutions to do things without interfering to an unacceptable degree in their activities. We have to find a way that combines elements of prescribed regulations with good corporate citizenship.

It is in the institutions' own interests, after all, to have contented customers. It would be unprofitable for institutions to offer new options to customers, to attract them and then to alienate them by clumsy or careless provision of essential information. It would be curiously short-sighted for any institution which is based on dealing with people and selling them services fundamental to the operation of our economic system in the long term to write off one group in society or one potential customer.

I think it is quite reasonable to talk about options and possible ways to proceed, so long as we do not talk ourselves into impractical or unreasonable corners. We must not base an entire system of regulation on admitted injustices or absurdities, though we must strenuously work toward a system without such flaws.

We must recognize that there is a great diversity in the practices of institutions, a diversity which benefits their customers, and we must be careful not to legislate or regulate that diversity away. We have to remember that past experience teaches us to be leery of the practicality or benefits of any system of controls on prices and fees.

The Minister of State for Finance has made clear a number of times that the Government's response to the committee report will be forthcoming as quickly as possible, and hopefully by the end of this month. The Government's action, when it comes, will be developed after considering the interests of both the institutions and the customers in the system.

In shaping these proposals, the Government will benefit considerably from the work of the committee. We will be moving as quickly as possible to correct errors in the system and to ensure that the customers of our financial institutions are equipped with the information they need.

I regret very much that the Opposition has made this a partisan issue, and needlessly divided the support this House should be giving to the committee's goal of better protection for the customers of financial institutions.

Mr. Caldwell: Mr. Speaker, I want to first compliment the Hon. Member for his well documented speech. I think we all enjoyed going down memory lane about how the banking system developed. I think it is important to remember where we were and how far we have come in the banking system.

The Hon. Member, of course, represents a rural riding, as I do, and represents it very well. I am sure he comes in contact with many farmers, and farmers also complain about our banking system. I would like the Hon. Member to comment on whether or not he feels the banking system is better today than it was. Is it as personal as it used to be?

Today, when we go to banks, we have to go through a maze of ropes and flashing lights telling us which way to go, and it seems to me to be very impersonal. We also find when we get to the teller and ask for our balance that the computer is down. Does the Hon. Member think that the services are any better today than they were 30 years ago?

The Hon. Member also has to point out that farmers as a group are one of the biggest borrowers and users of banks, and of course, in the past three or four years, there has been a rapid decrease in interest rates the farmers have had to pay. I am sure the Hon. Member also knows that for every percentage drop in interest rates, agriculture in Canada is saved $150 million. I am sure the Hon. Member realizes how much farmers have saved on interest rates over the past number of years.

The question I would really like to ask the Hon. Member is if he feels that the banks today are as personal as they used to be, perhaps when he was a younger man farming back in the Okanagan.

Mr. King: Mr. Speaker, I would not think that there is the same personal touch in any business today that there was when I was a boy. I can remember when we used to go to the drugstore and were able to go up to the counter and order malted milks. We can no longer do that. We simply do not have the same kind of personal relationships with the people with whom we do business that we did when I was a youngster.

Mr. Nystrom: When was that, Fred?

Mr. King: That was a long time ago. I didn't have any money so I didn't deal with banks. I was so poor in those days, you would think I would have turned out to be an NDPer, but—

Mr. Nystrom: What went wrong?

Mr. King: My father taught me that even though we had little money, there was only one way to get it and that was to work hard and make your own way in life. Don't wait for the Government to do things for you, do them yourself.

I might mention that yesterday, June 22, my father celebrated his 99th birthday.

Some Hon. Members: Hear, hear!

Mr. King: Regrettably, I was not there to help him celebrate because there seemed to be some important things to do here. Anyway, I thank the Hon. Member for helping me reminisce about the good old days.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I would like to make a couple of brief comments with regard to the question that is before us today. I would remind Hon. Members that we are dealing here with an opposition motion

that is not to be considered a question of confidence in the Government, because we want to maintain the non-partisan debate that came about as a result of the recommendations of the Committee on Finance and Economic Affairs. That committee was able to make recommendations with regard to bank charges that were supported by all three political Parties.

• (1650)

I want to briefly note the kinds of problems that led the committee to investigate what the banks were doing. Here is one simple example. The Bank of Nova Scotia at 225 Red River Road, Thunder Bay, for example, charges 40 cents for each deposit into an account that has a minimum balance of less than $500. Here, we have banks charging customers to deposit their money in their own accounts.

A second example is in the riding of Oshawa. Mrs. Yvonne Mitchelldeck of Ajax was upset because her Toronto-Dominion Bank branch at the Pickering Town Centre had charged her babysitter $5 to cash a $45 cheque. Here is a bank charging a young babysitter $5 to cash a cheque of $45. These kinds of shocking incidents is what motivated the Finance Committee to investigate the kinds of user-fees or service fees that the banks have been laying on people as of late.

Having studied this problem and the fact that banks are charging people for basic banking services, the committee came up with some recommendations. I do not want to go into the details of them, but they said that basic banking services ought to be available to people. You ought to have a right to a basic bank account. You ought to be able to deposit money in your account. You ought to be able to have a small balance. You ought to be able to have an inactive account. You ought to be able to close out an account without getting dinged, without getting an extra fee laid on you. Those are important recommendations.

These recommendations really come out of one basic principle, and that is a question about money, whether money is a public good or simply a private product, a private commodity. The banks are treating money—and their services are a part of what money is—as simply a private commodity, that they can sell willy-nilly, without considering the interest of the community, and that they can charge anybody as much or as often as they would like to. I would like to suggest that money is a public good. The dollar bill is something that was established by the Crown. The dollar bill is not some private thing that a banker can go around and sell. In effect, that is what they are doing when they charge you a fee to deposit money in your own account, or charge you an enormous amount to cash a cheque. They are treating the dollar bill as their private plaything. I think that is a fundamental mistake.

We are being challenged on that to say: "Where do you guys stand with regard to the nationalization of banks? Aren't you really going to nationalize all the Canadian banks? Isn't that the real problem?" No. That is a red herring. If you want to talk about public versus private interest with regard to money, you ought to ask how come banks over the last couple of decades have been able to privatize the dollar? That in effect is what they have done. What they have done is create something which is very popular, something which we all use and that is the credit card.

I have a Visa credit card with the Commerce. They have managed over the last few decades to privatize the dollar. They charge us enormous interest rates for using these cards, using what is a public good.

The central, fundamental question here is whether or not money is a public good or whether it is a private plaything. We ought to congratulate the Finance Committee for waking up and responding to the complaints of ordinary Canadians who are saying that they want to get the banks off their backs and that they want the banks to remember that they have a service to deliver. They are not only there to make a profit—and goodness knows they make enough of that—but they are there to provide a basic service, that is to assist the Canadian people in the circulation of money, and to help us in meeting our basic needs.

I just wanted to remind this House that the Finance Committee was doing the right thing when it started to investigate these exorbitant fees. There is a public interest when it comes to money, and there is a public interest when it comes to banks, and that public interest has to be represented by this House. We ought to vote in favour of this resolution.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: Is the House ready for the question? Questions and comments, the Hon. Member for Edmonton—Strathcona.

Mr. Kilgour: Mr. Speaker, I couldn't believe my ears. Was the Member from Winnipeg suggesting that we should nationalize credit cards? Was he suggesting that we should not have credit cards?

An Hon. Member: You are privatizing Air Canada.

Mr. Kilgour: Is it also in one of the resolutions of his Party? Would he tell us whose banking system he likes? Is it in France or is it in Spain? What country is it in?

An Hon. Member: How about a credit union?

Mr. Kilgour: If it is going to be Sweden, because that is always what the New Democrats like best, would he tell us what he knows about the Swedish banking system?

Mr. Keeper: The banking system that I like is the public's banking system. That is a banking system that offers a service to ordinary people.

Some Hon. Members: Hear, hear!

Mr. Keeper: It is a banking system that does not try to bilk them, does not try to rob young babysitters when they get their hard-earned money. That is the banking system that I want.

Some Hon. Members: Hear, hear!

Mr. Keeper: When I mentioned credit cards, I was pointing out that before we had this plastic dollar bill, we had this paper one, which was issued by the sovereign.

Some Hon. Members: Hear, hear!

Mr. Keeper: We didn't have to pay 18 per cent interest on this dollar bill. This has become the dollar bill of the day. The rates on that have become so high that they are a burden.

Some Hon. Members: Hear, hear!

Mr. Keeper: We ought to be looking at the rates on credit cards, not treating it like a private commodity like something you could sell, whatever the price they bring.

Mr. Nystrom: Question.

Mr. Deputy Speaker: The Hon. Member for Yorkton—Melville.

Mr. Lorne Nystrom (Yorkton—Melville): I will be very brief, Mr. Speaker. I wonder if you might consider, before we vote on Monday, making a ruling on whether or not this is a motion of confidence. I suggest that only the Government itself can decide whether or not a certain vote is a motion of confidence. I remember, before I came to this House in 1968, in February of that year, the Pearson Government was defeated on a Finance Bill. That was interpreted by Mr. Pearson not to be a confidence vote. He came back before the House a day or two later and moved a motion of confidence in his Government. He specified that that was the confidence vote.

Another thing, when the Government of Joe Clark was defeated in December, 1979, he was defeated on a subamendment proposed by our Party, and the Prime Minister that day deemed that to be a confidence motion. I see in the House now the Assistant Government House Leader. I think the only way that this would be a confidence vote is if the Government House Leader, or the Assistant Government House Leader, or the Prime Minister (Mr. Mulroney), were to get up and deem that this indeed was a confidence vote. Only the Government itself, according to our practices and our customs of this country, in the British Parliamentary system, can decide whether something is a confidence vote or not. Perhaps the Speaker can get up and confirm that that is a proper interpretation of our rules. According to our practices I am quite sure that it is.

• (1700)

If this is not a confidence motion it may make it a lot easier for Members of the House of Commons to get up in unison and support this report of the Finance Committee. This report was supported by Members of all three political Parties. The motion is very clear. My friend from Nickel Belt does not consider this to be a confidence motion, nor do other Members on the opposition side.

If we can get that confirmation from the responsible government Minister, then this is indeed not a motion of non-confidence. It might be useful, Mr. Speaker, if you could comment on whether my interpretation of the rules is correct and proper.

I want to make one more point which may not be relevant to the debate. The Member for Okanagan—Similkameen (Mr. King) said that this was similar to a Liberal motion on NATO. That Liberal motion on NATO did not specify that it was not a confidence motion. At that time the Government made it clear that it interpreted the motion to be one of non-confidence. Therefore, that was altogether different than the case today.

Would you, Mr. Speaker, be kind enough to confirm that, according to our practices and traditions, this is not a motion of non-confidence and the only way it would be is if the Government were to indicate in a very clear way that it considers this motion to be one of non-confidence in the Government.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board): Mr. Speaker, if I may, I will address a few remarks to this particular point. We have had a very useful debate on the issue of the nineteenth Report of the Standing Committee on Finance and Economic Affairs respecting bank charges. However, I would suggest to my hon. friend and the House that the House may have voted unanimously if my hon. friend had taken the course of action open to him, that is, to move under Motions on the Order Paper that the House concur in the committee's report. That may very well have received the unanimous consent of the House and would have sent the message to the Government which my hon. friend sought.

Second, I have not examined the report in detail as other Members of the House will have, but I do understand that there is a minority report of the NDP included in it which may confuse the House as to exactly what it was voting for. Members on the government side, at least, may not have been sure whether they were voting for all of the things the committee recommended and/or the items recommended by the New Democratic Party.

Finally, we adopt the position of the previous Government with respect to this particular order. We will be moving ourselves on things of this nature, perhaps imminently. We do not want to make history for my hon. friend. For that reason we will be considering this a matter of confidence and the Government will be voting against the motion. Our position on bank charges has been made clear by the majority members of the committee.

Mr. Cassidy: Hijacking the private Members.

Mr. Lewis: This is not Private Members' Business. The Government has a perfect record on Private Members' Business. The Hon. Member for Broadview—Greenwood (Ms. McDonald) will tell the Member that the Government has a perfect record on Private Members' Business because the first Private Members' Bill to go all the way through the House was that of an NDP Member. If the Hon. Member wants to debate Private Members' Business and how we are handling it, we can do that at another time when my friend has had some time to prepare his argument.

I just want to point out that the Government will be voting against this particular motion.

Mr. Deputy Speaker: To answer the question of the Hon. Member for Yorkton—Melville (Mr. Nystrom), the question of confidence is one entirely in the hands of the Government and not of the Speaker.

Is the House ready for the question?

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to the agreement reached earlier this day, the recorded division stands deferred until six o'clock, Monday, June 27, 1988.

It being six minutes after five o'clock, pursuant to Standing Order 3(2), this House stands adjourned until Monday, June 27, 1988, at eleven o'clock.

The House adjourned at 5.06 p.m.

HOUSE OF COMMONS

Monday, June 27, 1988

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to nine petitions numbered as follows: 332-4648, 332-4649, 332-4688, 332-4780, 332-4790 to 332-4792 inclusive, 332-4825 and 332-4826.

[*Editor's Note: See today's Votes and Proceedings.*]

* * *

[*English*]

INTERPARLIAMENTARY DELEGATION

PRESENTATION OF REPORT OF COMMONWEALTH PARLIAMENTARY ASSOCIATION

Hon. Lloyd R. Crouse (South Shore): Mr. Speaker, pursuant to Standing Order 101, I have the honour to present to the House, in both official languages, the report of the Commonwealth Parliamentary Association on the nineteenth annual conference of the African Region which was held in Harare, Zimbabwe from May 23 to May 27, 1988.

[*Editor's Note: See today's Votes and Proceedings.*]

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BLUE WATER BRIDGE AUTHORITY ACT

PRESENTATION OF REPORT OF LEGISLATIVE COMMITTEE

Mr. Ken James (Parliamentary Secretary to Minister of Supply and Services): Speaker, I have the honour to present, in both official languages, the report of the legislative committee on Bill C-210, an Act to amend the Blue Water Bridge Authority Act.

[*Editor's Note: See today's Votes and Proceedings.*]

* * *

CANADIAN EXPLORATION INCENTIVE PROGRAM ACT

MEASURE TO AMEND

Hon. Doug Lewis (for the Minister of State (Forestry and Mines)) moved for leave to introduce Bill C-137, an Act to provide for incentives to assist in financing exploration for mineral resources and hydrocarbons in Canada and to amend the Canadian Exploration and Development Incentive Program Act.

Mr. Speaker: Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

* * *

• (1110)

PETITIONS

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Les Benjamin (Regina West): Mr. Speaker, it is my honour and duty to present a petition from Canadians who reside in Toronto, Scarborough, Mississauga, Richmond Hill, and a few other places. They exercise their ancient and undoubted right to present a grievance.

They say that the Prime Minister (Mr. Mulroney) promised, in the course of bilateral trade negotiations, that Canadian sovereignty would not be compromised and that the proposed trade agreement denies Canadians secure access to the U.S. market which was the key objective in these negotiations.

Therefore, the undersigned, your petitioners, humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

Petitions

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Bill Domm (Peterborough): Mr. Speaker, I have two petitions to present to the House. The first is from the Pentecostal Assemblies of Canada and contains signatures from residents of Havelock, Norwood, and Peterborough. It deals with the issue of abortion.

The petition calls upon Parliament to pass into law legislation which will protect the life of the unborn child from conception through all stages of development, with the exception of the extremely rare situation in which an abortion is performed in order to save the life of the mother.

RESEARCH INTO PREVENTION AND CURE OF SCHIZOPHRENIA

Mr. Bill Domm (Peterborough): Mr. Speaker, I have a second petition from the Peterborough Chapter of the Friends of Schizophrenics. It contains over 500 signatures and deals with research into schizophrenia.

The petition calls on Parliament to ensure that research efforts related to schizophrenia will in future be commensurate with the seriousness of this illness in Canada.

REQUEST FOR LEGISLATION RESPECTING ESSIAC TREATMENT

Mr. Stan Darling (Parry Sound—Muskoka): Mr. Speaker, I have the honour and duty to present a petition signed by over 5,580 residents of the riding of Parry Sound—Muskoka. The petitioners are calling upon Parliament to pass into law legislation respecting Essiac. Essiac is a remedy which has had very encouraging effects on cancer patients. My constituents believe that this treatment should be made available across Canada at a reasonable cost for the millions who may suffer from this dreaded disease.

Therefore, the petitioners humbly pray and call upon the House of Commons to ensure that the Government of Canada proceeds swiftly with such legislation.

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, it is my honour and privilege to present a petition on behalf of a number of residents of the City of Toronto who call on Parliament to raise its voice with respect to the trade deal between Canada and the United States because it would reduce Canada's ability to plan the economic, social, and cultural program which Canadians need; because it would integrate Canada further into the North American defence industrial base; and because they believe that the very fabric of Canadian sovereignty is threatened by the proposed trade deal.

Since the Government had no mandate to negotiate a free trade deal with the United States, they call upon Parliament to ensure that there is a national debate and that this debate results in a national general election before any trade deal with the United States is signed and ratified.

Mr. Speaker, I have two further petitions, also from residents in Toronto and surrounding areas who believe that the Conservative Government had no mandate from the Canadian people to conclude a free trade agreement with the United States.

They believe that the promise of secure access to the United States market, which was the key objective in the negotiations, has not been achieved. They fear that hundreds of thousands of jobs in Canada will be affected and they, therefore, humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I have the honour and duty to present, on behalf of a number of citizens of Canada, mostly from the Toronto area, a petition which calls upon the Government of Canada, since it has no mandate to conclude a free trade agreement with the United States, to put the issue before the people in the form of a national general election and give the people an opportunity to accept or reject the proposed free trade agreement during such an election.

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, I have the honour to table a number of petitions which have come to us from Hamilton, Toronto, Scarborough, Guelph, and Peterborough, all of which have been properly certified by the Clerk of Petitions according to Standing Order 106.

The petitioners point out to Parliament that the free trade agreement would compromise Canadian sovereignty, that it would deny Canada the policy freedom to determine its own economic future, and that it would undermine our ability to build a society distinct from the United States. The proposed free trade agreement denies Canada secure access to the U.S. market, which was supposed to be the key objective of the negotiations.

Therefore, the undersigned ask of this Parliament that there be an election in order that the people's will can be determined with respect to the future of Canada on whether it will be an independent country or another state of the U.S. union.

Mr. Rod Murphy (Churchill): Mr. Speaker, I also have the honour to present a petition signed by Canadians who express their concern that the free trade deal would threaten sovereignty. They point out that the Government has no mandate to negotiate a free trade deal with the United States.

We know, of course, that the Government actually campaigned against a free trade deal with the United States. The Prime Minister (Mr. Mulroney) and many leading Ministers actually said that this would not be an acceptable idea and that it would threaten Canadian sovereignty.

Therefore, the people who have signed this petition ask that there be a national debate on the trade deal and that the debate result in a general election before such a deal is ratified.

QUESTIONS ON THE ORDER PAPER

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Deputy Speaker: Shall all questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—CONCURRENCE IN THE MAIN ESTIMATES FOR THE FISCAL YEAR ENDING MARCH 31, 1989

Mr. Deputy Speaker: Before proceeding to consider the motion of the Hon. President of the Treasury Board, today being the last day for the supply period, the House will proceed as usual to consider and pass a supply Bill.

In view of recent practices, do the Hon. Members agree to have this Bill distributed now?

Some Hon. Members: Agreed.

[*English*]

Hon. Doug Lewis (for the President of the Treasury Board) moved:

That the Main Estimates for the fiscal year ending March 31, 1989, laid upon the Table, Tuesday, February 23, 1988, less the amounts voted in Interim Supply, be concurred in.

He said: Mr. Speaker, my hon. friend opposite has asked for a copy of the Bill. It would be our intention to debate the concurrence motion through the day and then move to the Bill. However, as a matter of courtesy, I have absolutely no objection to the Bill being distributed now.

I welcome the opportunity to participate today in the debate on the 1988-89 Main Estimates, because it gives me an opportunity to describe to Hon. Members of the House the broad policy thrusts and the certain specific expenditure measures which are reflected in our spending plans. The Main Estimates, which were tabled in the House by my colleague, the Deputy Prime Minister (Mr. Mazankowski), last February 23, is a clear expression of the Government's commitments—its commitment to controlling expenditure growth, its commitment to increasing public service efficiency, and its commitment to introducing new initiatives which respond to the needs of Canadians in a number of high priority areas.

• (1120)

The spending plans which are detailed in these Estimates confirm the Government's ongoing commitment to its program of economic renewal. It is a program which we firmly believe could only be successfully implemented if we regain control of the federal Government's fiscal situation.

Details of our spending plan highlight the successes we have achieved in our sustained and continuing efforts to reverse the previously uncontrolled spending growth and ever-rising deficits and to make public sector management more responsive and productive.

We believe that results matter more than good intentions, and it is specifically about results I wish to speak today. The total budgetary Main Estimates of $119.4 billion are 7.7 per cent higher than the comparable Estimates of the previous fiscal year. In addition to Main Estimate expenditures, which are by far its largest component, the Government's total spending plan for 1988-89 includes reserves for Supplementary Estimates to be brought to Parliament during the course of the year, and certain expenditures that will be financed through separately funded special purpose accounts or will arise from the re-evaluation of the Government's assets and liabilities.

The 7.7 per cent increase in the Main Estimates over last year is fully covered in the 5.5 per cent growth in planned budgetary spending for the year. The growth in the Main Estimates is larger than originally targeted for total spending for the year because the Government has included more of its new initiatives in this year's Main Estimates than it was able to do last year. This means that fewer resources will be needed for adjustments during the year through the course of Supplementary Estimates.

Total budgetary expenditures in 1988-89 are forecast at $132.3 billion. That is an increase of 5.5 per cent over the estimated expenditures of $125.3 billion in 1987-88.

I want to point out to the House that while those numbers may not seem very impressive, what is impressive is that since 1984-85 the average annual increase in budgetary expenditures has been 4.9 per cent. I ask you, Mr. Speaker, to contrast this to the average increases of more than 15 per cent a year over the preceding five-year period of the previous administration which was in control of government spending. In fact, if one excludes public debt charges built on the deficits of the previous years and focuses exclusively on program expenditures, the average increase is only 3.7 per cent between 1985-86 and 1988-89. That is less than the rate of inflation over the same period and a mere fraction of the average annual increases between 1980-81 and 1984-85 which ran at more than 14 per cent.

When we took office in the fall of 1985, we launched a three-part strategy for economic renewal. It was focused first on restoring fiscal responsibility, second on removing obstacles to growth, and third on encouraging new investment.

As part of the first strategy, we realized the pressing need to reduce the size of the deficit in an orderly, balanced, and fair manner and to control the growing burden of the public debt.

Our first priority in achieving these goals was to get spending under control. I believe the results to date and the

intentions set out by my colleague, the Minister of Finance (Mr. Wilson), in his last Budget provide ample proof of our achievements and continuing resolve.

In 1984-85, after five years of uninterrupted increases, budgetary expenditures peaked at nearly 25 per cent of Canada's Gross Domestic Product. Since then budgetary expenditures have consistently declined as a share of the Gross Domestic Product. For the current fiscal year these expenditures are forecast to represent 22.5 per cent of the Gross Domestic Product and, as my colleague, the Minister of Finance, indicated in his medium term projections in the February Budget, their proportion is expected to decline substantially to just over 19 per cent by 1992-93.

Not since the late 1970's have the federal Government's expenditures consistently represented less than 20 per cent of the Gross Domestic Product. Our determined and unrelenting efforts to control expenditures have paid off. They have paid off with increased prosperity and decreased pressures on the Treasury.

Reduced expenditure growth, along with increased revenues, largely the result of greater economic activity across Canada, have led to systematic reductions in the deficit. While it is not where we want it yet, there is no question that the trend line is positive.

With budgetary expenditures of some $132 billion and revenues of over $103 billion, the projected deficit for 1988-89 is less than $29 billion. That is a reduction of $9.4 billion over 1984-85 when it was a massive, unworkable $38.3 billion.

Our commitment to controlling expenditures, reducing the size of the deficit, and responding to the needs of Canadians in a challenging and changing environment shows in the major elements of the 1988-89 Main Estimates.

Of the $119.4 billion in total budgetary Main Estimates, $78.5 billion or two-thirds are for statutory programs. The remainder, some $40.9 billion, is what is included in the appropriation Bill to be approved at the end of today.

More than 90 per cent of statutory spending is by four Departments: Finance, Health and Welfare, Employment and Immigration, and Secretary of State.

These statutory expenditures include public debt charges, major transfer payments to individuals, transfers to provinces, grants to municipalities, the Government's contribution to the unemployment insurance account, and agricultural and transportation subsidies.

Public debt charges at $32.1 billion are the largest single component of expenditures. They represent 41 per cent of the statutory spending and nearly one-quarter of the Government's total projected spending in 1988-89. That is the legacy left to us by the previous Government. The increase of nearly $3.9 billion in these charges accounts for approximately two-thirds of the total increase in statutory estimates.

Other statutory payments, such as transfers to the provinces and territories for hospital insurance, medicare, extended health care, post-secondary education, and social assistance and services, are all projected to rise this year. Federal Government cash payments to the provinces for health and post-secondary education are included in the Main Estimates at just over $9.4 billion, an increase of some $200 million over 1987-88.

Canada Assistance Plan payments, covering half the cost of provincial social assistance and social services for people in need, will amount to nearly $4.5 billion in 1988-89. That is a $280 million increase over last year.

• (1130)

Fiscal transfer payments, contained principally in the estimates of the Department of Finance, are made up essentially of the unconditional fiscal equalization payments to the poorer provinces. These are expected to rise by over $800 million in this year.

[*Translation*]

In addition to these cash payments from the federal Government, the provincial Governments will benefit from fiscal transfers that should exceed $9 billion in 1988-89. Thus, federal assistance for health care, education, welfare and other public services should total nearly $30 billion this year.

[*English*]

Nearly $1 billion has been added to this year's Estimates to meet the higher benefit payments to Canada's elderly under Old Age Security and the Guaranteed Income Supplement. These increases are the result of two factors—higher monthly payments indexed to changes in consumer prices and the growth in the size of the eligible population. Combined income support payments to Canada's elderly will account for $15.5 billion in expenditures this year. They represent the second largest component of the Government's total spending plan.

Since taking office our Government has introduced a number of measures to improve the incomes of elderly Canadians. These have included modifications to the rules governing private pension plans, among them higher RRSP contribution levels,—

Mr. Cassidy: What about deindexing?

Mr. Lewis: —changes to the Canada Pension Plan, and improvements in benefits to the elderly.

Mr. Cassidy: Let's make sure your efforts in deindexing are recorded in *Hansard*.

Mr. Lewis: The Hon. Member for Ottawa Centre (Mr. Cassidy) has arrived. It is nice to see you here, Sir.

In that regard I would remind the House that we extended the spouses' allowances program to cover low-income widows and widowers between the ages of 60 years to 64 years, a move

that increased benefits to a great number of elderly Canadians, the majority of whom were women.

I want to turn now to the voted expenditures. Over one-quarter of the nearly $40.9 billion in voted expenditures contained in the 1988-89 Main Estimates will be made by the Department of National Defence. The remaining 75 per cent or $30.6 billion is some $1.5 billion or 5.3 per cent higher than last year's corresponding amount. The annually voted expenditures category, in addition to containing the costs associated with the operations of government, also includes the costs of several new initiatives to respond to the pressing needs of Canadians announced by the Government over the past year.

I want to detail some of these initiatives, if I may. They include the $306 million for the Atlantic Canada Opportunities Agency. That Bill is presently held up in the Senate. We certainly hope that it will be released by the Senate so that we can do for the Atlantic provinces what my good friends opposite know should be done. It is unfortunate that it is delayed there. We hope my friends opposite will use their best efforts with the Liberal Senators to free that particular Bill as soon as possible.

There is $312 million for the Western Diversification Office and $197 million in increased regional development funding for regions such as northern Ontario.

The Atlantic Canada Opportunities Agency and the Western Diversifiation Fund include the 1988-89 portions of the Government's $1.5 billion and $1.2 billion five-year commitment to the Atlantic and western regions. With these and other regionally directed initiatives this Government will continue to promote the diffusion of economic well-being to all areas of Canada.

Excluding the almost one-half billion dollars in incremental funding for these new agencies and the voted expenditures of defence, the remaining annual appropriations in the Main Estimates exhibit an annual increase of only 3.6 per cent, which is below the projected increase in consumer prices. We have been able to achieve this lower growth in voted programs by reducing the cost of program delivery, on the one hand, and by curtailing and eliminating programs that have outlived their usefulness, on the other.

Reduced program delivery costs are a direct result of determined efforts to improve management in the federal public sector. Public service managers have been challenged to find ways of improving the productivity of government administration, and the results show that their efforts have been successful. Operations throughout government have benefited from improvements in both efficiency and effectiveness. High standards of program delivery have been maintained with fewer human and financial resources. I will return to this point in a moment.

I would like to emphasize that our efforts have not been a blind pursuit of lower growth rates in federal expenditures. If we take a look at the details of those expenditures in the 1988-89 Main Estimates, along with the record of our actions since September, 1984, we find they clearly show that notwithstanding a determined commitment to control spending growth and reducing the size of the federal deficit, this Government is aware of and responds to the special needs of various groups as and when they occur. Wherever possible, we have reallocated resources to provide better increases than average in certain priority areas.

Over the years these areas have included defence spending, official development assistance funding for regional development, and assistance to particular groups such as Canada's grain producers. With its foreign aid the Government has moved resolutely to give concrete expression to the concerns of Canadians about the peoples of less developed countries.

Mr. Cassidy: By deferring your commitments?

Mr. Lewis: Deferring our commitments? Is that like saying we are going to stay in NATO for the first term in office and then get out the second term? Would that be a deferral? Would you like to ponder that for a moment?

Canada's Official Development Assistance in 1988-89 is expected to reach nearly $2.9 billion. This represents an increase of 8.3 per cent over 1987-88. In the four years since 1984-1985 Canada's Official Development Assistance is up by nearly $800 million or 37.3 per cent. These increases clearly reflect our Government's determination to meet Canada's commitment to maintain Official Development Assistance at one-half of one per cent of Gross Domestic Product to the end of the decade.

Our international development and assistance efforts have been strengthened by decisions to provide all financial assistance in the form of grants rather than concessional loans, to declare a debt moratorium in favour of sub-Saharan African countries, and to put in place the Caribcan agreement. This particular agreement recognizes that Canada has a special relationship with the Commonwealth Caribbean countries. Among other things, it provides them with duty-free access to our market for a number of specified goods.

The budgetary Main Estimates for defence at $11.2 billion are projected to increase by $860 million or 8.3 per cent over the 1987-88 Main Estimates. This increase is essential if Canada is to meet its sovereignty objectives, honour its international defence commitments within NATO and NORAD, and promote international stability by providing military assistance to United Nations sponsored peacekeeping operations.

Re-equipment and modernization of the Canadian Armed Forces, priorities of this Government, are proceeding in a staged and orderly manner. Some $188 million of the total increase of the budget of the Department of National Defence has been allocated to capital. At nearly $3 billion in 1988-89, National Defence's capital budget is intended to support normal capital and construction requirements and to contribute to the costs of major capital acquisition programs. I am

referring to the Canadian Patrol Frigate Program, the Low Level Air Defence System, the Tribal Class Update and Modernization Program, North American air defence modernization, and the CF-18 fighter aircraft. This much needed re-equipment and increase in the size of the Forces will serve to meet our goal of enhancing the operational effectiveness of the Canadian Armed Forces and maintaining a strong defence capability.

The Main Estimates are full of other examples that demonstrate how the Government has been able to reallocate resources to respond to those priority areas it has identified. I would like to describe a few of these examples briefly, for the benefit of my colleagues.

If there is one area of economic progress about which we are particularly pleased, it is in the creation of jobs. Since the Government took office 1.3 million jobs have been created, and we are continuing to devote considerable funds to the Canadian Jobs Strategy, a comprehensive approach to training and job creation which we adopted in the summer of 1985. Our goals are to create lasting employment and to increase the level of skills of Canadian workers.

• (1140)

If I may just digress from my notes, Mr. Speaker, the interesting thing to note is that 87 per cent of the jobs which we have created have been full-time jobs, whereas 80 per cent of the jobs created by the previous administration were part-time ones.

I appreciate that I am drawing to the end of my time.

Mr. Murphy: Yes, in office.

Mr. Lewis: I close off by saying that I could go on and give my colleagues figure after figure, but what we want to point out is that these Estimates clearly reflect a commitment by the Government to control the rate of expenditure growth, to enhance the efficiency of the Public Service, and at the same time be in a position to respond to the needs of Canadians.

In so doing we have made some difficult choices, but we have succeeded in reducing that growth rate, especially in the day-to-day operations of the Government. These Estimates continue to reflect our commitment to controlling government expenditure, as well as the deficit, while at the same time improving efficiency in the federal Public Service.

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, I welcome this opportunity to reply to the Minister. He has just taken the opportunity to recount the progress that the Government has made in accordance with its policy measures. He made two points to which I wish to refer.

The Minister talked about getting the debt under control. One of the main objectives of the Government has been to get the debt under control. The question is: Who has borne the burden of getting it under control?

I submit that it is those people and those areas of the country which can least afford to bear that burden. I say that because if government programs are cut everyone is not equally affected. The people who are affected most are those who depend on government programs.

Which parts of the country depend on government programs? It is those less developed areas of the country which depend on them. I submit that when cuts are made in transport, fisheries, and in programs of the Government of Canada in terms of transfer payments, those areas of the country that have weak private sectors and which depend on government programs are impacted upon negatively.

It is all very well to talk about getting the debt under control, but if we look behind the lines and read between the lines—which is a rather mixed metaphor; one cannot do both at the same time—we see that getting the debt under control has been borne by those people in the country who can least afford to bear it.

Let me take an example to consider. The Minister talked about an increase in EPF, which is true. However, what is the increase? The increase is 5 per cent, whereas there was a signed agreement between the Government of Canada and the provinces to increase EPF by 7 per cent. Thus over $1 billion less was going to the provinces for post-secondary education and health than was anticipated. All of that will have to come out of the provincial budgets which will impact on students, young people who have the highest unemployment rate of any sector in the population in the country. For example, in the Province of Newfoundland, according to Statistics Canada, youth unemployment is close to 50 per cent. That is the type of impact that there is on the regions when government programs are cut.

I wish to make some comments about another point that the Minister made, that is, the removal of obstacles to growth. I want to take this opportunity to dwell on it at length, because we do not get very many opportunities in the House to talk about things that are important to our areas and to us. The Government just removed what it thought was an obstacle to growth. It was called the Newfoundland Railway. I want to comment on the amount of dollars that were allocated to that province in supposed compensation for what was considered to be an obstacle to growth.

The post-mortems are just starting to come in on that particular move by the Government of Canada. Here is what *The Sunday Express* stated yesterday in the province. It polled the other Maritime provinces to see how they felt about what had happened. Mr. MacKenzie, Director of the Transportation Division for the Prince Edward Island Government, said:

> I guess most people feel that when they look at the $800 million figure, Newfoundland has been dealt with generously. However when you stop to analyse it, it is not such a great deal.

The other provinces are now looking at the deal and saying that it is not a good one and that, in fact, the Province of Newfoundland has been sold out. It has been sold out in what

The Sunday Express called "The great train robbery". This is an example of getting the public debt under control and removing obstacles to growth. This is what was written in *The Sunday Express* about the latest measure taken by the Government of Canada:

> Why should Newfoundlanders have to trade their railway in order to get an upgraded Trans-Canada Highway? No other part of the country had to face that demeaning choice. Following the same logic, will Ottawa suggest, and the province meekly agree somewhere down the road, that Newfoundlanders must accept cuts in their postal service in order to upgrade their ferry service. Will improved air service be linked to cutbacks in the RCMP? Absurd, yes, but it is exactly what happened in the closure of the Newfoundland railway.

No other province has had to do that. No other province will do it. New Brunswick says that it wants $1 billion to upgrade its portion of the Trans-Canada Highway, but Premier McKenna will not be bargaining away the province's main rail lines to get it. He said that they would never sign a deal like the one Premier Peckford agreed to.

The Sunday Express went on to state:

> The great train robbery has not gone unnoticed in Newfoundland. The road-builders association sees the deal as too little too late. As a short term analysis of the situation that is a devastating indictment. Port aux Basques fears for its civic life, and rightfully so; seven million dollars can never replace the towns raison d'être. From cabin owners who will now not be able to reach their summer places, to ordinary citizens who realize that something has been taken from the province that every other Canadian province takes for granted, there is an oceanic sense that politicians have sold the province out.

What are the factors here? First, there was an obligation, a constitutional obligation on the part of the Government of Canada. What was stated in the Terms of Union in 1949 when we joined this country was that the Government of Canada would relieve the province of the burden of providing a transportation system up to national standards. That is what was written in the Constitution of Canada according to the Terms of Union which was signed in 1949.

In 1949 there were no roads.

An Hon. Member: We had the Bullet instead.

Mr. Rompkey: That is right, we had the Bullet. What happened?

An Hon. Member: You cancelled it.

Mr. Rompkey: The Bullet stayed and Liberal Governments not only maintained the Bullet but built roads. It was the Pearson Government that built and constructed totally the Trans-Canada Highway across the Island of Newfoundland. That is what the Pearson Government did.

It was the Trudeau Government that started the Trans-Labrador Highway. So road-building has gone on under other programs, not in a trade for the railway but under other programs of the Government of Canada. For example, there was the Atlantic Development Agency going back to the 1960s, and then after that there was DREE. More recently there was the Department of Economic and Regional Development. All these agencies of the Government of Canada had built roads in areas where they were needed without any trade for the railroad. But this particular Government has said: "If you want to go on building roads now and in the future you must trade your railway for that".

• (1150)

What does the trade involve? What do we get in the trade? We get $700 million in federal dollars over 15 years. This is how the Government of Canada reduces debts. This is how it removes obstacles to growth. We got $700 million over 15 years. After 15 years that is the end. That has never happened before. When John Diefenbaker dealt with term 29 involving transfer payments to the province, he agreed that there was an obligation in perpetuity, not ending after 15 years. Here we get $700 million over 15 years. What does that involve? The Government of Canada was paying $40 million a year to support the Newfoundland Railway anyway. I was never strong on math, and it is a wonder therefore that I was ever appointed Minister of Revenue, but if I divide 15 into 700 it is approximately $46 million a year. The Government of Canada was paying $40 million a year anyway, and what we are getting is $46 million a year. The Minister of International Trade (Mr. Crosbie) has bargained for an additional $6 million a year, the $6-million man. That is what is happening. I do not see how anybody in his right mind can say that that is a fair, just, and equitable deal for the province.

Out of that $700 million how much is going into the area of Labrador? Twelve million dollars is going into the Trans-Labrador Highway, an extremely important initiative for that particular area of the country. It does not have a train except the one built by the company that the Prime Minister (Mr. Mulroney) was formerly president of—the Quebec North Shore and Labrador Railway which is a private operation. Apart from that there are no trains at all. We do have the start of a highway system. What did the Government of Canada do? It put $12 million into the Trans-Labrador Highway which is less than was put in in 1983. When that road was started in 1983, $14 million was allocated. If one adds inflation to $14 million, one gets probably twice as much as the $12 million that was allocated under this particular deal.

That is what we get in exchange for that trade-away. That is what we get in spite of the fact that the Sullivan Commission, which was set up to recommend on the terms of phasing out the railroad, said that one of the conditions should be building a road across Labrador. What did Sullivan actually say? He made many important recommendations. He recommended the termination of the Newfoundland Railway, and no one is objecting to that. What we are objecting to is the terms of how the railway is being terminated.

Sullivan recommended the termination of the Newfoundland Railway in return for appropriate guarantees for alternate federal commitments to provide transportation service; the upgrading of the Trans-Canada Highway; the strengthening of the role of direct water shipments, port development in St. John's, Corner Brook, and in the Baie d'Espoir area; improvements to air services to remote communities on the

coast of Labrador, which is already being done at the cost of some $40 million; and a total transportation plan for Labrador to support resource development. That included the building of the Trans-Labrador Highway from the Straits of Belle Isle through Goose Bay and on to Labrador West. None of that has been addressed in this particular transportation package. What we have received is a token amount of $12 million, nothing at all close to what Sullivan recommended.

Again, I point out that this is a trade in spite of the obligation of the Government of Canada. At the present time the Government is spending money to sell this deal. This deal is so bad that there is a necessity to have a public information program, and ads are now being published in newspapers to tell the people how good this deal really is. If some of that money could be used to build roads or to advance the cause of the Trans-Labrador Highway, how much better off would we be?

The post-mortem is still not complete on this particular deal. What we are hearing so far, from those who build roads and from those who use them, is that this is absolutely and completely inadequate and a total sell-out as far as the Province of Newfoundland is concerned.

In terms of the record of this particular Party, we have always taken the position that one does not trade one for the other. One builds the roads and the railway exists at the same time. It was the Pearson Government who built the Trans-Canada Highway in Newfoundland, and it was the Trudeau Government who allocated the first funds for the construction of the Trans-Labrador Highway. Our position as a Party is that that type of policy must continue.

If we were the Government of Canada, here is what we would have done; if we become the Government of Canada, here is the position that we will take. We would consider respect number one for constitutional obligations. We would not hold the people of Newfoundland and Labrador liable for the signatures on Section 10(1) of the Memorandum of Understanding which relieves Canada of all constitutional obligations with respect to the Newfoundland Railway.

It is one thing to build a road, but how is that road maintained? The Government of Newfoundland has the least fiscal capacity of any Government in this country. Yet the Government of Canada now states that it wants to build a Cadillac road and not give the province a Chevette maintenance plan, not give any maintenance plan at all. How will that province maintain such a highway once it is built?

We think that the Government of Canada must continue its constitutional obligations, not only to build a transportation system of national standards, but to maintain a transportation system of national standards, whether it be rail or road.

Second, we think that there should be an amendment to the Terms of Union to transfer Canada's constitutional obligations to the Newfoundland Railway to a new federal obligation to maintain the Trans-Canada Highway. We recognize that the present financial compensation package is grossly inadequate. We believe that there should be a renegotiating to a more realistic and equitable financial package for the people of the province. We recognize that the present financial compensation of $15 million for community adjustment is totally inadequate. We believe that this amount should be renegotiated with the provincial Government in consultation with those communities affected by the closure of the railway. We believe in the principle of the reconstruction of the Trans-Canada Highway. In that regard we see the Labrador highway as an integral part of any such highway system. We believe that federal funding must be made available for its completion.

This railroad has been phased out without putting any roads in its place. What is now happening is that the railroad is going as of September 1; as of September there will be no more railroad in Newfoundland, yet the reconstruction of the highway does not start until 1991. In other words, the Government of Canada is taking something away before it has even started to put something else in its place.

For all those reasons, we can only condemn this particular initiative on the part of the Government of Canada. First, it does not meet the Government's constitutional obligation. Second, it treats Newfoundland differently from any other province in that it asks it to trade a railroad for another system of transportation. Third, the package is completely inadequate and does not address the needs of the whole province, particularly the area of Labrador which will receive 2 per cent or $12 million of the total package in order to construct the Labrador highway, and it does not nearly meet the recommendations of the Sullivan Commission set up to advise on the phase out of the Newfoundland Railway.

• (1200)

Truly the Government of Canada has the debt of the country under control, and truly it is removing obstacles to growth. However, the unfortunate thing is that the Government is doing that on the backs of those people of the regions of Canada who can least afford to bear it.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I want to talk a bit about the Estimates. This is a frustrating exercise. We are now being asked to consider Estimates of over $100 billion and to do so in a very short period of time, according to a time honoured ritual, one which in my opinion does not give adequate scope for Members of the House of Commons to get into the nitty-gritty of the Estimates of individual Departments.

I am a Member of Parliament who has had a great deal of experience at the provincial level as well. As such, I believe that when we look at the reform of the rules of the House of Commons anew as we should after the next election, in addition to the general discussions of policy, there should be opportunity for the different committees to look more specifically at the spending of the different Departments. In my view the current situation is not satisfactory. Ministers are expected

to defend their Estimates for a matter of a couple of hours before a committee and then are expected to do no more.

The Estimates represent the heart of the priority setting exercise of any Government. We are not at all at ease with the priorities of this particular Government. We will oppose the Bill which will be coming forward this afternoon for concurrence in the Estimates because we are very disturbed at the directions taken by the Government in economic management and in spending. As I have suggested, I think that there must be a better way. I believe as well that there must be a way for Parliament to look at spending without the Government simply saying that this is a matter of confidence and therefore no change, no scrutiny, and no information will be provided in any meaningful way.

I think we have moved a fair distance since 1984 when the Government indicated that the deficit above all would be the priority for the Progressive Conservative Government. There has been some economic recovery since that time, but it has been largely concentrated in central Canada and, more specifically, in southern Ontario. If I travel 25 miles outside my constituency of Ottawa Centre, I begin to see the problems of the other Canada, those Canadians who do not have access to job opportunities in the way those in southern Ontario have started to have.

The Government has taken the view that it is all hunky-dory. It seems to have taken the view that because things have started to move in southern Ontario, things are under control and it does not need to worry about the rest of the country. The Government has also changed its view with respect to the importance of bringing down the deficit.

Hon. Members will recall the rhetoric that came from both the Prime Minister (Mr. Mulroney) and the Minister of Finance (Mr. Wilson) when they were talking about economic renewal and about bringing changes into force in a way "that is fair, open and consistent with the basic sense of compassion, tolerance and justice that is characteristic of Canadian society". They said in 1984 that "we will not weaken the basic income support programs that have served Canadians well. Indeed, we will seek to provide even greater assistance to those Canadians who truly need it".

You may recall, Mr. Speaker, that it was not long after that that the Government began its effort to try to undermine the basic income support for senior citizens by deindexing old age pensions. I was struck by the selective amnesia demonstrated by the Government House Leader in his introduction just a few minutes ago. He forgot the Government's efforts to deindex the old age pension, the centre-piece of its 1985 Budget.

I am also struck by the fact that the Government said in 1984 that after two or three years of economic recovery real action would be needed on the deficit. The Government brought the deficit down below the $30 billion mark and then stalled. Perhaps it stalled because of the realities of Canadian politics. Perhaps it ran out of ideological fervour. I am not quite sure, but it stalled in its attempt to bring the deficit below the $29 billion mark. There was always a reason why it could not be done now. The impact of the Minister of Finance in pursuing that particular quest became less and less until we came to the situation we have seen in recent weeks.

The Government, in some despair, because of the failure of Canadians to respond to its management of the economy, has decided that the way back to power is not by reducing the deficit but is in fact by seeking to spend its way back into the affections of Canadians from coast to coast. We saw an example of that in the Lac-Saint-Jean by-election. I am really struck by what I saw there.

[*Translation*]

It was a clear demonstration that the Government is prepared to spend whatever it takes to win seats in the House of Commons and to come back after the next election.

Mr. Speaker, if we look at Lac-Saint-Jean, they promised to pay for a new highway that would connect the riding with James Bay, for all those people who want to go to James Bay from Lac-Saint-Jean. Frankly, I think people in the area would rather have a better highway between Alma and Quebec City, but the fact remains they were promised a highway to James Bay.

After considerable procrastination, a promise was made to help Saskatchewan Francophones. The Government promised $120 million for regional development in Lac-Saint-Jean. After ignoring the needs of this area since 1984, all of a sudden the Conservatives felt it was time to do something.

Did the Tories launch any programs to improve the economy in Lac-Saint-Jean under former MP Clément Côté? No. Did they set up regional development programs for the people of Lac-Saint-Jean? The anwer is no. Did they worry about the 14 per cent unemployment rate in Lac-Saint-Jean? The answer is no.

However, during the by-election that was held to win a seat in the House of Commons for an old friend of the Prime Minister (Mr. Mulroney), former Ambassador Lucien Bouchard, the Government felt that no price was too high.

[*English*]

The Government demonstrated that if the Prime Minister could spend three days in a riding and could spend $160 million there, the riding would probably be won for the Progressive Conservatives. We expected to see—

Miss MacDonald: Is that what happened to the NDP?

Mr. Cassidy: —an amendment to the Elections Act in order to provide that the next Canadian election campaign would be more than 480 days long to permit the Prime Minister to spend three days apiece in 160 ridings across the country. At the rate of spending in Lac-Saint-Jean, he would spend some $40 billion of Canadian taxpayers' money in an effort to try to get the Conservatives back to power with a majority in each

riding. Across Canada, it would have cost $40 billion in election promises to duplicate what happened in Lac-Saint-Jean.

Miss MacDonald: Nine per cent for the NDP.

Mr. Cassidy: I notice that the Conservatives are beginning to respond a bit. This is the Party that said that the deficits had to be controlled. This is the Party that said that we had to bring down government spending. This is the Party that said that the Liberals had been profligate. Yet it was prepared to spend, at a national rate, $40 billion to bring Mr. Bouchard into the House of Commons.

Mr. Blenkarn: Where's your deposit? You lost your deposit.

Mr. Cassidy: My friend, the Hon. Member for Mississauga South (Mr. Blenkarn), is beginning to protest a little bit too vehemently. I was reading about him in Air Canada's magazine the other day. It was about the Conservatives' Conservative, and how it is that us lefties like him. I ask myself that question when I look in the mirror as well.

The real fact is that the Government has abandoned many of its principles over the course of the last three or four years in order to get itself re-elected. No one demonstrates that more clearly than the new Secretary of State, Mr. Clean, who said that he would clean up election financing.

• (1210)

He was going to collect his money from the people, he said, with a maximum of $3,000 from all those who could afford it from their back pockets to help in his election campaign. How Mr. Clean compromised his principles. I did not see him protesting when the Government came up with $120 million for the electors of Lac-Saint-Jean. I did not see him protesting when the Government promised $40 million for a road to nowhere. In fact, the Secretary of State was wandering through his constituency and he enunciated a new principle. He said that the need for an incubator for economic development in his constituency happened to hit him in his eye. *Celui qui la frappé.* He happened to notice that this new centre needed $1.4 million. Almost before the request was in the cheque was wafting its way to Lac-Saint-Jean, while a number of other incubators had been waiting for months until a government program and a policy was in place to encourage economic development.

Miss MacDonald: Seventy-five seats and 9 per cent.

Mr. Cassidy: This is a very serious question in terms of government spending priorities. When the Secretary of State happened to notice and feel a political need, he responded by writing a cheque, and $1.4 million was granted right away.

I spoke to a meeting of the Association of Municipalities of Ontario. Back in 1983 the Federation of Canadian Municipalities came to the Government of Canada—and it has come back every year since—with a request to try to renew the infrastructure of our Canadian cities and towns. This is a program which has been very carefully costed and thought out, a program which would have the effect of ensuring and putting in place very substantial renewal of roads, sewage systems, recreational facilities, and municipal infrastructure of all kinds in order to maintain our Canadian cities and towns as liveable places for our Canadian families. That is also a program which can be regionally oriented toward areas of high unemployment. The Federation of Canadian Municipalities was looking not for $40 billion, not for $20 billion, not for $16 billion; it was looking for the federal Government to share in a portion of the total costs spent. What happened, Mr. Speaker? The Federation was given the back of the hand from the Government of Canada.

On the other hand, let us look at when a few admirals and generals got going in trying to reorient Canadian defence priorities. Where these cities and towns of Canada could not get the federal Government to share one-third of the $7 billion cost of renewal of infrastructure of Canadians cities and towns over the course of a five or six year period, the admirals and generals were able to get in the defence White Paper a commitment to a new fleet of nuclear submarines, which is currently costed at $8 billion and which every Canadians knows will cost $12 billion or $15 billion or $16 billion before that fleet is built. Over the course of the weekend the Environics poll indicated that support for the proposal had dropped to less than one-third of Canadians and that 60 per cent of Canadians said that $16 billion or $8 billion was too much to spend on the nuclear submarines. Canadians are saying that it is a priority which the Government should drop.

What is happening in this particular Estimates exercise today is quite clear. On the one hand, spending on defence prior to nuclear submarines is going up by $860 million, an increase of 8.3 per cent, the largest percentage increase of any major Department of the Government of Canada. Let us look at the contrast. We spend $800 million or $900 million on defence in 1988-89 while the increase in the budget for CIDA, the Canadian International Development Agency, according to the Estimates, is approximately $122 million. We spend seven times more on defence than we spend on our major aid granting agency, CIDA.

Recently it has come to my attention that the percentage of Canada's Gross National Product going into aid this year is down by a fraction of a per cent from what it was a year ago. Rather than moving steadfastly and determinately to increase our spending on aid, we are reducing it. At the same time the proportion of our GNP which is going into spending on national defence is equally and steadfastly going up year after year after year.

The admirals went public back in 1983 asking for nuclear subs, but have they come back to meet with Cabinet year after year and been turned away? Have they been ignored in their requests? They did not need to because they had the inside track. Canada cannot afford to renew a road to a sewage system and that kind of thing. The federal Government turns

its back on the efforts of Regional Municipality of Ottawa-Carleton to renew the Green Creek collector sewage treatment system here in my City of Ottawa, yet it can come up with $8 billion nominal and $16 billion in actual terms for the nuclear submarines, infrastructure, training, and other things. A very serious debate is taking place within Cabinet over this issue between the hawks and the doves. As a Canadian, I hope the doves win.

If the doves win it will not, I suspect, mean that the Government will abandon the proposal for nuclear submarines but will mean that the proposal will be stretched out, knowing that a new Government will scrap it because it is unlikely the Conservatives will have a majority after the next general election. As my Leader, the Hon. Member for Oshawa (Mr. Broadbent), indicated in Thunder Bay over the course of the weekend at the Ontario New Democratic Convention, some priorities once selected by government have to be respected by an opposition Party, but where an opposition Party indicates clearly that it is in fundamental disagreement with a priority of government and will not go along with it, we are entitled to abandon a commitment even if the commitment is signed under contract, which I believe some of the Conservatives want to do. We are making it clear that Canada does not need to spend $16 billion on nuclear submarines. That is not a priority of the New Democratic Party. If we form the next Government of Canada we will scrap that priority; if we are part of the next Government of Canada we will scrap that priority. We will not be a part of that, and 60 per cent of Canadians agree with us that that should not be a priority.

I would point out that currently the New Democratic Party, according to the latest opinion polls, is locked in a battle—

Miss MacDonald: In last place.

Mr. Cassidy: —for government in the next election. We are one of the three major Parties in this country with strength from coast to coast. That was the situation that prevailed during the course of the last election campaign and we came up 10 per cent. If that same situation were to occur during the coming campaign we would, in fact, form a majority Government.

I want to conclude by talking about another priority of the Government. It believes that it is okay to have two Canadas. Unemployment is down to 3 per cent or 4 per cent in certain parts of southern Ontario. At the same time it is upwards of 13 per cent in Lac-Saint-Jean and upwards of 16 per cent or 17 per cent in the interior of British Columbia and in parts of Newfoundland. Will the Government tolerate that, Mr. Speaker? Yes, the Government has and it has continued to do so over a number of years. The Government is in agreement with the monetary policy of the Bank of Canada which has seen us jack up interest rates to substantial levels, and has seen the Canadian dollar rise from 69 cents three years ago through 72 cents and 76 cents. Since the trade agreement was signed last October the dollar has gone up by some 10 per cent relative to the United States to 83 cents.

• (1220)

Premier Bourassa and Premier Peterson are objecting to this policy. The resource industries are objecting, the Canadian Exporters' Association is objecting, and the Canadian Manufacturers' Association is protesting. Yet, the Government does not listen. The consequence is that we are tolerating the actions of the Bank of Canada, which are largely directed to southern Ontario and are perpetuating underdevelopment and unemployment in most of this country.

Not only that, if we ask whether everyone in Toronto is prosperous, the answer is definitely no. There are homeless people in Toronto, which never occurred when I was growing up in that city in the 1940s and 1950s. That did not occur in the 1960s and 1970s, but there are now homeless people and food banks. There are hundreds of thousands of Toronto residents who cannot afford a BMW or a Mercedes. They cannot afford the policies which are being pursued by the federal Conservatives and the provincial Liberals. They cannot afford the average price of a home which, in the City of Toronto itself, has now risen to more than $200,000. Such a home used to be considered a working-class house and would rent for a couple of hundred dollars a month.

The Progressive Conservatives believe in two Canadas just as Mrs. Thatcher, who came here to preach her gospel last week, believes in two Britains and just as President Reagan believes in two United States. I do not accept that at all. A society is judged by how it deals with its unemployed, its poor, and its disadvantaged. It is not judged on how the very rich live but on how the very poor are treated. A society is judged on whether there is compassion and social justice or a Government which ignores the real needs of average people.

By jacking up interest rates, making our industries uncompetitive, failing to act in terms of regional development, and failing to act for the needs of the million Canadians who are still unemployed and the half-million Canadians on social assistance who have been discouraged from finding jobs, the Government has demonstrated that it is not qualified to govern with social justice for all Canadians.

Those are several of the reasons my Party is opposed to the priorities in these Estimates. You, Mr. Speaker, are generally impartial, particularly when sitting in the chair. Why do you not join with me and suggest to your erstwhile colleagues on the Conservative side that we take the $16 billion allotted for nuclear subs and use it for child care, for renewing municipal infrastructure, for social services, for adequate postal services, for foreign aid, and for peace and development? Those are the kinds of priorities we should be pursuing rather than putting Canada's dollars into building submarines to keep the Americans out of our Arctic.

Mr. Redway: Mr. Speaker, I was very disturbed by the inaccuracies in the comments of the Hon. Member. There were so many of them that I could continue to ask a variety of

questions all afternoon. However, I will single out one or two areas which particularly disturbed me.

One area had to do with his comments about building roads in northern Québec. I think he said that it would be a road to nowhere. That reminded me somewhat of comments that the Liberal Party made back in the days of the Diefenbaker Government when Mr. Diefenbaker's Government was suggesting building roads to resources. The Liberal Party of that day talked about roads from igloo to igloo.

That policy, as you know, Mr. Speaker, laid the basis for the great prosperity which Canada is experiencing today, albeit not universal but certainly greater than it has ever experienced before. That led the way to the development of oil and gas resources in northern Canada. It certainly was not roads from igloo to igloo, and I am sure that roads in northern Québec would similarly open up northern Québec and would not be considered roads to nowhere as the NDP is suggesting.

That comment brought to mind, as well, comments made in this House not too long ago by the NDP Member for Regina West who said that no more businesses should be allowed to open in the Metropolitan Toronto area because things were just too good there. He implied that the NDP would not allow any more businesses to open in Metropolitan Toronto.

I was also reminded of asking the Minister of Finance a question a few days ago in this House on the subject of deductibility of mortgage interest to assist crisis housing areas such as Metropolitan Toronto. The NDP Member for Brant shouted at that time: "Absolutely no help for Toronto, there shouldn't be any help for Toronto".

In view of all these comments, what is it that the NDP has against northern development in this country and what is it that the NDP has against Metropolitan Toronto?

Mr. Cassidy: Mr. Speaker, perhaps my hon. friend failed to notice the very strong and effective efforts of my colleague, the Hon. Member for Yukon (Ms. McLaughlin), in leading the battle in the House by going personally to the British House of Commons to fight the misguided effort by the British to legislate adverse fur labelling restrictions, which would have had an enormous negative impact on northern development and the livelihood of tens of thousands of fur trappers. I was proud that all Members of the House of Commons joined in that particular effort. To suggest that New Democrats are opposed to northern development is, of course, to misrepresent the facts.

I was simply pointing out that I believe that the electors of Lac-Saint-Jean would have preferred improvements on the road from Alma to Chicoutimi, which has been badly in need of improvement for many years, than improvements on the road from Chibougamau, which I believe is about 150 miles away from Lac-Saint-Jean in the direction of Baie James. In relative terms their orientation is toward Chicoutimi and Québec. I was only trying to suggest that that would be their priority.

The Hon. Member suggests that New Democrats are not concerned about what is happening to Toronto. Perhaps he was not listening when I pointed out that there are two Canadas, not only in terms of the disparity between the rich in Toronto and people who are unemployed or having trouble earning a living in Newfoundland or western Canada, but in terms of the disparities between the rich and the not so rich in Toronto itself.

My friend from York East has from time to time raised questions about housing. I would have liked him to have commented on the fact that the government agency responsible for housing, the Canada Mortgage and Housing Corporation, has in these current Estimates a reduction in its spending from $1.548 billion to $1.523 billion, a reduction of 2 per cent. While we have money for an 8 per cent increase in defence spending, there is no money even to maintain, let alone increase, spending on social housing through the Canada Mortgage and Housing Corporation.

The Hon. Member for York East (Mr. Redway) prides himself on raising the plight of the homeless and people in need of affordable housing in Toronto. Yet I have not heard him say a word about the fact that the Government's spending priorities, far from supporting his concern, go directly opposite. If he is prepared to join with my Party and vote against these Estimates, we can get a new set of Estimates in place which will ensure more adequate spending on housing and will also mean that we can take effective action for those Torontonians, including people in the riding of York East, who cannot afford housing and for whom affordable housing, co-operative and non-profit housing, is it not being built because of the cut-backs in the Government's own spending.

However, if the Hon. Member for York East persists in supporting these Estimates we will know that he is being hypocritical, because on the one hand he preaches the need for more housing in Toronto and on the other hand votes against effective efforts in this regard. He votes for the Government's decision to provide less rather than more for housing in the current Estimates.

• (1230)

[*Translation*]

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I welcome this opportunity today to speak to the Main Estimates for the year 1988-89, layed upon the table on February 23 by the Deputy Prime Minister of Canada (Mr. Mazankowski).

Mr. Speaker, before I start my comments on the Main Estimates, I must say I have just survived one of the most trying 20-minute periods of my life, but I suppose that is the price you pay for democracy. It means listening to silly speeches by people who don't know whether they are coming or going. Every morning I say to myself: Fontaine, you have to put up with the socialists because that's the price you pay for democracy!

Mr. Speaker, today we can announce to the people of Canada that we have a balanced budget that is based on Canadians' ability to pay. In fact, the Government, through the Minister of Finance (Mr. Wilson), has released information about our tax reform, and today we can inform Canadians that because of the Government's good management, we have been able to control our budget; the annual deficit has declined from $38 billion to $29 billion; and as of July 1, 1988, on the first paycheck of that week, around July 8 or 9, each Canadian will have more money to take home because for the first time since 1917, there will be a significant change in the application of our income tax legislation.

And this is thanks to a Conservative Government, a Government that provides good management. Retroactive to January 1, 9.7 million Canadian households will pay fewer taxes. They will notice it on the paycheck they get around July 8 this year. I say to all Canadians, Mr. Speaker: Around the beginning of July, when you get that additional money in your pockets, remember you are getting it thanks to the good management of the Progressive Conservative Party. And 850,000 Canadians will no longer pay income tax. This again is thanks to good management, and I would also like to take this opportunity to congratulate my colleague, the Minister of Communications (Miss MacDonald). Because of this Government's excellent management, the Minister was able to find more money so that she could announce to Canadians how we can further enhance our culture and our Canadian identity and how the CBC will protect that culture and give all Canadians a chance to enjoy its benefits.

If we hadn't put a stop to the reckless spending of the previous Government, the Minister of Communications would never have been able to table that kind of legislation today.

Mr. Speaker, what else did we do? But first I would like to comment on what was said by the Hon. Member for Ottawa Centre (Mr. Cassidy). During his 20 minutes, the Hon. Member attacked my riding in a very destructive way when he said, and his Leader and his Party have said the same: "No submarines for Canadians." And we all know that the riding of Lévis will be able to live on this magnificent Government contract for twenty-five years.

I find it particularly annoying to be faced daily, both in this House and in the media, with negative comments on the greater Quebec City area and on the province of Quebec, because it is a fact that the submarines will have to be built in the province of Quebec.

When Members of the other Party, the socialists, tell us this would cost $16 billion, that is just not true, Mr. Speaker. Experts with the Department of the National Defence have told us the submarines would cost $8 billion, and $8 billion spread over twenty-five years is $300 million annually, while in Canada, we spend $60 billion annually on social benefits.

This means that the budget for submarines is 0.5 per cent of the amount spent annually on social affairs in this country. So when we are accused of spending indecently, the representatives of the socialist party should once again explain their position to the people.

I also want to point out a comment on the by-election in Lac-Saint-Jean made by the Hon. Member for Ottawa Centre. Mr. Speaker, the result in Lac-Saint-Jean is a real opinion poll, a wonderful sampling of public opinion. In Lac-Saint-Jean, we saw the socialist candidate, who we must admit was an intelligent man, a local man, a scientist involved in the community, a son of a former mayor, a union activist in a region where there are many unions. So in theory, he had everything going for him, Mr. Speaker, but he did not even get enough votes to avoid losing his deposit. That is the real opinion poll and that is what the members of the socialist Party deserved.

That is the message they deserved to get from Canadians. At the same time, Mr. Speaker, another by-election was being held in Quebec, in the riding of Anjou, and there, one of the candidates, the socialist candidate—we know that the socialist Party does not distinguish between the provincial Party and the federal Party, it is the national party throughout the country; it was a candidate from this Party who ran for the thirteenth time in Anjou, and the thirteenth consecutive defeat for Mr. Morin, the socialist candidate in Anjou! He got less than 2 per cent of the votes, about 440 votes. This shows that the public has had enough of this party's wild ideas. This shows that the people see that for the past two weeks, this Party has used the time of the House of Commons in a completely disagreeable, shameful way, by proposing Bills whose only purpose is to take up the time of this House and delay our free trade legislation.

And here too, I comment on a remark made by the Hon. Member for Ottawa Centre, who unfortunately has left, Mr. Speaker, to the effect that there are two Canadas. Two Canadas—that makes me think of the official position of Bob White, President of the United Auto Workers, in the riding of Oshawa. Bob White is the one who takes money from the workers to finance the socialist Party. So the definition of Canada that Bob White and the Hon. Member for Oshawa have is really two Canadas: there is Oshawa and southern Ontario where free trade has been in effect successfully since 1965, resulting in $30 billion of sales to the United States, and the rest of Canada, where these people, the highly paid United Auto Workers, do not want all Canadians to benefit from free trade, from the Atlantic to the Pacific. So they are the ones who have a vision of two Canadas: a rich and powerful Canada in Oshawa and a relatively poor Canada in all other parts of this country.

Mr. Speaker, I come back to our legislative effort and budgetary control. Our budget has increased at a rate of 5.5 per cent since 1984, which is very different from the 15 per cent in the years before we came to power. Our Government's expenditures have increased at less than the rate of inflation. That means that our expenses have been cut, which is all the more difficult because many of our expenditures are statutory.

For example, we spend $60 billion for social affairs and we can do very little about that.

There is also interest expense. You know that when we took power, our Government was $200 billion in debt. The interest alone on that was $20 billion. Today, debt service amounts to nearly $30 billion because we got into the habit of spending unaccountably when the Liberals tried to govern this country.

• (1240)

We have also established a number of priority areas. For instance, spending cuts do not mean that the elderly should benefit less from our collective wealth. We have decided to send a clear message to the elderly. They will not be allowed to suffer the negative impact of a difficult financial situation in this country. In fact, the $60 billion available for the elderly, the disabled, young people, and federal participation in provincial social programs will be maintained.

However, we have tried to stop the incredible growth of our bureaucracy by aiming for leaner government. The Liberals tried to create Crown corporations that would compete with the State. Under this Government, the role of the State is to distribute our collective wealth, but the State will no longer compete with the private sector. That is why, for instance, we have divested the Government of corporations like de Havilland and Canadair. At the time, these companies were responsible for spending not millions but billions of dollars. These billions were borrowed and handed over to administrators who were accountable to Parliament, not to shareholders. They were accountable to something that to them was very remote, and that is why Crown corporations have never made a profit. That is why we decided to privatize them, to return them to the private sector where they will be responsible to their shareholders and will have an obligation to make a profit.

When a Government decides to privatize, it is sending a message that the State is now a partner in the distribution of wealth and no longer competing with the private sector, because it is wrong for the State to compete with private enterprise. It is wrong for a company that manufactures aircraft to compete with a private company that also manufactures aircraft and has to make a profit, while the other company can ask Parliament for funds at the end of each year. That is why we are turning over manufacturing and services to the private sector.

The purpose of our program to enhance productivity within the Government and the public sector is to regain control over the growth of government spending, improve labour relations, negotiate responsible collective bargaining agreements, restructure the supply of government services, review activities to determine the function of the private sector, abolish undue regulatory contraints and reduce the paper burden on the private sector, introduce a better management philosophy—I will get back to all these topics later on, Mr. Speaker—and give managers increased responsibility so they can be more effective.

I referred to controlling the growth of government spending and the public sector, and I must say that, since 1974, the number of public service employees has never been as low as it is now. In fact, in 1984 we told Canadians that the Canadian public service had to be trimmed of its "excess fat". The departments have 235,000 employees, and we thought that an initial reduction of 15,000 was necessary. We also reduced the rate of growth of expenditures, as I said earlier, to a level below the inflation rate.

Labour relations have improved. Since 1986, sixty collective agreements were signed involving annual increases of 3.6 per cent, which compares favourably with the private sector and the provinces, where the average was, respectively, 3.3 and 4.7 per cent. Why is this, Mr. Speaker? Because we feel that public servants should be treated the same way as people who work in private enterprise; we owe it to people in private enterprise who, for all practical purposes, create our collective wealth. Why should we give the public sector preferential treatment, since wealth must first be created by private enterprise, by those who manufacture, provide services, trade, hire Canadians and pay taxes, which are later used to pay Public Servants?

At the present time, Mr. Speaker, we have a new agreement for some 180,000 public servants. We shall try to settle it by negotiating and our goal is a negotiated settlement, not an imposed one, so that we can continue to enjoy excellent working relations with our Public Service and so that Public Servants will be motivated to do excellent work for us.

Another thing we did, Mr. Speaker, was to restructure the provision of government services. In many cases, Canadians who needed government services obtained them at a price that was clearly insufficient and less than the cost of production. That means that if I needed information from Statistics Canada, I obtained it at a lower cost, but I was in a way being subsidized by the taxes of other Canadians to have access to this source of information.

So we have increasingly asked our officials to evaluate the cost of the services provided by the Government and to set the rates accordingly so that those who really benefit from these services pay for them.

We have also sent a message to private enterprise about the burden of procedures and regulations they have to bear. We have put in place systems that put the burden of proof on the Minister before new regulations or procedures can be implemented.

Previously, a Minister would decide one morning to impose additional regulations on Canadians, to impose additional costs on them and often excessive production costs, although this contributed nothing to the community. That is not possible anymore, because the Minister has first of all to prove to his colleagues on the Treasury Board that he was justified in asking for additional funds and in laying down new regulations applying to Canadians.

For example, the 15 000 different forms Employment and Immigration Canada was using before 1984 are now down to 3 500. This means a very sizeable decrease in the costs the firms had to incur in order to fill those forms. All our efforts serve that purpose. That is why we are able each year to reduce our operational deficit.

Finally, we have changed our managerial philosophy. In the past, everything in the federal Government was controlled by the Treasury Board and a handful of ministers. For every administrative matter, the rest of the ministers had to consult with the Treasury Board, and to ask permission. It was the same story inside the departments, whether it be the deputy Minister, the directors generals, or even the specialists dealing with a particular file. In no way was it possible to give greater accountability to civil servants.

Now that we have changed that philosophy, the departments are more autonomous, and the Government does not audit the means, but rather the results. The liberals, while they were in power, would never have developed such a concept, it would never have crossed their minds. They were evaluating the means, with no consideration whatsoever for the results.

Therefore, Mr. Speaker, for all these reasons, we can say that our Government is gradually regaining control over its budget. I will conclude by saying that we went from a deficit of 38 billion dollars a year in 1984, which would be 50 billion dollars this year if the Liberals were still in power, to an annual deficit of 29 billion dollars this year. We succeeded in reducing the deficit and we will continue doing it. Today, we ask the two Opposition parties to speed up the process so that we can vote on these Estimates.

• (1250)

[*English*]

Mr. Deputy Speaker: Questions and comments? Debate.

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, when the Minister of State for the Treasury Board (Mr. Lewis) was speaking this morning, he patted himself on the back for having cut government spending. What the Minister did not say was that very often the wrong programs were cut. He did not point out how this Government promised to spend approximately $165 million to win the by-election in Lac-Saint-Jean, nor did he explain in detail why the Government will spend over $10 billion to purchase nuclear submarines while at the same time cut programs for employment and training by 32 per cent since 1984. This Government has cut a budget which stood at $2.2 billion in 1984 to $1.5 billion in 1988.

The principal program for training and employment under this Government is the Canadian Jobs Strategy. In the Estimates before us today the Government has made a cut in employment and training in real dollars of $125 million from last year. That is a cut of 7.3 per cent. However if we add in the inflation component, the fact that inflation has increased by 4 per cent to 5 per cent between 1987 and 1988, that cut amounts to 11 per cent or approximately $188 million. The Government is making cuts such as that while we still have over one million Canadians unemployed.

In a Gallup poll survey taken in this month of June, the following question was asked of Canadians: "What do you believe the biggest single problem in this country to be?" Well, 27 per cent of all Canadians felt that unemployment was the single largest problem in the country. That stood well ahead of 14 per cent who believed that inflation or the economy was a major problem. If we look at the breakdown in those figures we note that in Atlantic Canada 57 per cent thought that unemployment was the major problem, in Quebec it was 26 per cent, on the Prairies it was 31 per cent, and in British Columbia it was 37 per cent. It was only in Ontario that it was not considered to be a major problem.

Why do Canadians feel this way if the Government is doing such a wonderful job with employment? Day after day it brags about the jobs it has created and how the unemployment rate has come down. Canadians feel this way because these figures, which are quoted very often by the Government, are an illusion and do not tell the whole story. To begin with, the great majority of those new jobs have been created in Ontario, particularly in southern Ontario. I do not have the up-to-date figures for this year, but in 1987 more than 95 per cent of the additional jobs created in that year were located in the Province of Ontario.

In an article in *Le Devoir* French business counsellors are advising business investors in France to invest in Ontario and not in Quebec. The headline in *Le Devoir* reads:

[*Translation*]

Quebec is no longer with it, it is now in Ontario that we must invest.

[*English*]

That is one reason Canadians feel that unemployment is still the major problem. The great decrease in unemployment has taken place in Ontario. It has not taken place in Atlantic Canada, in most parts of Quebec, in British Columbia, and in many parts of the Prairies. Another major reason for the unrest of Canadians with respect to unemployment can be found in a report published last week by the advisory council to the Minister of Employment and Immigration (Mrs. McDougall). The report was tabled on June 22. The opening sentences of the press release relating to the report reads: "The problem of unemployed older workers is becoming more severe as the Canadian population ages and as new technology and other economic factors force older worker lay-offs".

The report goes on to say: "It is evident that the employment situation of older workers, particularly those in the 55 to 64 age group, has not improved since 1985". That is when the same advisory council made a report entitled *Older Workers: An Imminent Crisis in the Labour Market*. In fact, since that report was published the situation has deteriorated. That is another example of why Canadians are concerned about the

unemployment situation. They are concerned because the improvement has basically been in Ontario, but it has not helped older workers.

A third reason is that the improvement has failed to help the youth of the country. Again I quote from a report that was tabled in Quebec at the end of last week. It was published by the La Foundation Rennaissance-Jeunesse au Quebec. The study showed that one out of three unemployed persons in Quebec was between the ages of 14 years and 25 years. While one out of three of every unemployed person in Quebec between those ages only makes up one-fifth of the population in Quebec, the report goes on to say that it is a very serious situation in Québec.

It is interesting but sad to note that the situation of unemployment among young people in Québec goes hand in hand with an increase in suicides. A recent report from Quebec points out that there has been an increase of 400 per cent in suicides of those between the ages of 15 years and 20 years of age in the last 10 years. This is a very disturbing figure. One must wonder why the Government is so complacent with those kind of unemployment and suicide figures relating to youths. One would think that instead of cutting training and employment budgets and instead of cutting education budgets, particularly budgets for post-secondary education, the Government would be vastly increasing those budgets.

I note that it is one o'clock, Mr. Speaker, and I will continue my speech after lunch.

Mr. Deputy Speaker: It being one o'clock p.m., I do now leave the chair until two o'clock this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

ENVIRONMENTAL AFFAIRS

NON-OBSERVANCE OF SUSTAINABLE DEVELOPMENT CONCEPT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in Toronto last week as you know the Summit Leaders endorsed the concept of sustainable development. The United Nations General Assembly did the same last December. Yet, despite having twice endorsed sustainable development, the U.S.A. and the U.K. continue to pollute and dump their acid-rain causing gases on their neighbours. In addition, Italy now sends toxic wastes to Africa. Europe has no pollution control measures on automobiles. Japan continues to hunt whales, while here at home we still over-harvest our resources.

Almost one year ago the National Task Force on Environment and Economy wrote a report. Of the 40 recommendations made, so far none has been implemented. As we all know, actions speak louder than words. To endorse environmentally sustainable economic development is one thing. To implement it is another.

Rhetoric is coming out our ears. What really counts is when the Summit Leaders will start practising what they preach.

* * *

ABORTION

POSITION OF MEDICAL PROFESSION

Mr. Gus Mitges (Grey—Simcoe): Mr. Speaker, there is no question that the medical profession has a long-standing tradition of responsibility for caring for people. However, the medical profession is now in danger of self-destructing unless it ceases to be prostituted to bestow an appearance of supporting the anti-child, non-medical, and non-therapeutic act of abortion.

Conducting abortions in which the patient is not suffering a life-threatening situation has nothing remotely to do with healing, or the healing arts, at whatever stage the pregnancy is terminated. As one doctor stated: "It is now past time for doctors and medicine to dissociate themselves from both abortion on demand and from the abortion of the unborn who are thought to suffer from grave mental or physical disability". This doctor also advocated: "Physicians performing an abortion when the life of the mother is not in jeopardy should have their licence suspended".

There is now an ever-growing list of Doctors for Life who will not perform abortions because they believe that unborn children are, indeed, human beings. It is our hope that more and more doctors will join Doctors for Life for the sake of all our unborn children.

* * *

TRADE

FREE TRADE BUSINESS OPPORTUNITY CONFERENCES

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, tomorrow and Wednesday we see the Conservative propaganda machine in action as the Free Trade Business Opportunity Conferences start in Toronto. "Canadian business," the ad states, "needs to know about the opportunities flowing from . . . " the U.S. trade deal. So there will be "experts on exports" there, especially the keynote speakers, those well-known trade experts, the Minister for International Trade (Mr. Crosbie) and the Minister of Employment and Immigration (Mrs. MacDougall).

Will they tell their audiences about the tragic loss of independence that this deal would bring Canada? Will they explain how we will not have the right to require performance requirements from foreign firms? Will they explain how U.S. health management companies and labs will get the right to come forth and undercut our not-for-profit health system? Will they explain the risk to our regional development programs?

I bet that the answer is no. The program ends at 3 p.m.—early for a serious export conference, but just in time for television deadlines.

* * *

HIGHWAYS

RESOURCES REQUIRED FOR MAINTENANCE AND EXPANSION

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, the sinews of a nation are its transportation links. We move over 250 billion tons of freight annually over our highways. Over the last 15 years the number of registered trucks per kilometre has nearly doubled.

We expect more from our highways but are spending less. If our highway system is to be kept up to date and expanded, then all levels of government must be prepared to allocate more resources to this end. In particular, funding for roads in the Territories has slowed to a trickle. This is unacceptable in an area where there is a desperate need for new and improved highways.

* * *

• (1405)

THE LATE DR. STANLEY HUDECKI

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the whole of Hamilton mourned yesterday when we heard of the death of former Member of Parliament for Hamilton West, Dr. Stan Hudecki. Although Dr. Hudecki was here in Parliament for a period of only four years he touched the city of Hamilton in a much greater way. Dr. Hudecki was well respected throughout the community for his work with St. Joseph's Hospital, and for his strong commitment to his religious and family values.

I can remember knocking on doors with Stan and as we went from house to house, in his stolid way, those of us who knew Stan, would say: "Come on Stan, let's get to the door". Stan would say: "I operated on this woman", or "I knew this man."

He had a reputation in the community that spoke above Party lines. You will remember, Mr. Speaker, that he was one of the few Members in the Liberal Party who did not support the repatriation of the Constitution because of his strong belief in the values and the rights of the unborn.

He was a man of principle. Although he was a representative of one particular political Party, he had valour and integrity that rose above Party lines. I see my colleague, the Hon. Member for Muskoka (Mr. Darling), nodding his head.

Stan will be missed. To Leona and family we send our sympathies. He had a strong community and family commitment with literally the whole family behind him. Stan, we will really miss you.

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[*Translation*]

SCIENCE AND TECHNOLOGY

OPENING OF NATIONAL OPTIC INSTITUTE IN SAINTE-FOY

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister of State (Science and Technology)): Mr. Speaker, a few days ago I had the pleasure, along with the Minister of State for Science and Technology (Mr. Oberle), to officially open the National Optics Institute in Sainte-Foy in the riding of Louis-Hébert.

During the electoral campaign, I had promised to have this important institute settle in Sainte-Foy and I am very proud to say today that I have delivered the goods.

I must mention that this 35 million dollar project was made possible through the co-operative efforts of all interested parties: Laval University, *CRIQ*, *GATIQ*, *INRS*, the Chamber of Commerce, *Inter-Port*, the private sector, as well as the constant co-operation of the Quebec Government and the Federal Government.

Today I would also like to thank the Minister of State (Science and Technology), the Minister of Regional Industrial Expansion and Minister of State for Science and Technology (Mr. de Cotret) for their relentless support and to recall the vision of Prime Minister (Mr. Mulroney) when he visited Louis-Hébert in 1982: In this riding and in this region, he said, you have everything it takes to become a key research and development center.

Today, the vision has come true thanks to the commitment of our Prime Minister and our Government and this shows once again that the Progressive Conservative Government keeps its promises.

S. O. 21

[*English*]

AEROSPACE INDUSTRY

F-5 FIGHTER PLANE REPAIR AND UPGRADING CONTRACT

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, when the F-5 fighter repair and upgrading contract was awarded to Bristol Aerospace in Winnipeg, Winnipeg was promised a world-wide mandate for upgrading and repair of these airplanes.

Now we hear through Canadian press reports from Northrop Corporation, Bristol, and from federal government sources, that no such mandate ever was possible. An industry official was quoted as saying:

> "I've been hearing all this talk about all this work they're going to get and I'm just not sure it's there . . . I think they're talking about a big deal that just doesn't exist."

It is time for the Government to come clean and admit that it was making inflated promises to Winnipeg. It is time for the Government to get serious about aerospace in this country and develop an aerospace strategy that will be fair for Winnipeg and effective for Canada.

* * *

[*Translation*]

REGIONAL INDUSTRIAL DEVELOPMENT

SENNETERRE ENTERPRISE AID CENTRE

Mr. Guy St-Julien (Abitibi): Mr. Speaker, the Senneterre Business Assistance Centre was established thanks to an Employment and Immigration Canada program and especially to persons concerned with the economic and industrial development in the Barraute, Senneterre, Lebel-sur-Quévillon and Malartic areas.

The Centre began its operations on July 15, 1985 and has responded to more than 350 technical and/or financial assistance applications. It has co-operated with promoters and owners of small and medium businesses in the investment of 1.1 million dollar in loans. These promoters and owners have themselves invested 1.3 million dollars. This co-operation has generated total investments of 5 million dollars. The 38 assisted businesses have created 66 jobs and maintained 54 others, for a grand total of 120 jobs.

Mr. Speaker, such is the excellent work accomplished by Mr. Jean G. Gobeil, Director General, his permanent staff and the board of directors.

• (1410)

[*English*]

RAILWAYS

NEWFOUNDLAND RAILWAY DISBANDMENT—PROVISIONS OF FEDERAL-PROVINCIAL AGREEMENT

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, Newfoundlanders witnessed the signing, a little over a week ago, of an agreement between the Government of Ottawa and the Government of Newfoundland to phase out of existence totally the 100-year old Newfoundland Railway. This deal was done by putting forward a package of dollars to be spent over 15 years to upgrade the highway, amounting to some $700 million, and to shut down the railway almost immediately, effective September 1, 1988.

Newfoundlanders accept the notion that a railway can be phased out for a better highway system if it is not competitive. What we cannot accept is that the amount of money involved will not upgrade the highway. More important, as part of the deal the Government of Canada forced the Government of Newfoundland, and the Government of Newfoundland accepted this, to give up an obligation under the 1949 Terms of Union between Newfoundland and Canada for the Government in Ottawa to provide part of the cost of a national transportation system in the Province of Newfoundland. Ottawa, with the Government of Newfoundland, negotiated away that obligation under the Terms of Union.

We in this Party do not accept making the poorest province in Canada pay that kind of price for a decent transportation system. We commit ourselves to effecting a constitutional amendment to ensure that that Term of Union of 1949 is protected in the Constitution of Canada.

* * *

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT

Mr. Ron Stewart (Simcoe South): Mr. Speaker, the Prime Minister of Canada (Mr. Mulroney) favours free trade. The President of the U.S. extols free trade. The "Iron Lady" Prime Minister of Britain praises free trade. The Chancellor of West Germany epitomizes free trade. All of these people spoke eloquently and convincingly in this Chamber of the great future of this nation with free trade. The remaining Toronto Summiteers exuded confidence in free trade, praised our deal with the U.S. and decried protectionism.

The majority of Canadians favour free trade, with numbers increasing daily in lock-step with growing Conservative popularity. Who opposes free trade? It is left-wing jingoes, the two Leaders of the opposition Parties, and the fast-slipping in popularity Premier of Ontario.

Who favours free trade? Eighty per cent of Canadian manufacturers by poll, Liberal Senator Van Roggen and ex-Liberal Minister of Finance Donald Macdonald. Now Milton Harris, Liberal bagman, has left the Party because he favours free trade and in opposition to the head-in-the-sand attitudes of the Hon. Member for Windsor West (Mr. Gray) and the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy), uncontrolled by their Leader, and destroying fund-raising efforts as well. We Canadians win with free trade with more and better jobs and a real future.

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CANADA POST CORPORATION

AFTERNOON CLOSURES OF POST OFFICE IN HAMILTON MOUNTAIN RIDING

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, on three separate occasions last week, Westcliff Mall Post Office in my riding was closed for the afternoon. While this fact may not appear to be of great importance, it was significant to the customers who entered the mall expecting to get services from the post office. There had been no prior notification of the closures and no explanation, just a sign on the window saying "closed".

The two clerks who work in the post office had received a telephone call from their wicket supervisor asking them to close up immediately in order to perform relief work in other parts of the city. What else can this be but a blatant attempt by Canada Post to discredit the service provided by the Westcliff Mall Post Office? Customers entering the mall would understandably become upset when they realized that postal services were not available. It is another example of the corporation's insidious efforts to implement its corporate franchising plan by undermining the image of the Westcliff Mall Post Office.

* * *

CHILDREN

CRIMINAL TRAFFICKING IN KIDNAPPED CHILDREN

Mr. John Oostrom (Willowdale): Mr. Speaker, a report to the Western European Justice Ministers states that over one million children are kidnapped and sold into prostitution each year as part of a billion-dollar international sex racket. The trafficking in children is becoming the fastest growing criminal activity in the world.

This type of crime, in my eyes, is no different from murder. One cannot imagine the anguish, terror, and suffering that the children and families involved go through when these kidnappings occur.

I strongly urge the Minister to review the Criminal Code to bring in tough penalties of equal value for those who kidnap and for those who avail themselves of their services. A minimum of 25 years with no possibility of parole should be the starting point. Our society must be protected from these human flesh predators.

* * *

• (1415)

CANALS

SAULT STE. MARIE SHIP CANAL

Mr. Maurice Foster (Algoma): Mr. Speaker, almost a year ago the Sault Ste. Marie Ship Canal developed a fault which closed it down and resulted in the lay-off of over one dozen employees. The canal has been stabilized but no decision has been made to replace it.

The City of Sault Ste. Marie and other people concerned have called on the Government to replace this major shipping link between Lake Superior and Lake Huron, yet the Government has failed to act. It has not even committed enough money for the engineering to take place to decide whether a project should go ahead. When a decision is finally made it will take over two years for construction.

I call on the Government to make a commitment today not only to do the engineering to determine that the ship canal should be replaced but to go ahead and complete the replacement and rehabilitation of this major tourist and shipping link in Sault Ste. Marie.

* * *

[*Translation*]

INCOME TAX

TAX REDUCTION FOR CERTAIN TAXPAYERS

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, for the first time since the implementation, in 1917, of the Income Tax Act, Canadian citizens are paying less income tax.

Effective January 1, 1988—as every Canadian will find out from his or her paycheck covering the first week of July 88, 9,7 million households representing over 85 per cent of Canadians will benefit from an average tax savings of $490 and 850 000 low-income citizens will no longer pay any income tax.

While cutting down the deficit and maintaining service to our citizens in need, we managed to reduce income tax. It is welcome news for Canadian consumers and a boost to this country's builders.

Many thanks to our Minister of Finance (Mr. Wilson)!

[*English*]

EXTERNAL AID

ERITREA—CALL FOR DIRECT EMERGENCY RELIEF

Mr. Alan Redway (York East): Mr. Speaker, today the Eritrean Canadian community is holding a demonstration on Parliament Hill and at the Soviet Embassy in support of emergency relief and Eritrean self-determination and in opposition to Ethiopian aggression and the massacre of civilians by Soviet supplied napalm and cluster-bombs.

According to the Eritrean Relief Association more than 180,000 Eritreans, mostly women and children, have been displaced from their villages. Emergency relief aid is desperately needed.

I call upon the Minister for External Relations (Mrs. Landry) to send emergency relief directly to Eritrea on an urgent basis and call upon the Secretary of State for External Affairs (Mr. Clark) to demand that the Ethiopian Government stop using Soviet napalm and cluster-bombs on women and children.

ORAL QUESTION PERIOD

[*English*]

AGRICULTURE

DROUGHT IN WESTERN PROVINCES—GOVERNMENT ASSISTANCE REQUESTED

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister. On the one hand, today in Toronto the Prime Minister was talking about world drought, the greenhouse effect, and the problems posed for the entire world by climatic change. On the other hand, Canada has a disastrous drought in western Canada. Twenty-four thousand farmers have left the land in the last year and the Government spends almost three times more on propaganda for its trade deal than it does on a concrete program for western farmers and the drought.

Why doesn't the Government introduce a really comprehensive program to aid the farmers of western Canada who are being driven from the land because of drought?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am really quite surprised by the comment of the Leader of the Opposition because Canadian farmers will be happy to tell him that aid from Ottawa to the agricultural community has increased by about 400 per cent since our Government took office.

Some Hon. Members: Hear, hear!

Mr. Mulroney: With regard to the very special problem of the drought which is debilitating many parts of western Canada and the industrialized world, the Minister of Agriculture has already put together the first part of an important package to assist farmers. The second is on its way and will be announced just as soon as we can.

PROPOSED DISASTER RELIEF FUND

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister was speaking in general terms about global climatic change in Toronto today. What might have changed is also affecting in a long term way the future of Canadian farmers. Increasing droughts and a hotter world climate are not something the Prime Minister surely discovered today in Toronto. Granted, we cannot solve the problems alone, but there are things that the Government can do for Canadians within our own territory.

• (1420)

Three years ago, during another drought season, I called upon the Government of Canada to promote and present a federal-provincial agricultural disaster relief fund. In response to that, on November 27, 1985, the Minister of Agriculture announced, in his words: "We are working toward having a long term disaster assistance program in place for this year's planting season".

1985 has gone by as well as 1986, 1987, and half of 1988, and we still do not have in place a long-term program for agricultural disaster relief. How is that delay going to be explained to the farmers of western Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we have been working with regard to programs such as soil conservation and water resource management with provincial Governments on behalf of farmers. We have worked very closely with the farm organizations.

I met them again just before the Summit and I believe one of them pointed out publicly that that was the seventh meeting I had held with them since I had become Prime Minister, and that it was the first time the Prime Minister of Canada had held such a series of meetings with agricultural leaders across Canada.

We have provided, as I think we should have, a great amount of assistance with regard to drought, when there were floods, and when the problem of grasshoppers arose in western Canada. We provided the largest single deficiency payment in the history of Canada to the agricultural community.

When the agricultural community has been in difficulty it has known that this Government would respond to assist in its problems. We have in the past and we will again in the future.

REQUEST FOR LONG-TERM ASSISTANCE PROGRAMS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, it is all very well for the Prime Minister to go to Toronto and talk in general global terms about the problem, but western farmers are still awaiting the results of a promise

made by his Government two and a half years ago to come up with a long-term drought program.

When I was in Saskatoon last week I received questions which I am now going to put to the Prime Minister. Where is the long-term drought assistance program? Where is the support for long-term water storage programs in western Canada? Where are the projects to move water to the drought areas? Where are the programs to move feed to the drought areas? Where are the programs to move cattle to areas outside those areas?

Those are the programs western farmers are asking for and they are not going to be overly impressed by the Prime Minister's speech in Toronto.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my recollection is that in the Prince Albert declaration a little more than four years ago we made some 57 or 58 commitments to western agriculture. We have delivered on between 85 and 90 per cent of the entire package.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I do not know, Mr. Speaker, why my right hon. friend suggests that it was inappropriate for me to go to Toronto this morning to discuss the important matters of the environment. Surely he would not disagree with my obligation to do that. We certainly do not do this to the exclusion of the agricultural industry or without profound sympathy for it facing the drought which is affecting Canadian agriculture at the moment.

Even my right hon. friend would not blame me for the drought. I know he blames me for everything else, but even he wouldn't try that one.

Mr. Tobin: Well, it's caused by hot air.

Mr. Mulroney: If my hon. friend visited with western farmers he would find that most of them would tell him that this Government has done more for western agriculture than any other Government.

REQUEST FOR ANNOUNCEMENT OF LIVESTOCK STABILIZATION PROGRAM

Mr. Maurice Foster (Algoma): Mr. Speaker, since last fall the moisture reserves in western Canada have been at an all-time low. The Minister of Agriculture has been talking about committee meetings since the first of the year. It is almost the first of July. Many crops are not even being planted this year.

When is the Government going to announce a program for stabilization of the livestock industry? Feed prices are going up. Cattle prices are going down. Western farmers want to know when the Government is going to put in place a livestock stabilization program so that they will know they can keep their herds throughout the summer.

• (1425)

The Government has been talking about committee meetings and consultations. Western farmers want to know when there will be action.

Mr. Lee Clark (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, unlike the previous Government, our Government believes in consultation because in the end the results demonstrate its utility.

Some four weeks ago the Minister of Agriculture, the Minister responsible for the Wheat Board, the Parliamentary Secretary to the Prime Minister and myself met with our counterparts and industry representatives in Calgary. We worked out a timetable which we have been following very closely since then.

Since those meetings some four weeks ago, industry representatives, in consultation with the federal Government and the provinces, have worked closely on a package that we suspect will be put in place soon. In the meantime, we announced in Calgary some $12 million to assist PFRA, which is part of a long-term strategy to work closely with the cattle industry and effect the transportation of water. In addition, there have been some changes to regulations with respect to crop insurance, which are also designed to meet the needs of the farmers in the short term.

Some Hon. Members: Hear, hear!

TIMING OF PROGRAMS

Mr. Maurice Foster (Algoma): Mr. Speaker, we heard the Parliamentary Secretary and the Prime Minister give a recitation of what they are talking about and thinking about. Western Canadians want to know when the Government will act. When will the Government bring in a livestock stabilization program? When will it provide an income tax deferral mechanism for herds that have to be dispersed? When will the Government provide assistance for moving cattle out of the drought area? We want to know when the Government will act. Why does it refuse to act?

Mr. Lee Clark (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, when the Hon. Member talks about the Government refusing to act, I can only assume he is looking back into history. Unlike that administration, this Government, this Prime Minister, the Minister of Agriculture and others—

Ms. Copps: You have been there four years.

Mr. Clark (Brandon—Souris): —have been working on behalf of Canadian farmers since we were elected in 1984. We will continue to do so.

In addition, there is a crop insurance program that was not in place a year ago.

Mr. Foster: Twenty-four thousand have left.

Ms. Copps: Issue the writ.

Mr. Clark (Brandon—Souris): We are following the advice of people like Stan Wilson, who are giving us a timetable—

Ms. Copps: Call the election—

Mr. Foster: Twenty-four thousand have left.

Mr. Clark (Brandon—Souris): The farmers are looking for action, not for advice such as they are receiving from Hon. Members like those from the Hamilton area.

Some Hon. Members: Hear, hear!

Mr. Clark (Brandon—Souris): This Government has been there on behalf of Canadian farmers in the past and we will continue to be there in the future.

REQUEST FOR ASSISTANCE FOR LIVESTOCK PRODUCERS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. The Prime Minister said a few weeks ago that something would be done soon about the impact of the drought on western producers. The Parliamentary Secretary said a month ago that something was put in the works and a timetable established.

When I was there two weeks ago, farmers in western Canada were saying that they had been waiting two weeks which, for them, was already two weeks too long in meeting the needs of the cattle producers in particular.

A one-shot deal of perhaps $80 to $100 per head of cattle would cost the federal Government about $100 million now. The federal Government has only spent $12 million since the drought began, to deal with the problem. Will the Government commit itself to a one-time assistance program of $80 to $100 per head now so that western producers can make the decision either to get water and feed to their cattle, or get their cattle to the water and feed? Will the Government make that decision now rather than some point down the road?

• (1430)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, when the farmers on the Prairies, through their Governments, asked us to respond to very serious problems some time ago with respect to grain production, we responded, as my friend knows, with the largest deficiency payment in the history of Canadian agriculture. So I think that indicates the sensitivity that we try to bring to bear to these very legitimate problems affecting Canadian agriculture.

There is not a problem more legitimate than the one being discussed now and we view it with great care and concern and will continue to do so. My hon. friend, the Parliamentary Secretary, has indicated we are following, with the concurrence of agricultural leaders, a very strict timetable. I can assure my hon. friend that the farmers of Canada who, through no fault of their own, are suffering severely because of these climatic conditions, will find in the Government of Canada, as they have in the past, a strong friend and ally.

FEDERAL FUNDING REQUEST

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I say to the Prime Minister that the farmers are looking for an immediate answer to their needs. The Prime Minister referred to the large deficiency payment the Government granted. He did not mention this announcement was made in the middle of a Saskatchewan election.

Some Hon. Members: Oh, oh!

Mr. McDermid: It was delivered, Ed.

Mr. Broadbent: Considering the Government did not hesitate to promise to spend $163 million to the voters in the by-election at Lac-Saint-Jean recently, will the Government commit itself to what would amount to $63 million less than this amount for all four of the western provinces affected in this particular circumstance? Will the Government spend that money now when it is needed instead of waiting for by-elections to be called in every region across western Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am sort of surprised to hear my hon friend speaking so disparagingly of by-elections. He was calling for one and he predicted he was going to win.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: One of the best 10 you have in Quebec.

Mr. Broadbent: No, let's have a general one!

Mr. Mulroney: Then I find my hon. friend is saying that the farmers are looking for some quick answers. I am informed by the Minister of Justice that, when the Leader of the New Democratic Party was in Regina, he was asked for his drought program and he said it would be issued during the next election campaign.

Mr. Hnatyshyn: That is exactly right. We had to wait a long time.

An Hon. Member: That will be a drought for the NDP.

Mr. Mulroney: I can't think of anything more offensive than issuing those things during election campaigns. My hon. friend, if he has anything to say on behalf of the farmers, should say them now. Canadian farmers, east and west, have found in this Government a ready friend and trusting ally. We have responded with alacrity before and we will again. Right now the farmers are hurting and this Government will help them.

Mr. Broadbent: Mr. Speaker, I say to the Prime Minister that the Minister of Justice is wrong again. If he had attended the press conference, he would have heard that we called on the federal Government to produce the $80 to $100 per head

of cattle. We also called for an emergency program of the kind the Government promised in 1985 and still has not delivered.

REQUEST FOR IMMEDIATE ANNOUNCEMENT OF ASSISTANCE

Hon. Edward Broadbent (Oshawa): Since the need is pressing now on the Prairies and since the Government could find $163 million to spend in a by-election, will it announce the $100 million that is badly needed by the farmers on the Prairies today instead of waiting for an election when the Government can find money to spend?

[*Translation*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it is more and more disturbing to see the socialist leader reproach the federal Government for spending money in Quebec or elsewhere, whether during an election campaign or not. That fact is, as he very well knows, that the Canadian Government in no way spent $163 million in Lac-Saint-Jean—he knows that very well. It is a falsehood that he is no doubt repeating inadvertently.

Regarding farmers in western Canada, Quebec and throughout the country, they know very well that unlike the previous Government, we never told farmers that they could go sell their own wheat.

[*English*]

We never said: "Go sell your own wheat". We said we were going to help the farmers of Canada and that is what we have done consistently since we have been here.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF KENYAN MINISTER OF ENERGY

Mr. Speaker: I wish to draw to the attention of Hon. Members the presence in the gallery of the Hon. Minister of Energy, the Hon. Nicholas Biwott, of the Government of Kenya.

Some Hon. Members: Hear, hear!

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AIR CANADA

REPLACEMENT OF 727 AIRCRAFT FLEET—CRASH OF AIRBUS A-320

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, if manure production is the mark of expertise in farming, the Prime Minister takes the hat hands down.

An Hon. Member: Look whose talking!

Mr. Tobin: My question is directed to the Deputy Prime Minister. It concerns Air Canada's announced planned replacement of its fleet of 727s. The reported leading candidate for replacement of the 727s is the Airbus A-320. The Deputy Prime Minister will know that yesterday in France, during a demonstration flight, an Airbus 320 crashed resulting in three deaths and nearly 100 injuries. Indeed, I am sure all Members regret the loss of life and the injuries. The cause of that crash is yet unknown.

Can the Deputy Prime Minister assure the House that Air Canada will not proceed with what is reported to be a $3 billion purchase of new aircraft until a full and complete investigation is undertaken to ensure the air worthiness and safety integrity of the Airbus 320 aircraft?

Hon. Gerry St. Germain (Minister of State (Transport)): Mr. Speaker, like the Hon. Member, we would offer as a Government our sympathy to the victims of that unfortunate incident in France.

With respect to the Member's question, I believe it is best answered by reading the press release of Air Canada. President Pierre Jeanniot has said no decision has been made on which new aircraft it will buy. The airline is also considering planes from Boeing and MacDonald Douglas. No decision has been made at this point and I believe it would be premature to pass judgment on any decision at this time.

REQUEST DECISION BE POSTPONED PENDING INVESTIGATION OF CRASH

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): The Airbus 320 is the first non-military aircraft in the world to use a fully computerized flight control system. Outside of military aircraft that kind of system is not being utilized anywhere else. Today in France the company's official spokesman indicated that the crash may have been caused by pilot error. That comment was made before any investigation whatsoever was carried out. The company has an interest in saying that.

Once again, can the Minister of State for Transport give the House the assurance that Air Canada will not consider, nor will it take any decision to buy the A-320 Airbus aircraft until such time as a complete investigation has been carried out and that investigation has been verified independently by Canadian officials to ensure that, if that aircraft flies in Canada, it is an aircraft that meets with the kind of standards we set in this country?

Hon. Gerry St. Germain (Minister of State (Transport)): Mr. Speaker, as the Hon. Member knows, the investigation of the French civil aviation authorities is under way. I think it would be premature for anyone in this House or anywhere else to pass judgment or to make any comment with respect to this investigation because it may prejudice the investigation.

As far as the decision being made is concerned, I cite the words, I have full faith in the board and the management of Air Canada. They are still in the process of making their

evaluations. They have not made a choice. We have said this in the House before and we are saying it today. I am sure all in this House would agree that a thorough evaluation should be done before a selection is made.

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AGRICULTURE

WESTERN DROUGHT—CATTLE FEED QUERY

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, my question is directed to the Parliamentary Secretary to the Minister of Agriculture. More than two million head of cattle are caught in the severe drought zone in western Canada. Farmers and ranchers have been moving old hay at considerable expense to maintain this herd. Has the Government yet decided what the crop insurance rule should be for turning cattle into the dried out crop as cattle feed before it, too, turns brown and blows away?

Mr. Lee Clark (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, as I indicated in response to an earlier question, there have already been some modifications announced by provincial officials with respect to crop insurance. I do know, and the Hon. Member will appreciate, that the recommendation he suggests is one which has already been offered by the industry and is a point of the discussions currently taking place between the federal Minister of Agriculture, the provincial Ministers, and those officials representing them. I would suspect there will be some announcement in the very near future.

• (1440)

SUGGESTED USE OF PASTURE LAND IN WILDLIFE SANCTUARIES

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, I am pleased that we will eventually hear an announcement on this matter. For several weeks people have been waiting. Some crops have now gone beyond the pasture stage and have been completely lost to those cattle.

Is it the Government's intention to make any use of the close to 40,000 acres, or 15,600 hectares, of pastureland in the wildlife sanctuaries, including the Last Mountain Bird Sanctuary in my riding, since the birds do not eat the grass and will not be using it in July and August anyway? It would be a nice reciprocal arrangement in this time of stress since they were eating and have always eaten farmers' crops in the surrounding areas in years past.

Mr. Lee Clark (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I do know that with respect to the Hon. Member's last point certainly one of the ongoing conflicts between the farming community and the supporters of the wildlife community is the type of conflict of which he speaks.

Having said that, I know that officials are trying to find all available resources for feed which can be used in the short-term. As the Hon. Member knows, a number of cattle have been moved off the range to northern areas. Some have been brought into Manitoba. In addition to that—

Mr. Benjamin: No thanks to you.

Mr. Clark (Brandon—Souris): The Hon. Member for Regina West says: "No thanks to you". One of the things that farmers in western Canada know is that when the drought took place in 1984-85 we were there with assistance to cattle producers with respect to so much per head. They also have faith in our record. They know that because we were there in the past we will be there in the future. They believe in us. Quite frankly, they are very grateful. One of the things for which they can be grateful is the fact that we are the Government of the day rather than the Party of the Hon. Member.

Some Hon. Members: Hear, hear!

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[*Translation*]

EXTERNAL AFFAIRS

NORMALIZATION OF DIPLOMATIC RELATIONS WITH U.S.S.R.

Hon. André Ouellet (Papineau): Mr. Speaker, my question is for the Secretary of State for External Affairs and concerns our relations with the Government of the Soviet Union. The diplomatic saga is taking on very worrying and regrettable proportions and I would like to ask the Secretary of State whether he intends to take measures to restore normal relations with the Soviet Union as soon as possible.

[*English*]

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member and the House know that the Soviet Union was involved in activities here which were unacceptable to Canada. I addressed those in a statement in the House the other day.

This afternoon I will be meeting the Ambassador of the Soviet Union to Canada. I have called him into my office.

The Hon. Member will also know that I have been in touch with him, representatives of the New Democratic Party, and with the Chairman of the Standing Committee of the House, with respect to a confidential briefing this afternoon on some of the circumstances which have led Canada to take this action.

[*Translation*]

NATIONAL SECURITY

STATUS OF INTERNAL SECURITY

Hon. André Ouellet (Papineau): Mr. Speaker, on June 22, the Minister told this House:

> We are confident that Canadian security was not compromised and that Canadian authorities have acted to preserve our security.

Can the Minister still maintain this position and confirm for us that this statement made last week still stands today?

Right Hon. Joe Clark (Secretary of State for External Affairs): Yes, Mr. Speaker.

* * *

[*English*]

RAILWAYS

NEWFOUNDLAND RAILWAY DISBANDMENT—COMPENSATION FOR WORKERS

Mr. Jack Harris (St. John's East): Mr. Speaker, the Deputy Prime Minister stated in this House last Monday that the railway workers of the Newfoundland Railway supported the financial package which closed the Newfoundland Railway and would provide $70 million for labour adjustment. Was it because they had been deceived by the statements of the Minister for International Trade and the President of CN into thinking that the $70 million was available for negotiated benefits over and above what their collective agreement or employment contracts required?

Will the Deputy Prime Minister end the uncertainty among workers and confirm, first, that there is no extra $70 million available to the employees in addition to the contractual obligation of CN; and, second, that this money is not part of the Government's contribution since CN is already obliged to make these payments to its workers?

Hon. Gerry St. Germain (Minister of State (Transport)): Mr. Speaker, I believe the Hon. Member knows that the negotiations will take place on July 5. I think anything that we do at this point in time could possibly damage any negotiations that will take place. The package that will be put in place will be one of the most generous that this country has ever seen.

GOVERNMENT POSITION

Mr. Jack Harris (St. John's East): Mr. Speaker, the confusion that the Government has created among the workers of CN in Newfoundland is astounding. The workers were convinced that the Government has a package of $70 million over and above their contractual obligations. I now hear that this is not the case. Why does the Minister not come clean and tell the people the truth?

Hon. Gerry St. Germain (Minister of State (Transport)): Mr. Speaker, I repeat again that it would be premature and irresponsible to make any statements until we have sat down and properly negotiated the agreements as laid out.

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HOUSING

DISPOSAL OF SURPLUS FEDERAL LANDS IN METROPOLITAN TORONTO

Mr. Alan Redway (York East): Mr. Speaker, my question is directed to the Minister of State for the Treasury Board. It involves the disposal of federal surplus lands. When the federal Government is disposing of surplus lands it has a policy of offering them first to provincial Governments, and then to municipal Governments, before making them available for housing.

Will the Minister direct the Bureau of Real Property Management of the Treasury Board to adopt a housing first policy so that when surplus lands are disposed of, particularly in areas where there is a housing crisis such as Metropolitan Toronto, they will be offered first for badly needed housing before anything else?

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, the House should know that since we took office in 1984 we have adopted a policy of reviewing the federal Government's landholdings and wherever possible disposing of excess federal property. To date we have sold some 492 properties. That has returned to the Treasury some $171 million.

Specifically with respect to the Hon. Member's question, I would tell my hon. friend that a review of federal landholdings in the Toronto area is presently under way. Once that is completed it is a question of discussing the matter with the provincial and municipal authorities and deciding on the best use of that property. That decision will be taken at that time.

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[*Translation*]

LABOUR RELATIONS

BELL CANADA STRIKE—SERVICE FOR THE HANDICAPPED—GOVERNMENT POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I would like to raise the issue of the operators' and technicians' strike at Bell Canada, which threatens to affect telephone services for about seven million Canadians who reside in Quebec, Ontario and the North West Territories. Those most likely to be affected are people with a hearing disability and the physically disabled who need operator assistance to make a call. Furthermore, people who are trying to communicate an

emergency situation cannot make do with a tape recorder that answers "This is a recording".

Mr. Grisé: Don't call us, we'll call you.

Mr. Guilbault (Saint Jacques): I therefore want to ask the Government, which certainly has a responsibility to ensure that such services are maintained, to inform the House what it intends to do so that the disabled can continue to make calls during the strike and emergency situations can still be reported.

[*English*]

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I understand from my colleague, the Minister of Labour, that officers of the Federal Mediation and Conciliation Service have been in contact with the parties and are following the developments in the dispute. There was a conciliation process in place earlier that failed to win the support of the union members.

I understand that under its terms of licence the company must continue to provide service and that it is prepared to do so.

We will of course continue to monitor the situation. It is a legal strike. My colleague, the Minister of Labour, will be following the situation to ensure that for those in need there will be the necessary services.

[*Translation*]

Mr. Guilbault (Saint-Jacques): Mr. Speaker, while I was asking my question, the Member for Beauce thought he was being funny when he said: "Don't call us, we'll call you!" That shows the extent of his concern for the disabled.

Ms. Copps: The clown from Beauce.

• (1450)

[*English*]

CONCILIATION COMMISSIONER'S REPORT

Mr. Jacques Guilbault (Saint-Jacques): We are aware that a report had been commissioned from Mr. Warren Edmunson, a conciliation commissioner. We know the Government has a copy of the report in hand. I would like to ask if the Government is in a position to table the report forthwith, or at least to release the essential elements of the report in order that Canadians may better understand the issues at stake, especially as they threaten a service that they have paid for and to which they feel entitled?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I am clearly not in a position to commit my honourable colleague to releasing a report, and the Hon. Member knows that.

In other very sensitive situations like this, I know that he has taken a very active role behind the scenes in a way that has been helpful to the parties. That will continue in this case. I am sure when he returns he will be able to respond directly.

CANADA POST CORPORATION

POSTAL SERVICES REVIEW COMMITTEE

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my question is directed to the Minister responsible for the Post Office. For some time Canadians have been protesting the Government's destructive post office policy which has meant the closure of rural post offices, and the denial of door-to-door service in suburban areas in an arbitrary fashion.

Does the Minister believe that Canadians will accept, as a substitute for a change in policy, the appointment of a paper tiger that has no decision-making power, headed by a known Tory who makes donations to his political Party?

Does the Minister not realize that Canadians will see through this effort to escape the political heat on the eve of an election?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I would suggest that the rhetoric in the Hon. Member's question is evidence in itself why it would be useful to have an independent third party evaluate questions as to changes in service policies, rates, and so on.

For example, the Hon. Member talks about concerns regarding changes in rural post office delivery mechanisms, yet in his own province independent polls indicate that those affected by the changes find them quite proper and over 85 per cent approve the changes. It is far preferable to have an independent third party look at those questions than to have the type of rhetoric put forward by the Hon. Member as some basis for making decisions.

APPOINTMENT OF CHAIRMAN

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my supplementary question is directed to the same Minister. If this Committee is going to be as objective as those polls were then Canadians are in for a mean surprise.

If the Minister wanted this committee to be independent and wanted the Post Office to operate independently, why did the Minister not give it decision-making authority? Why did he choose to appoint a known Tory to head this committee, if he wanted it to be seen as an independent body?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the board will have five members. The appointments were made today of Mr. Alan Marchment, who did an excellent job of studying the Post Office and task force report, and who is clearly one of the Canadians most knowledgeable about the operation of the Post Office; Mrs. Sally Hall, past President of the Consumers' Association of Canada; and Mr. Claude Senneville, a former member of the National Energy Board. To suggest those three people, plus the other two who have not been appointed yet, are somehow not to be trusted, are going to do all kinds of damage, as opposed to the kind of advice the Hon. Member is getting from Jean-Claude Parrot, is an absurdity.

EMPLOYMENT

SITUATION OF OLDER WORKERS—ADVISORY COUNCIL REPORT

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Last week, on June 22, the Advisory Council to the Minister of Employment and Immigration submitted a report which stated: "It is evident that the employment situation of older workers has not improved since 1985 when the Advisory Council report on Older Workers was published and, in fact, it has deteriorated".

In the 1985 report the Advisory Council made 10 recommendations to assist unemployed older workers. After three years none of those recommendations has been implemented, including the Program for Older Worker Adjustment promised by the Government in February, 1986.

When does the Minister intend to start listening to her advisory council? Why is she ignoring older workers?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, the Government has not in any way ignored older workers. My colleague, the Minister of Labour, has been developing a policy on older workers. The unemployment rate among older workers is improved, as it is throughout the whole economic system.

In respect to the report that the Hon. Member speaks of, I met with the advisory board this morning at its meeting in Ottawa. We discussed older workers, among other things. I am prepared to take all of its recommendations into account.

MINISTER'S POSITION

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, there has not been an improvement for older workers. That is why last week the Minister's advisory council recommended that she take action on the 10 recommendations that it made in 1985, on which nothing has been done.

The Minister states that a new program for older workers is being negotiated. The Minister and her predecessor have been doing that for two years, and the Minister has not got agreement with the provinces. She should have kept in place the Labour Adjustment Benefit Program which was helping older workers, and not cancelled it before the other program was ready.

I wish to ask the Minister, what are her reasons for not acting on the advisory council report? What reasons does she have for ignoring this problem?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, we are not ignoring this problem. The Hon. Member, as usual, is not correct. The unemployment rate for older workers is 5.2 per cent, well below the national average for all workers. Employment among older workers has increased by 119,000 jobs.

We do regard this as a particular problem, and we do understand the uniqueness of older workers. Older workers also qualify for all of the programs within the Canadian Jobs Strategy, and many of them have been taking advantage of it. That is one reason that many of them are able to find new occupations.

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EXTERNAL AFFAIRS

DISPOSAL OF NEWFOUNDLAND RAILWAY'S NARROW-GAUGE EQUIPMENT

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. As a result of the closure of the railway in Newfoundland a great deal of equipment suitable for narrow-gauge railways will be available. There are indications that South Africa has expressed an interest.

What will Canada's response be if South Africa does indeed enter into negotiations in an attempt to purchase this equipment?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member is bringing that possibility—and he made it clear that it was no more than a possibility, no more than a hypothesis—to my attention for the first time. I will look into it.

SOUTH AFRICA—POSSIBILITY OF ASSISTING FRONTLINE STATES

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, when looking into the issue of possible South African purchase of this equipment, will the Secretary of State also engage in consideration of the possibility of making that equipment available to the frontline States where narrow-gauge equipment is also employed?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member knows two things which I will take the opportunity to bring to his attention again. One, the Government has been very active and remains very active in the fight against apartheid, and in seeking practically and positively to indicate to that regime in South Africa that it should change a policy which Canadians find unacceptable. Second, the Government has been very active in providing practical help to the frontline States.

If it turns out that there may be some other practical help that we can provide to them, we will in the future, as we have in the past, do that.

I will take the Hon. Member's representations in that light and see if there is any action that should be taken.

[*Translation*]

OFFICIAL LANGUAGES

RIGHTS OF FRANCOPHONE MINORITY IN ALBERTA—PRIME MINISTER'S POSITION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is directed to the Prime Minister and concerns the fate of the francophone minority in Alberta. If I am not mistaken, the Government of Alberta intends to agree to give its language minority rights it already has under the Canadian Constitution and only in two areas: the courts and education. Could the Prime Minister give the House the assurance that any accord, agreement or contract signed by the federal Government and the Government of Alberta will include a requirement by the federal Government of full accountability on the part of the Province of Alberta, so that once and for all, we can be certain that educational rights as defined under Section 23 of the Constitution will be assured, and that we will see some progress on access to the courts very shortly in Alberta?

• (1500)

[*English*]

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, as the Hon. Member will know, the statement made by the Province of Alberta has been responded to by the Minister of State for Federal-Provincial Relations who has set out, as has been confirmed by the Deputy Prime Minister in the House, our disappointment with respect to the response of the Alberta Government. Having said that, we are quite prepared to co-operate, as we have demonstrated with the Province of Saskatchewan, in entering into arrangements with the Province of Alberta to make resources available to ensure that minority rights in the Province of Alberta are in fact protected.

Indeed, I am very pleased to be able to announce that the Secretary of State has today entered into an agreement with the Province of Prince Edward Island with respect to a general agreement on official languages. The Premier of the Province of Prince Edward Island said that he was delighted that Prince Edward Island had obtained the Canadian Government's co-operation in its efforts to increase its capability to interact with the French-speaking people of Prince Edward Island in French.

We are taking action. This is another example of the way in which we have been able to work with the provinces to ensure the rights of minorities in the provinces.

GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I am not surprised that an agreement was signed with Prince Edward Island which has a Liberal Government in place. I can tell the Minister right now that it was much easier to settle with Prince Edward Island than it will be to settle with the Tory Government of Alberta.

Since Alberta has refused to concede and to open its arms generously to its minority, as Saskatchewan, the Minister's own province, did, will the Minister at least give the House a guarantee that if the Government accedes to some request from Alberta in terms of the language of the courts and educational rights, rights which are at this time in the Constitution but which for the last seven or eight years Francophones in alberta have been refused, will the Minister make sure that the federal Government is accountable to the House and to the people of Canada for the expenditure of those funds?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I hope that the Hon. Member's observation with respect to the political stripe of the Government of Prince Edward Island was in jest. I know that he of all people in this House would not want to politicize this very important issue.

Mr. Gauthier: I didn't ask about P.E.I., you raised it.

Mr. Hnatyshyn: I raised the fact that we in the federal Government indeed had entered into another agreement, first with Saskatchewan, now with Prince Edward Island. We have committed ourselves to a full process of consultation and discussion with the Province of Alberta. Indeed, these discussions are ongoing and we are quite prepared to do the same thing we have demonstrated we have been able to do in the other provinces. I think the Hon. Member would be the first one to compliment the federal Government for the progress in Saskatchewan and Prince Edward Island, and we are going to make progress in Alberta as well.

* * *

BUSINESS OF THE HOUSE

Mr. Lewis: Mr. Speaker, there have been discussions among the Parties, and I think you would find that there would be unanimous consent to revert to presenting reports from committees to consider the presentation of a report.

Mr. Gauthier: Mr. Speaker, I just want to make sure that the report we are dealing with is the one about Bill C-72, the new official languages Bill. If it is, then it is in keeping with the spirit of today's question, and I would approve it.

Mr. Speaker: Is there such agreement?

Some Hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*Translation*]

OFFICIAL LANGUAGES ACT

PRESENTATION OF REPORT OF LEGISLATIVE COMMITTEE ON BILL C-72

Mr. Marcel Danis (Verchères): Mr. Speaker, I would like to thank the representatives for the two Opposition Parties for giving me this opportunity to present a report by the Legislative Committee on Bill C-72, an Act respecting the status and use of the official languages of Canada.

I would like to thank the Clerk of the Committee and all Committee members for the work they have done during the last three months, and especially the Hon. Member for Calgary West (Mr. Hawkes), who worked very hard to establish a consensus on nearly all the amendments in our report.

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

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—CONCURRENCE IN THE MAIN ESTIMATES FOR THE FISCAL YEAR ENDING MARCH 31, 1989

The House resumed consideration of the motion of Miss Carney:

That the Main Estimates for the fiscal year ending March 31, 1989, laid upon the Table, Tuesday, February 23, 1988, less the amounts voted in Interim Supply be concurred in.

Mr. Speaker: When the House rose at 1 p.m. the Hon. Member for Notre-Dame-de-Grâce—Lachine East had the floor.

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, when this debate was adjourned for lunch, I was saying that it was wrong for the Government to cut funds for employment and training when unemployment was still a serious problem and felt to be a serious problem in Canada. To support my position, I referred to the report published last week by the advisory council to the Minister of Employment and Immigration with respect to older workers.

As Hon. Members know, we do not have much opportunity during Question Period to respond to the answers of the Minister. We have two questions and she has two answers, and she gets the last answer. She said that the unemployment rate for older workers went down. Obviously she has not read the report.

It is true that the official unemployment figure went down, but the Minister did not say that 41 per cent of older workers between the ages of 55 and 64 who had lost their jobs in the last number of years had withdrawn from the labour force

because they had given up hope. Consequently, they are not counted in the unemployment figures. If the Minister would take the time to read the report which was published last week on June 22 entitled *Unemployed Older Worker Phenomena: A Problem That Will Not Go Away*, she might be stirred to action.

In my remarks this morning, I pointed out that the unemployment figure of 7.8 per cent is misleading and does not tell the whole story because the great improvement in the employment situation has occurred in southern Ontario. There are still five provinces with serious unemployment rates. In addition, we have the problem of older workers. I also referred to the report just published on Thursday in Quebec pointing out that one out of three unemployed persons in Quebec is a young person between the ages of 14 and 25. Once again, we have a serious employment problem that deserves more investment and funding, not less.

All of this goes toward explaining the Gallup poll results published last week indicating that 27 per cent of Canadians believe that unemployment is the biggest single problem in Canada. That figure of 27 per cent leads the percentage for all the other problems identified in the survey. One would think that the Government would take serious note of these Gallup polls.

If everything is going as well as the Government says it is, why does 27 per cent of the population indicate that unemployment is still the most serious problem? These people are saying that it is the most serious problem because the improvement has other been regional and there is still serious unemployment in the regions. They are saying that it is serious because it is a very drastic problem among older workers.

I have here the report on older workers entitled *Older Workers: An Imminent Crisis in the Labour Market*. The advisory council to the Minister is calling this an imminent crisis in the labour market. That is why we get Gallup poll results like the results to which I referred. We also get those results because of the report published in Québec dealing with young people in that province referred to in this morning's *Le Devoir*.

There are other serious underlying problems with respect to employment that are hidden by the national figures published from month to month. One such problem is the growing trend toward part-time and temporary work. This type of work has been increasing since about 1979 or 1980. The previous Government appointed the Wallace Royal Commission to study this phenomenon and to come up with recommendations, which it did, but the recommendations have not yet been implemented by the Government. Wallace and her commission recommended that unemployment and other benefits be prorated for part-time workers because of this growing phenomenon.

• (1510)

It is these kinds of things which are providing insecurity to Canadian workers in the labour market. Even if Canadians workers have jobs they are fearful of what will happen tomorrow because they are working usually in part-time or temporary work. Now, as opposed to the past, these jobs are at minimum wages, are low paying, non-union, and without benefits.

As you well know, Mr. Speaker, during the recession of 1982-83 many full-time industrial jobs were eliminated and were replaced by a high percentage of service jobs which on the whole, do not provide the wages, the benefits, and the security provided by the former industrial jobs. This is a serious problem to be addressed by the Government, and the Government is not addressing it. With the unemployment rate alone at 7.8 per cent, it is really nothing in which to take great comfort. Certainly, as a national figure, it is an improvement over the rate we had in the depth of the recession in 1982-83, when we registered the highest rate of unemployment in January, 1983. In the year prior to the recession, in 1981, the rate of unemployment nationally was 7.5 per cent in Canada. It jumped to 11 per cent in 1982 and to 11.9 per cent in 1983; then unemployment started to decline after January, 1983. This Government takes a *laissez-faire* approach to the problem and believes that if it withdraws from the market and from its spending and intervention into the economy everything will turn out well. Of course it is turning out well in the Golden Horseshoe surrounding Toronto and in southern Ontario generally, but that approach is not helping the Atlantic provinces, B.C., Québec, or pockets in the other provinces where there is still very high unemployment.

I should point out that in the period 1965 to 1980, a period of 15 years under a Liberal Government, the average rate of unemployment was 5.6 per cent. That is what the Government should be comparing itself with, not with the figures in the depth of the 1982-83 recession. If the Government had a policy and the political will, that rate of 7.8 per cent would be lower than it is. This morning the Minister of State for the Treasury Board stood in the House and boasted that the Government had cut spending on government programs. As I said then, we have to examine which programs have been cut and which ones have not been cut. We note that the Government has promised to spend over $10 billion on nuclear submarines, whereas it has cut by 32 per cent the programs for employment and training while still over one million Canadians are unemployed.

In 1984 we were spending $2.2 billion on employment and training programs. This year we are spending $1.5 billion which is a cut of 32 per cent. That is not an acceptable situation when we still have the problems to which I referred—high unemployment rates in five provinces, high unemployment rates and getting worse for older workers, high unemployment rates for our youth, and the growing trend to part-time and temporary work which is low paid, non-unionized, and without benefits. No wonder we get Gallup poll results which indicate that Canadians still feel that unemployment is the biggest problem in the country.

It is not good enough for the Prime Minister (Mr. Mulroney), the Minister of Employment and Immigration and the Minister of Finance (Mr. Wilson), whenever we ask a question about this serious problem, to stand and continually repeat the global figures that apply to the whole country. Of course Ontario has a 4.5 rate of unemployment. Good for Ontario, Mr. Speaker. There is a Liberal Government in Ontario which is willing to intervene and do something. The rate is good in Ontario and in a few western provinces, but the policies of the Government to lower the rate of unemployment right across the nation are inadequate. The advisory council to the Minister, appointed by the Minister and her predecessors, is saying very frankly that what is being done is not enough.

The Government's neo-Conservative, *laissez-faire* economic policies are misguided and are not working. The rate of full-time job creation is inadequate. It is overwhelmingly centred in southern Ontario and it has bypassed youth and older workers; nor is there any political will to deal effectively with part-time work, regional development, functional illiteracy, labour market adjustment, and the transfer from school to work by young people.

I urge the Government to increase its spending on training, employment, and education rather than to cut those budgets. Let the Government start by cutting the program for nuclear submarines and putting the money into something that will benefit all Canadians.

Mr. Redway: Mr. Speaker, I was most interested in the comments of the Hon. Member urging us to put more instead of less money into the government Estimates. I note that over the last few months there has been a number of suggestions by the Liberal Party for the Government to spend more money. For instance, at one stage the Liberal Party called for an increase in the budget for Indian Affairs and Northern Development. At another stage the Liberal Party called for more money to be spent on multiculturalism. Then another Liberal Member of Parliament called for $3 billion to be spent on child care spaces. In addition, I understand that the Liberal Party, if it is ever re-elected, will institute home delivery for everyone. As well, today we heard the Liberals suggesting very substantial farm subsidies. We know the Liberals want an increase in foreign aid spending, and they have called for more people to be eligible for spouses' allowances. They also want the unemployment insurance system to provide more benefits. They have suggested subsidization for prices paid to oil producers. Those are only a few of the suggestions for increases in spending made by the Liberal Party in the last few months.

Could the Hon. Member tell us how much all that will likely cost the Canadian taxpayers and from where will the money come?

Mr. Allmand: Mr. Speaker, it is correct that we have suggested there be additional spending in many areas, areas which we believe would stimulate the economy because it is expenditure on investment rather than expenditure on matters which will do nothing to help the economy. It will be very difficult for us as Liberals to match the side-show put on two weeks ago when the Government decided to spend $163 million in one constituency simply to win one by-election. That has been worked out to, I think, around $6,000 per elector in Lac-Saint-Jean. When the Government wants to win a by-election it starts spending money like crazy without any attention to what the outcome of the expenditure will be.

Let me say that there are areas where we must spend more money. We must do it in order to bring about social justice, and we must spend more money to stimulate the economy. The area I was talking about, training and education, is as much an investment in infrastructure of this country as investment in airports, ports, roads, and economic infrastructure. A trained work force is essential for a modern economy. To cut money in training our work force and putting people to work is complete nonsense. It is the kind of thing one cannot stop and start easily. Once it is stopped it is very difficult then to start it up and hope to bear the fruit of that start-up in a short period of time.

We all know that it takes five to six years to train an engineer after university. It takes a long time to train archaeologists, metallurgists, and so on. Trained personnel are not trained overnight. Once you cut programs for these people and they become unemployed, or there is no opportunity for young people and middle-aged people to go into these fields of work, you are left without skilled workers and professionals for a period of time. I see, in Toronto, in the area from which the Hon. Member comes, there is now a shortage of skilled workers. Of course, what happens is, we have a shortage of skilled workers in Toronto and a high rate of unemployed unskilled workers in Atlantic Canada and elsewhere.

• (1520)

I would submit, Mr. Speaker, not enough attention has been paid to training, employment and education in this country by this Government.

Mr. Speaker: The Hon. Member for York East.

Mr. Alan Redway (York East): Thank you very much, Mr. Speaker. The Hon. Member referred to money announced to be spent in the Province of Quebec recently. The Hon. Member is aware that on June 9, the federal and Quebec Governments signed a Regional Economic Development Agreement for some $970 million over the next five years, and that agreement, of course, was one of a number of agreements, with every province and region in the country and that agreement was in fact replacing a prior ERDA Agreement with Québec, that was signed originally in 1985, and due to expire next year.

I wonder if the Hon. Member could tell the House if he believes that the federal Government should not enter into ERDA Agreements with the Province of Quebec, or other provinces, but should just let those funds lapse.

Mr. Allmand: Of course not, Mr. Speaker. We in this Party have been urging the signature of new agreements, with respect to regional development, for over a year now. It is unfortunate that we need a by-election to move the Government off their seats to sign the agreement.

Some Hon. Member: Nonsense.

Mr. Allmand: Mr. Speaker, I personally applied to this Government for an Employment Incubator Assistance Grant for my area, about two years ago, and I couldn't get one. I have heard other Members havetried to get them. We have here in the middle of the election campaign, without any application forms or any set program announced, all of a sudden an Employment Incubator Program approved for the Lac-Saint-Jean area. We are happy for Lac-Saint-Jean, but there appears an unevenness of approach to all constituencies in this country. If the Government had a policy, they would let us know what the policy was, and we would all be able to apply and take advantage of the program.

The way this Government is acting, simply trying to buy votes at a time of a by-election, or a general election, is not acceptable by the people of this country.

Mr. Speaker: Resuming debate with the Hon. Member for Guelph.

Mr. William C. Winegard (Guelph): Mr. Speaker, it is indeed a pleasure to be able to participate in this debate today on the Estimates for the fiscal year 1988-89. In the time available to me, Sir, I would like to discuss one portion of the Estimates, mainly transfer payments. In doing so, perhaps I might indicate to the House and to members of the general public just how much money we do transfer to individuals, to other provinces, to organizations, during the course of the year.

The federal Government is involved very deeply in the whole question of transfers and in particular say to individuals. But if we look at the Main Estimates for this year, we will find that $57 billion, nearly half of the total federal Government budget, $57 billion, is included for transfer payments. Also, grants to individuals, groups, associations, other levels of government, but unlike the operating and the capital expenditures, these grants that are made to these organizations or individuals are not made in exchange for any good or any service. They are outright transfer payments.

Generally, the transfer of payments can be grouped into broad categories. Individuals, subsidies, payments made to organizations and groups and, finally, the payments made to other levels of government.

The dynamic, as we now know, the dynamic economy of this country, certainly for the last four years, is recognized as a challenge to this Government in particular. We must sustain it and we must be prepared to respond to the positive thinking of Canadians. Effective social policies will continue to be needed. If we look at the spending in the area of transfers to persons, to individuals, it represents over $22 billion. Twenty-two billion dollars, or 40 per cent of all the transfer payments made, are made to individuals.

I don't have the time here this afternoon to go through all of those transfer payments. I would like to pick out just a few and give some numbers. I don't think most Canadians realize just how much is involved. Canadian seniors, if we look at them, Sir, what a marvellous group they are. They need and deserve our support. Payments made to the elderly in the form of Old Age Security benefits, Spousal Allowances, Guaranteed Income Supplements, those alone will exceed $15 billion this current year. That is an increase of over $900 million over the previous year.

Mr. Speaker, that tells me that you have a Government sensitive to the needs of the people growing a little older, sensitive to the social needs of our time. An increase of $900 million in one year alone, that is over 7 per cent, Sir.

Let me break those down. Old Age Security payments, as you know, they are made to all eligible Canadians who are over 65 years of age. They will exceed $11 billion in the year in which we are talking. This is some 8 per cent more than last year. More people coming into the group and, of course, the amount going up, in terms of the CPI. The total Guaranteed Income Supplement, which many Canadians regretfully must be on, will amount to almost $4 billion this current year.

Spousal Allowances. As you know, we took a dramatic action in terms of Spousal Allowances early in our mandate. They are forecast at $525 million in the current year. You remember, as I said earlier, we extended that down to 60 years of age, so people between the ages of 60 and 64 could take advantage of that significant program.

Now, I think all Members of this House know that this Government is dedicated to defend and strengthen the institution of the Canadian family. The Main Estimates for 1988-89, include $2.6 billion in Family Allowance payments, to families with dependent children. Beginning in 1986, you will remember that the Child Tax Credit was increased and it will reach a level of $524 for each child in 1988, an increase of $140 a year since we restructured that particular tax section. Further, beginning in 1989, the Child Tax Credit will be indexed to increases in the CPI, in excess of 3 percentage points. Another one, obviously, and somewhat dear to my heart, is what we have done for veterans. The contributions and sacrifices made by Canadian veterans have long been held in deep respect by all Canadians. The Government continues to provide benefits, some $1.2 billion, to this group through Veterans' pensions, training and education assistance to the children of those who gave their lives for our protection, in World Wars I and II. This assistance is provided always through the Department of Veterans Affairs. It covers the cost of the Aging Veterans' Program, health care services not provided by the provincial schemes, and one of the ones that have been, in my estimate, Sir, the most significant. The veterans in the Home Program, improvement to the home program, which I know hundreds of veterans in my riding have taken advantage of.

• (1530)

There are other examples of transfers. Some examples of agricultural subsidies include those grants to producers which are under the Special Canadian Grains Program, freight assistance on western feed grains for livestock, assistance for the storage costs of grain, premiums on livestock, and subsidies on milk and other agricultural commodities. Payments to producers for named agricultural commodities under the Agricultural Stabilization Act will be in the order of $300 million for 1988-89.

We have demonstrated over and over again our commitment to producers and farmers, particularly in the West, through an additional contribution in 1988-89 of $289 million to the Special Canadian Grains Program. That is the balance of the $1.1 billion assistance package for 1987. In addition, as you know, we contributed over $1 billion in 1986 to help overcome the subsidy problem. The total support to grain producers for 1986 and 1987 under the Special Canadian Grains Program amounted to over $2 billion.

I could include as well, Sir, the $663 million for subsidies to railway companies under the Western Grain Transportation Act for this fiscal year alone. This reflects again the positive outlook of the Government in terms of helping those in difficulty and generating the Canadian economy across the country.

We make transfer payments of another $10 billion to various organizations and groups of people under a wide variety of programs including, for example, our Official Development Assistance Program to developing countries. Canada need not take a back seat in terms of our ODA or external aid. We contribute 0.5 per cent of our Gross National Product each year and not many countries do better than that. We continue to support the International Monetary Fund, and the Government is now embarked on a major change in how we develop our Official Development Assistance Program as a result of what Canadians told us when we travelled the country.

On another matter, we must recognize that almost $2 billion will be paid to organizations, corporations, groups, communities, employers, and businessmen to help improve the employability of Canadians through training and work experience programs, which programs are designed to take people from one job to another, to update people, to move them into the age of current technology, even to help people who, in many cases,

do not know how to work. They have never had the opportunity to work and have to be told how to do it and what is required of them. We must teach them the discipline of the workplace.

I do not have the time today to go into all the details, but no review of the federal Government's expenditure plan, and in particular the broad category of expenditures called transfers, would be complete without some mention at least of the transfers to other levels of government. In 1988-89, cash transfers to the provinces, territories, and municipalities will amount to nearly $23 billion. This represents roughly 40 per cent of the total transfer payments or nearly 20 per cent of total budgetary Main Estimates. This does not include tax sharing with the provinces to give them tax room. The federal Government has backed off in certain areas so that the provinces can take them over. I think that is what all federal Governments must do in order to be fair in terms of tax distribution across the country.

Payments to other levels of government will, as in the past, continue to be channelled through a wide variety of transfer programs. There are unconditional programs, or general purpose transfers; general support arrangements, such as those in health and post-secondary education; and a variety of specific purpose transfers.

It is not my intention to deliver a history lesson to Members of Parliament, many of whom, I am sure, have more experience in this than I. I would, however, like to spend a few moments describing the mechanisms that have been implemented over the years to promote the other two aspects of intergovernmental fiscal relations and indicate how this Government has furthered their development.

With regard to fiscal harmonization, the measures that have been put in place, such as the tax collection agreements, the reciprocal taxation agreements, and the grants in lieu of municipal or local taxes—and I may say that in some instances that represents a lot of money to municipalities—are all intended to permit the federal and provincial Governments to exercise fully their respective taxing powers in such a way as to foster fiscal harmonization and eliminate needless complexity in the income tax system. It is always going to be complex, but the very fact that the federal, provincial, and municipal Governments have been able to share some of these responsibilities has made it much simpler than it might have been.

Over the years the federal Government has recognized the provinces' demands for greater flexibility and autonomy in pursuing the achievement of certain social and economic objectives. We have agreed to various changes which have been requested such as tax credits and tax rebates. However, in permitting these changes the federal Government has had to be selective in order to ensure the progressivity of the combined federal and provincial tax systems, to maintain the administrative benefits which accrue from an integrated tax system, and to avoid compromising the operation of the Canadian economic union by the erecting of fiscal barriers to the normal flow of capital. We must recognize that the provinces have their rights as well. I think all federal Governments have tried to be very sensitive to that.

I spoke earlier about the Municipal Grants Act under which the federal Government will transfer funding to certain municipalities in lieu of the collection of taxes on federal property. That is of some significance in my riding and I know that it is of very great significance in the ridings of some Members where there is a preponderance of federal government land and buildings. Consider the situation right here in Ottawa if the federal Government did not follow through on its promise under the Municipal Grants Act.

• (1540)

It is true that much of Ontario has been very prosperous and that some other provinces are doing very well. However, that prosperity does not extend across the whole of the country. The equalization program is meant to overcome that regrettable situation. It has been a major source of revenue for certain provincial Governments. Transfers under the Canada Assistance Plan and Equalization Payment Fund represent 40 per cent or more of total provincial revenues of the Atlantic provinces, one third of the total provincial revenues of Quebec and Manitoba. In the past, EPF and CAP payments represented between 20 per cent and 25 per cent of the provincial revenues of Ontario, Saskatchewan and British Columbia, and about 15 per cent in Alberta.

It would be a mistake for someone to believe that all is well in Ontario and that it receives no funding at all from the federal Government. Ontario is a great recipient of EPF alone for health care and post-secondary education. Probably 50 per cent or more of the post-secondary system in Ontario is funded by the federal government transfers.

The most important component of current federal-provincial arrangements for lower income provinces, with which we should be concerned today, is the fiscal equalization program which has been referred to as the cornerstone of Confederation because it shares across the country. It was introduced as a distinct program in 1957 and has continued to receive the support of all Parties in this Parliament since that time. We recently extended it for a further five-year period.

The Constitution of 1982 states that the purpose of these payments is to ensure that provincial Governments have sufficient revenues to provide reasonably comparable levels of public service at reasonably comparable rates of taxation. That is an important point in terms of our Confederation.

Payments under this program raise the per capita revenue generating capacity of the lower income provinces to a prescribed level which is currently the average per capita revenue generating capacity of the Provinces of Québec, Ontario, Manitoba, Saskatchewan and British Columbia.

There are absolutely no conditions applied to these funds. Provinces are free to use them as they wish, to raise their level

of public service, lower the level of taxation, or undertake some combination of both. The largest transfers are those arrangements made through Established Programs Financing. That is the program I mentioned earlier and about which I grew to know a great deal in my career. Under these arrangements, the federal Government, via a combination of cash and tax transfers, contributes on an equal per capita basis to the financing of provincial and territorial insured health services, extended health care services and post-secondary education. The total cash and tax transfers under the EPF arrangements is expected to be $18.5 billion in 1988-89. That is a 5.3 per cent increase over last year. The provinces may do what they wish within that general bound.

In conclusion, the Government has repeatedly stated its commitment to the objective of national reconciliation, social justice, economic renewal and constructive internationalism. These Estimates that were tabled by the President of the Treasury Board (Mr. de Cotret) show a reaffirmation of those objectives and a reaffirmation of what this Government has and will continue to stand for.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I have news for the Hon. Member for Guelph (Mr. Winegard) about the deeds of the Government he supports that will most likely dampen his unwarranted enthusiasm.

I will put it in the context of the environment, particularly the environment in Toronto where the Prime Minister (Mr. Mulroney) spoke to an international scientific conference. The Prime Minister attempted to portray the Government of Canada as a great protector and defender of the environment.

In these very Estimates before us in the House today for debate, the facts and figures reveal the real face of the Government, which has mercilessly cut the Department of the Environment since it took office in 1984. Let me give the facts that will remove the facade the Prime Minister attempted to erect this morning.

First, let us look at the over-all picture. Since September, 1984, when the Government took office, the Department of the Environment has steadily and systematically lost to inflation. Its estimates have not managed to keep at par with inflation while other Departments have managed to do better than inflation. The net result of this erosion caused by inflation has been a loss of $71 million in revenue to Environment Canada just to keep at par with where it was. The Member for Guelph and the Member for York East (Mr. Redway), who is very keen on the environment, will be interested in those figures.

What does that mean in terms of people? The net result is that over 300 person-years have been lost to the Department. When we raise this matter in committee, the Minister defends his position by saying that while his Department is not doing well with inflation, other Departments are developing environmental policies across the board. While this may sound good in theory, the fact is that these Departments have been carrying out these functions for virtually the last 10 years. Whether it is the Department of Agriculture, CIDA, Consumer and Corporate Affairs, Energy, Mines and Resources, Fisheries and Oceans, National Health and Welfare, Indian Affairs and Northern Development, the National Research Council, the Science Council or the Department of Transport, those functions are nothing new. There is nothing new going on here in terms of environmental programs and mandates that other Departments have.

• (1550)

Who is the Minister trying to fool with that kind of explanation? The fact is that when one starts to analyse the situation, one finds that, in addition to loss to inflation in the range of $71 million and 336 person-years over the last four years, there is cancellation of programs. For example, there is the cancellation of the Guelph-Toronto Toxic Chemical Research Centre in the very city from which the Hon. Member for Guelph comes. That was an $8 million project. We find a cut of $3.8 million, resulting in a loss of 72 person-years, in the Canadian Wildlife Service. We find the termination of the Water Resources Research Grants Program. There is the elimination of research of renewable energy sources at the National Research Council. This is at a time when we are becoming more and more conscious of the fact that in the long term non-renewable sources of energy will be running out and we must develop the know-how and technology needed to replace gradually non-renewable sources of energy. But the Government cuts research in that field. That is a shame.

Research on PCBs was eliminated. Research on toxic chemicals at the National Research Council was eliminated as well. On top of that, as you know, Mr. Speaker, there was the closure of the Marine Ecology Laboratory in Nova Scotia in recent months.

If Members would like a detailed analysis of what happens this year in the Estimates before us for debate and scrutiny, I will take Members through them step by step. Referring to the 1988-89 Estimates of Environment Canada, first, we find that the Department of the Environment this year has lost 1 per cent to inflation. It has lost 78 persons. The breakdown is rather revealing. In conservation and protection, we find in the field of inland water activities, Environment Canada this year is losing 14 persons. In the field of conservation of wildlife, budget cuts mean the elimination of five officials. In the field of management and common support, which is a general term to describe technical people, support people and office staff, no fewer than 36 people will be lost this year. So much for conservation and protection.

Let us move to the weather services. Here we find a reduction in weather services of 32 person-years this year. Last year there were 1,925 people employed across Canada. This year there will be 1,893, a loss of 32 persons. In addition to that, in the climate services, which is an emerging issue—we hear and read in the media about the greenhouse effect, the changes in climate in the years ahead—one person is eliminated. To make it even more ironic, this year the Government will

close the weather stations in Vancouver harbour and in Sachs harbour. That is not all.

We can look at Parks Canada which plays an important role for a variety of reasons. Canadians enjoy our parks. There is a recreational and cultural component there. There is also a number of jobs that depend on the activities of Parks Canada. Nine individuals will be out this year in the Resource Protection Branch of Parks Canada. In the very necessary activity of providing information and interpretation services to visitors, the Government is laying off 21 individuals from Parks Canada. When it comes to parks maintenance, we find in the Estimates a lay-off of 25 individuals. With respect to research and planning and policy development, which is very important in a Crown agency of that size, we find a lay-off of seven persons. That is not the end of it.

We used to have a Wildlife Toxicology Fund. This fund was meant to carry out research in wildlife that would give us signals and information as to what is happening inside the bodies of wildlife species with respect to accumulation of toxic chemicals and traces of toxic substances so we know what is happening in the food chain. It is a very important alert system for human beings. It is highly regrettable to discover that this fund was reduced from $1 million a year to one-third of a million dollars in the Estimates of 1988-89.

In addition, there will be the termination of the Sewage Treatment Facility Construction Program. Last year there was still left something like $2 million. This year we find nothing. I see present here a former Mayor of York East who is, I am sure, extremely receptive to this kind of problem. He has demonstrated that in committee on a number of occasions in a very progressive and helpful manner.

The Government of Canada, at a time when everyone is increasingly preoccupied about the quality of our water, at a time when the Science Council of Canada produces a report called the Year 2020 and the condition of our waters at this time, we find in 1988 the elimination of such a program. The municipalities every year at the convention of a Federation of Canadian Municipalities repeatedly asked for a federal participation. My Party is committed to provide the federal share in an amount that runs into the billions of dollars.

We find the cancellation of the Sewage Treatment Facility Construction Program, but the Government is capable and has the political will to find the necessary money to build nuclear submarines. For that project the priority is valid, but for the protection of our waters, the political will has disappeared. There is nothing left. This is the first year in my recollection that the fund available for the construction of sewers is zero. That is quite an indictment. It is a sham and a real disgrace.

The last item in the review of Environment Canada's budget for this year is in its development budget. Parks Canada has lost almost $4 million. In other words, it has lost the funds that are required to maintain and expand its network. It is interesting to compare the performance of Environment Canada, the issue which the Prime Minister invoked as being a high priority in Toronto only a few hours ago, in terms of its Estimates with that of other Departments. What do you find? You will find, Mr. Speaker, that in this fiscal year the budget of Environment Canada goes up 3.6 per cent, which is roughly one percentage point below the rate of inflation.

• (1600)

How does the over-all Government increase in performance run this year? We find that the spending of the Government of Canada increases by 8 per cent in this fiscal year. Yet if we start to examine Department by Department we find some pretty startling information.

For instance, we find that the budget of the Department of Energy, Mines and Resources goes up 30 per cent, while that of the Department of Agriculture goes up 24 per cent. We find that the budget of the Department of Fisheries and Oceans increases by 23 per cent while the budget of the Department of Finance manages to command an increase of 13.5 per cent. We find that the budget of the Department of Indian and Northern Affairs goes up 11.5 per cent, while the Department of Communications budget goes up 11 per cent. We see that the budget of the Department of National Defence increases by 8.3 per cent, while the budget of the Department of Transport increases 7.3 per cent.

Yet what does Environment Canada get in this fiscal year? It gets 3.6 per cent. At the same time we have in Toronto the Prime Minister of Canada making grandiose speeches about his Government's priorities for the environment, a grandiose mask that he puts on. Contrast that with the reality of the figures that are embedded in the Estimates where the facts are to be found. What a sham. What a Government we have.

It is a Government of public relations, of claims that are not supported by facts. It preaches one way and acts another. It is simply disgusting. That is all I can say to you, Mr. Speaker.

It is the same Government that in 1985 decided to impose a 6 per cent tax on insulation materials and equipment that go with the maintenance and construction of renewable energy machinery. It is the same Government which in the Budget this year had not one item that directly or indirectly related to the protection of the environment or incentives that would give encouragement to the development of an environmental industry in Canada. There was not one word on accelerated write-offs on pollution abatement equipment to create new industries and new jobs for which competitors, such as Japan, are extremely active these days.

Japan knows that there is an emerging market in this area. It knows that there is a potential for new jobs and for markets abroad. Yet there was not one word in the Government's Budget despite the great claims of the Prime Minister in Toronto this morning. There was nothing in the Budget of this year on energy efficiency—not one word on energy conservation. Yet we know that Japan, for instance, is a very clever and capable energy efficient nation. It is capable of producing at

lower costs its products because it knows how to use to its maximum the limited energy that it is dependent upon.

There was nothing in the Budget, something which I said before and something which I will not belabour unduly, with respect to helping municipalities modernize and build sewers and water treatment plants.

One conclusion is only fair and justified in relation to these Estimates and to the Budget this year. It is that they make a mockery of the claim of the Minister of Environment, which he made in 1986 in this House when he said: "We continue as a Government to be totally committed to protecting the environment". It makes a mockery of that sentence. It puts the Prime Minister in a most embarrassing position for saying one thing in Toronto in the presence of an international audience, claiming that the Government gives environment a high priority on its agenda, compared to the reality of the Estimates and the reality of the Budget of this year.

I would like to say a few words if time permits about trade because under the Estimates we have to deal as well with current issues. Trade is a very important matter that has an impact on the environment despite claims to the contrary made in the House by the Minister of the Environment.

It is very revealing to notice that if there has been one Department that is silent on the question of trade, a Department which has not produced a brochure claiming the miracles that the trade deal would achieve for Canada, it is the Department of the Environment. That is very revealing. There is not only that to consider but the fact that at Estimates time officials of the Department have confirmed that no internal study has been conducted as to what the impacts of the trade deal would be and how they would impact upon the environment. I am referring in particular to the question of pesticides which is included in the trade deal and the requirement in that section that American and Canadian regulations be harmonized.

What does harmonize mean? No one knows. What will be the repercussions of harmonizing American with Canadian regulations? No one knows because no one has studied them.

In Question Period there have been a number of questions in your presence, Mr. Speaker, on various occasions in which we have asked from this side of the House why beer is excluded from the trade deal. Not a word has been mentioned about water. Why has lumber been referred to in the trade deal as being exempted but there has not been a word about water? Why was processed fish mentioned as an item to be exempted by the deal and not water?

We cannot get an answer to those questions. Yet we find it very strange that the Government would go to great lengths to identify and itemize three items in our economy to be exempted but has not mentioned water which is such an important natural resource to us.

Time does not permit me to go into greater depths in a debate such as this on the implication of the trade deal on the environment. I thank you for the opportunity to speak, Mr. Speaker, as well as for your patience.

Mr. Redway: Mr. Speaker, I have had a good deal to do with the Hon. Member in the past four years. I have come to feel that he is a most sincere Member of Parliament, particularly in his dealings with the environment. I know of his commitment to the environment. However, as he went through the Estimates of the Department of the Environment for this year I had the sense that he equated wholly and solely the question of an effective federal environmental policy with the question of how much money is being spent on it.

One of the items I noticed, for instance, was that he talked about the fact that the weather service was going to be reduced by one person. In May of this year I had occasion to travel to the Northwest Territories and to visit Resolute Bay, among other places. We have a weather station at Resolute Bay. I had an opportunity to see that weather station. It was pointed out to me that a very sophisticated computerized piece of machinery had been installed recently at that weather station which would give us a great deal more information about the weather than we had ever had before. It would give us a great deal more information about the ozone layer over the Arctic than we have ever had before. In fact, it had already disclosed important new facts about the ozone layer in the Arctic. The strange and interesting part is that all of this was going to be accomplished with the elimination of one person from the weather service. I do not think the Hon. Member's conclusion follows that, by throwing more money at a thing and by having more people on staff, automatically there will be a better Department of the Environment, by any manner of means.

• (1610)

The Hon. Member is most sincere in his comments. I know that he is really expressing a frustration with the Liberal Government of which he used to be a member. As the Minister of State for the Treasury Board (Mr. Lewis) said earlier in the debate during the five years that preceded the Government taking office, when the Hon. Member was a member of the former administration, government spending went up an average of 15 per cent a year across the board. In spite of that, as the Hon. Member is aware, there was no program developed with targets for reducing acid rain emissions, as there has been with this Government. There was no program with targets for reducing nitrogen oxide emissions, as there has been with this Government. There was no agreement between Canada, the United States, the State of New York, and the Province of Ontario with respect to reducing the amount of toxic chemicals going into the Niagara River and the Great Lakes, as there has been with this Government. There was no national park on Ellesmere Island under the previous Government, in spite of that 15 per cent increase in spending each year, but there is under this Government. There was no national park on the Bruce Peninsula, but there has been under the Government. In addition to all of that, there was not a Canadian Environmental Protection Act under the former Government of which the

Hon. Member was Minister of the Environment, but there has been under this Government.

I would like to put it to the Hon. Member, does he not really wish that he would be, should be, and could be a member of this Government, a Government with a truly effective environmental policy?

Mr. Caccia: Mr. Speaker, the Hon. Member for York East (Mr. Redway) is a good politician, but a poor psychologist. In interpreting people's frustrations he should do better. I am sure he could do better if he were to try a bit harder.

The point that he made on the sophistication of computerized equipment in weather reporting is quite accurate. The statistics of the Estimates this year that I put on record refer to a cut of 32 people in the weather service and one person in the climate service for a total of 33, which is a considerable cut that cannot only be attributed to sophisticated computerized equipment. In addition to that, in Vancouver the closing of a weather station is a development which is rejected very strenuously by the fishermen's union because they have had a number of instances where even the most sophisticated equipment could not forecast a sudden change in weather as a human being does by way of binocular observation. Therefore, that is a very serious matter from the point of view of preventing the loss of life.

In analysing the performance of the previous Government—the Hon. Member was not in Parliament at that time, otherwise he would know—one finds that in March, 1984, the Liberal Government launched two initiatives, a federal-provincial one in which all seven provinces including the Province of Ontario, which was represented by the Party to which he belongs, agreed to a reduction program of sulphur dioxide. That commitment in March, 1984, was renewed in June, 1984, when the economic and financial distribution of responsibilities was tackled.

In the same period Canada also launched an international initiative on sulphur dioxide, which led to some 21 nations getting together and agreeing that we should have a protocol, which was subsequently signed in Helsinki in 1985. In regard to sulphur dioxide, it is on record as being a good day's work before the Government of the Hon. Member came to power.

On NIX I cannot say the same. That summer we launched the concept of having a public consultations force first under the auspices of Transport Canada on car and truck emissions. Those consultations were conducted and completed in December, 1985, and then carried out by way of regulations which came into effect under the present Government. I am glad and readily recognize that evolution, but the Hon. Member for York East should not make the mistake of thinking that the world began in September, 1984. It would be historically naive, and he is too sophisticated a man to be naive. I know him well enough and I respect him for that.

On the creation of parks, we are happy that Ellesmere was created. It is in addition to the 21 or 22 national parks that were created in preceding decades by successive Liberal and Conservative Governments. I do not think that national parks is the monopoly of any Party. We all believe in that policy. We are glad to see Ellesmere added. In addition, both Ellesmere and Bruce Peninsula came pretty close to being announced before September, 1984, but things being complicated in life, one does not always get his or her way when he or she wishes things would happen.

Nevertheless, I do appreciate the question from the Hon. Member. I can assure him that I am very happy where I am.

Mr. Alan Redway (York East): Mr. Speaker, I am pleased to have the opportunity this afternoon to say a few words in connection with the matter before the House, which is officially referred to as an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1989. That is a large mouthful. In simple terms it boils down to something that we know in this House and the federal Government talks about as the main spending Estimates for 1988-89.

To the average Canadian it is not a question of spending Estimates, it is something that they know in their own terms as their Budget. Every Canadian has a formal or informal budget by which he or she spends his or her money. By and large Canadians know where their money is coming from, how much they will earn in a year, and how much they have available to spend. Therefore, they set their spending priorities in terms of their own budgetary arrangements in order to spend a certain amount and hopefully save a certain amount of that total income.

One of the things that differs between the average, ordinary Canadian and Government is that the ordinary Canadian cannot spend more than is coming in, whereas Government always seems to have that facility. In fact, on a regular basis it seems to spend more than it earns, or that it takes in through the tax system whether it be income taxes, customs or excise taxes, or federal sales taxes. The Canadian public knows one cannot spend more than is taken in, unless one borrows some money to pick up the difference. That is what has been happening for a substantial number of years. That is why we have the enormous accumulated deficit that we have, and that is why we have an ongoing series of annual spending deficits. Fortunately, however, in the last four years, those have been getting progressively less, and now we are under $30 billion a year, but $30 billion a year is still a heck of a lot of money and it is still a great problem for the Government and for all Canadians when trying to get a handle on the finances of Canada.

• (1620)

I have always tried to follow the principle in public life, whether municipal or federal, that Canadians as a whole want to see the Government looking after their money and spending their money as effectively and as efficiently as possible and keeping the waste down to an absolute bare minimum, if not

eliminating it altogether. That is a principle with which all of us would agree. When we look at the spending Estimates or, in layman's terms, the Budget for 1988-89, that is the sort of thing that I feel and that I believe the Canadian public feels we should always keep in mind. If we are going to collect money in taxes and then spend it, how can we keep those expenditures to an absolute minimum and still do an effective job? How can we make sure that not a dollar of it is wasted?

This year, the proposed Main Estimates total something that, to the average Canadian, would boggle the mind. It totals something in the vicinity of $119 billion. That amount is broken down into a portion which is called statutory spending. That means that we have already passed laws saying that no matter what else happens, we will have to spend that money each and every year unless we repeal those laws. Then there is a portion called discretionary spending, and in that portion, we do have some leeway as to whether we spend more, less or the same amount in a given year.

Statutory spending is the kind of spending that most of us would not quarrel with whatsoever. It is spending on things like social transfer payments. I see the Hon. Stanley Knowles sitting at the Table. He knows how hard he fought for old age security, for unemployment insurance and for family allowances. All of these things are part of what we know as statutory expenditures, and part of the statutory authority for those expenditures involves indexation according to the Consumer Price Index or according to inflation.

Each year, regardless of what sort of deficit we are running and what kind of money we are bringing in, we have to continue to spend money in accordance with statutory requirements, and each year we have to spend more money because the statutes providing those funds provide for indexing in each and every year. That portion of the annual expenditures, the annual Estimates or the annual Budget of the Government, continue to rise as long as the Consumer Price Index continues to rise, and no one seems to have been able to do very much about that for a long time, probably since the 1930s, and none of us would want to go back to that time. It is inevitable that that portion of our expenditures will keep going up each year, whether we like it or not.

The second part has to do with discretionary expenditures. When we talk about discretionary expenditures, someone always suggests that we reduce some of them. We hear our colleagues in the Liberal Party and the NDP saying, "Oh, no, you can't reduce that expenditure, you should actually be spending more money on it rather than less". Whatever it is that we try to reduce, tighten up or spend more effectively and efficiently on, someone in either the Liberal Party or the NDP will say: "No, no, don't cut that, cut something else. We don't know what you should cut but don't cut that. In fact, you should be spending more money on that".

Mr. Nicholson (Niagara Falls): They only want to cut defence spending.

Mr. Redway: That's right. They do not want to do that either, though. Although members of the NDP say that we should not be spending money on nuclear-powered submarines, they do say that they themselves would spend at least that amount if not more on conventional weapons and another kind of defence system. They are not suggesting that anything should be cut; they are suggesting that there should be more expenditures.

How do we go about trying to ensure that the money we spend as a Government and as a Parliament is spent as efficiently and as effectively as possible? I could spend a long time on that, but I would like to touch on just two things. The first has to do with taking a close look at the way Government operates and seeing if there is not another way of doing it better. In that respect, I would like to single out one example of how Government can do something better, and in fact, how Government has been doing something better in the last four years.

I am talking about the question of cash management, the management of the cash the Government takes in and the matter of how it expends that cash. That is something that has been commented on before by the Auditor General. In his 1984 report, he had a good deal to say about the way we were managing our cash flow in Government and about the savings that could be effected if we did it differently.

The Public Accounts Committee, of which I am a member and of which I was a member in 1985, examined officials of the Treasury Board, the Finance Department and the Department of National Revenue. Through our questioning, we were able to identify and get commitments from these officials about things they would do to try to improve the cash management of the Government. In fact, as reported in the press in 1985, we got out of them that in the next year, the 1986-87 fiscal year, they would commit themselves to savings of something like $40 million through better cash management.

It is interesting to note that in March of this year, the President of the Treasury Board (Miss Carney) made an announcement on the steps that had been taken in cash management. Even better than the commitment made back in 1985, the President of the Treasury Board indicated that a progress report on cash management in the Government of Canada showed estimated savings by the end of the last fiscal year of some $220 million, and there was a forecast of further savings of $120 million for the current year, the year for which we are now debating the Estimates, and another $419 million in cash pulled back into the Consolidated Revenue Fund from Crown corporations.

It was estimated at that time that the total savings from improved cash management in the Government would reach the figure of $1.2 billion. That is a very substantial savings in revenue. It is a savings that has been accomplished by doing things better, not by doing things the same old way. This has shown that we can spend the people's money more efficiently and more effectively and not waste as much as we have been

wasting. It shows that we can do things better, save some money and help cut back on the deficit without savaging the other spending Estimates that concern the Opposition so much.

How has this been accomplished? A number of things have been brought to bear. A number of new policies have been instituted, and I would like to touch on just a few of them. The first of these has to do with the way the Government pays its bills. In the past, as soon as the bill arrived, the Government issued a cheque. Even if the bill provided 30 days to pay for it, right away the cheque went out and the bill was paid. In fact, by using a process that all business utilizes, namely, paying bills due in 30 days in 30 days so that you do not have to pay an interest penalty but you are then not putting out money ahead of time, losing interest that you would get on it if it were sitting in your own bank account, by making payments on time rather than ahead of time it is estimated that the Government will save approximately $50 million each year.

• (1630)

Second, there is the whole question of making payments to Crown corporations, which need some extra infusion of cash because they are not taking in enough money to pay for all the things on which they spent. In order to save some money, to do things better and to manage our cash more effectively it was suggested that, instead of handing Crown corporations a lump sum payment once a year, perhaps we should make periodic payments to them when needed and not just hand money over to them when we get the bill which says we are supposed to pay them some money. The Government has been following that procedure in the last three years or so. As a result, instead of Crown corporations having a surplus of cash in their bank accounts while the Government was borrowing money to cover its immediate expenditures, money has been sitting in the Government's bank account. In the meantime, it is earning some interest. That has amounted to a saving of more than $400 million.

Other practices have been instituted as far as money management is concerned. One is the use of travellers' cheques and travellers' credit cards, a standard business and personal practice on the part of most Canadians, something which the Government had not been doing in the regular course of events. That is significant because each year the Government spends something in excess of $500 million on travel expenses for its employees. Any particular savings in that area obviously will be significant.

Another area is modern banking methods, the use of direct deposit of cheques and the electronic transfer of funds. This is something which the Prime Minister (Mr. Mulroney) when he was Leader of the Opposition spoke about prior to the last election. He spoke about the way in which money could be saved. The Government is now starting to institute this sort of policy and there is more coming down the pipe very shortly of which I am personally aware. Again, there is more money to be saved by doing it better through better money management.

Another method is to ask people to pay the money owed to the Government. Instead of being slack and letting things slide we are now starting to ask for the money when it is due and getting it in. That has amounted to a savings of approximately $100 million over the last three years by asking people to pay their bills.

The Minister of Finance (Mr. Wilson) has amended the requirements with respect to withholding taxes by large corporations. Instead of the payments being made monthly they are required to be made twice monthly. That has had a one-time revenue impact of $1.2 billion for the Government of Canada. You can see that in all of these ways the Government has acted during the last three years on the advice of the Public Accounts Committee, the Auditor General, the initiatives of the President of the Treasury Board and other Ministers, and it has come up with some very substantial savings and ways of doing things better. That is the sort of thing in my view that I am looking for as a Canadian taxpayer. I am sure all other Canadians are looking for that as well.

I would like to comment on another way that we can do things better to make sure taxpayers' money is not wasted and is spent as effectively and efficiently as possible. It has to do with the way we treat the estimate or budget process as far as Government is concerned. The estimate or the budget process as you know, Mr. Speaker and as I know, is really at the root of the British parliamentary system. This is a process whereby, theoretically at least, you and I and the other Members of Parliament sitting here are supposed to control the expenditures of government. The Government is supposed to come to us cap in hand and say, "We need money to spend this year. Will you please grant us the spending authority?" That is not the way it works in practice. The Government puts together its spending Estimates. Hopefully, the Government is very careful in the way it is put together, and the Minister of State for the Treasury Board (Mr. Lewis) indicated in his comments that that has been the case in the last four years because the average increase in expenditures in the last four years, as I understand it, has been only 3.7 per cent, less than inflation, whereas with the previous Government, for the five previous years the average increase was 15 per cent.

The Treasury Board and the Government have been careful, and I commend them for that. But we should be looking at a better way of doing things as far as Parliament and Members of Parliament are concerned. We should be looking at a process whereby there is a true estimates-budget committee which examines in detail the budgets of each Department and has the authority and the right to reduce spending expenditures and budget items so that Canadians can feel that Parliament is there to protect and to look after their dollars to make sure money is being spent effectively and not wasted. The only way we can really do that is if the Government will concede that its spending Estimates are not absolutely and essentially a matter of confidence in the Government. There is no reason why Parliament as a whole cannot act to reduce the Government's spending Estimates on any particular item or

across the board or why the Government should have to feel that it is a vote of non-confidence in the Government. For heavens' sake, the next day or the same day a motion can be put before the House saying, "Does this House have confidence in the Government?" I am sure that 99.99999 per cent of the time the House would pass that motion of confidence notwithstanding the fact that it felt the Government could have been cut back on its expenditures in one or two items.

That is why the Public Accounts Committee, in its twelfth report to Parliament, recommended that sort of process. That is why the Public Accounts Committee approved the other day a special study on improving parliamentary control of the budgetary process. That is why I hope that in the fall we will have a new type of budgetary process with an estimates committee which can actually reduce government expenditures without causing the Government to fall. That would be a very significant step forward in assuring the people of this country that they have a Parliament which will make sure and do everything in its power to see that their hard earned tax dollars are spent as efficiently and effectively as possible and are not wasted.

Mr. Harris: Mr. Speaker, I listened carefully to the speech made by the Hon. Member for York East (Mr. Redway). Would he care to comment on the following situation, of which I am sure he is aware being a diligent Member of Parliament? He will know that in the City of Toronto in his own riding the unemployment rate, the last time I looked, was 3.9 per cent. It hovers between 3.5 per cent and 4.2 per cent. In some parts of Newfoundland the unemployment rate is around 28 per cent in some large regions, according to officials of Statistics Canada. The Member will also know, having listened to the Prime Minister (Mr. Mulroney) last August talk about the OECD report on Canada's performance and growth, that part of the report said that in Canada in the last year the economic disparity between the regions was noteworthy for its starkness. The Member will also know that the Economic Council of Canada in October said that uneven regional growth in Canada is the most serious economic problem facing the country.

In view of those facts, of which I am sure the Hon. Member is well aware as are you, Mr. Speaker, would he care to comment on the fairness to the Atlantic region of Canada which contains one-tenth of all Canadians? Would he care to comment on the fairness of this Government putting into the Atlantic Canada Opportunities Agency, an agency supposedly designed to assist Atlantic Canada to overcome the economic disparity, putting into that part of the budget 15 per cent of 1 per cent, a very, very miniscule commitment from this Government to a problem that has been identified as the most serious economic problem in Canada? To say that we will spend an additional $200 million, 15 per cent of 1 per cent of the national budget of Canada, surely does not sound like a commitment by this Government to overcome this problem.

• (1640)

I know the Hon. Member is from Toronto, and I know the people of Toronto are doing very well financially in this country, in terms of unemployment rates and whatnot, but the people of Atlantic Canada are still suffering. I am afraid this Government has not seen fit to do anything about it. I would like to ask for his comments on that. I am sure he is sympathetic to that, even though he is from a part of the country that is doing very well.

Mr. Redway: I would like to thank the Hon. Member for his comment, his question. I am pleased that he has drawn attention to the fact that, according to OECD figures, which represent figures for the industrialized nations of the western world, over the last four years Canada has had the best rate of job creation of any country in the industrialized western world. Over those years, Canada has had the best rate of economic growth, generally, of any of the countries in the industrialized western world.

The Hon. Member pointed out the fact that in the Metropolitan Toronto area, in particular, the employment situation has been extremely good, and there is no question about that. In fact, the latest figures that I have show that the unemployment rate is in fact less than what the Hon. Member referred to. I believe they are presently at the rate of 3.2 per cent, and traditionally, economists have considered 3 per cent as full employment.

So, it is quite clear that in the Metropolitan Toronto area, there is full employment even in the traditional sense of the economists of the Second World War era, that now, the economic situation in Metropolitan Toronto is excellent, indeed. That can be seen regularly by the fact that there are signs in virtually every business window, help wanted signs, asking people to come in because they desperately need help.

I am aware that there is a very substantial rate of unemployment in the Province of Newfoundland, but I am also aware that that has fallen as well over the last four years. The most recent figures, and unfortunately I don't have up-to-date ones—but the most recent figures I have in front of me are from December, 1984, to January, 1988. In that period of time there was a drop in the unemployment rate in the Province of Newfoundland by 6.4 per cent, over the rate in September of 1984, when this Government took office.

Now, I realize that people in Newfoundland do not necessarily want to come to Toronto to work, even though there are jobs in Toronto. That is understandable. I certainly would not want to contribute to the depopulation of Newfoundland by suggesting that all Newfoundlanders, or a good portion of them, should come to Toronto to seek employment.

We do have a very interesting problem now in this country, where we have an actual shortage of help in a good many areas in the Metropolitan Toronto area, while we have a surplus of people who are unemployed in other areas of the country.

The employers in Metropolitan Toronto would dearly love the people from Newfoundland to come to join them and to obtain work there. Alternatively to that, the employers in Metropolitan Toronto say to me, "If the people of Newfoundland and other parts of the country, where there is unemployment, do not want to come to Toronto, we need workers. We understand that they would not want to come. We understand that they do not want to depopulate their own communities and their own provinces, but if they do not want to do that, we do need workers. We do need them desperately. Please allow an increase in immigration from other countries so that people will come to Toronto and fill these jobs that are desperately needed".

I agree with the Hon. Member, that there is still a problem, in spite of the fact that progress has been made, not only in Toronto and in Newfoundland and all across the country, as the Hon. Member knows, but there is a very substantial improvement. In fact, we have in the country today, I think everyone would have to agree, the greatest prosperity that Canada has ever experienced, although that does not say that it couldn't be better and that there are not other parts of the country where we wouldn't like to see it better.

I wonder if the Hon. Member would be prepared, in return for further commitments of effort and assistance on the part of the people in central Canada, in Metropolitan Toronto, to support a policy of increased immigration to this country so that we could actually get more people to do the jobs that are there waiting to be done in the Metropolitan Toronto area.

Mr. Speaker: On debate, the Hon. Member for Windsor—Walkerville.

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, I found that exchange a very interesting one. It is no wonder that the people of Newfoundland, the Maritimes and the West look with such aggrieved eyes upon the City of Toronto. The Hon. Member just suggested that if the people from Newfoundland, and presumably the rest of the country, do not want to move to Toronto, and presumably in large numbers constitute a portion of the food lines and victims of a housing shortage there, then we should fill the need in Toronto by inviting more immigrants. No one more than I favours increased immigration to Canada, under the proper circumstances, in which we have the kind of economic growth that would allow that immigration not only to occur but to lead to the prosperity of Canada.

First of all we should take cognizance of the fact that, in all probability, those invited to Toronto from Newfoundland or elsewhere to fill the job vacancy needs, would likely not have the kind of training they ought to have in order to fill those jobs, and that would be because of the decrease in expenditures for training that this Government has forced upon the country since it came into office.

My hon. colleague on the Liberal benches indicated earlier that they have cut, since coming to office, programs for training from $2.2 billion to $1.5 billion. It seems to me that it is impertinent and arrogant for Toronto to say, "We are doing great, come on down, and if you don't want to come down and leave your home, then come on, let's have somebody take your place in Toronto". I think that is just unacceptable. But, Mr. Speaker, that would be consistent with the attitude of this Government and is related indeed to some of the questions that I had hoped to have had an opportunity to explore in my intervention this afternoon.

In thinking about this debate, I became aware of some speculations about the purposes of free trade. You will recall that at the time that this Government came to office, there was a great deal of optimism in the big business sector of this country that this was a Government that at last would give the cutting of the deficit a high priority, cut the number of civil servants, cut down on social programs, and in general use as victims the poor, the elderly, and others, in order to enhance the profitability of major industry and major investors.

• (1650)

You will recall, however, that among the initiatives was the cut-back on pensions through deindexation. I am sure you will remember the confrontation between a little old lady and the Prime Minister (Mr. Mulroney) before these very doors. She convinced the Prime Minister that it would lead to a rather severe political punishment if the Government proceeded with the approach of enhancing the comfort of big business in Canada at the expense of ordinary Canadians who have perceived this land for a very long time as being socially just. For all three Parties, until this Party came to office, social justice had a very high priority and it was not tampered with in the interests of the relatively few rich. This lesson learned by the Prime Minister was kind of disappointing but gave the Prime Minister an opportunity to think in other terms.

Someone has suggested a scenario during the meeting between the Prime Minister and the President of the United States. The Prime Minister was expressing a great deal of regret that he was unable to pursue this kind of approach to cutting social expenditures, and the President of the United States said, "Well, Brian, if you were more like us you would not have problems with people protesting when your Government attempts to cut back on social programs".

He suggested an approach which would permit the Government to fulfil the requests of its large contributors, the big business people and big corporations which have wanted cutbacks in government expenditures and lay-offs of civil servants and so on. He said that one of the first things to do was to start privatizing and start deregulating. He said that in order to deal with the question of social expenditures, unemployment insurance, medicare, pensions and all the rest, he was going to have to become more like the United States, and that the only way to become more like the United States was to become commercially part of the United States. He said that if the Government did that, business decisions would be made in the American competitive context in which there is no medicare,

no unemployment insurance, no proper workers' compensation program, and no family allowance. He said that the pressure which would be exerted by the threat of American companies saying that they would bring their subsidiaries home and so on would ensure that we cave in, but that it would be business pressure and the inevitable consequence of the competitive, market-driven environment which will be established when free trade is established.

The President of the United States said, "By God, Brian, you won't have to stand up as the Prime Minister and as a government and say that this is being done, it will inevitably be done". The Prime Minister said that that was a good idea, that up until now he has been against free trade but if that is the only way he can cut social expenditures without suffering the political consequences, then maybe this is what we should do.

My hon. colleague says that that is not what the Prime Minister described as the reasons for entering into the free trade agreement. He said that the free trade agreement would allow Canadian businesses to have a larger market. To those of us who said that that is not what this is all about, that it is about all that Canada is about, he said that those who oppose this do not believe that Canadians can compete, that we are the Chicken Littles who think the sky will fall in if we are faced with competitiveness with the United States.

We had to look at this seriously. Did the Prime Minister really think that Canada would be in a position to survive in a competitive environment? Let us look at what has been transpiring in this country as a consequence of government action or inaction and see whether there is any realistic opportunity for us to compete.

One of the clear elements of competitiveness in international trade is research and development, the availability of a highly educated workforce and a well trained workforce. If we are going to compete with a country like the United States we had better have the capacity to innovate, to create new products, and to enhance our manufacturing.

The question which must then be posed is whether Canada is now or is likely in the immediate future to be in a position to compete effectively and whether the Government is doing the things necessary for that competition. In other words, the question is whether the Government really believes that the country is in a position now, or will be in the short term, to compete with the United States or any of the other OECD countries on the basis of what exists or those initiatives which have been taken.

Let us look at our situation. It has been repeated over and over again in this House that Canada's rate of expenditure for research and development is only one half of that of the other OECD countries. Canada spends only 1.34 per cent of its GNP on research as compared to about 2.5 per cent spent by other countries. We rank twelfth in the rate of research expenditure among the OECD countries.

Japan has 240 scientists and engineers per 100,000 population, the United States has 260 per 100,000, and we have 90. With regard to the percentage of research investment in this country done by industry as compared to the other players, Canada's research effort is funded by industry only to the extent of around 50 per cent as compared to as much as 70 per cent in, for example, Switzerland.

This is a ridiculous situation which obtains in our country which is symtomatic of our failure to have made the investments in research and development which we ought to have. It is ridiculous that 80 per cent of the equipment used for resource extraction in this country is imported. Eighty per cent of the equipment required for getting our oil, coal, and minerals out of the ground is imported.

I am sure my hon. colleague from St. John's East understands that if we were really being competitive those big business people, mainly foreign-controlled, would have invested in manufacturing capacity. In fact, this country suffers a $7 billion technology deficit in trade. This figure has doubled in the last 10 years. The whole thing deteriorates.

When we look at government promises to increase the commitment to research and development, what do we find? Since the present Government has come to office, research and development expenditures have actually decreased. They have decreased as a percentage of government expenditures in every year since the Government has been in power, this in spite of the fact that the Prime Minister has made innumerable promises to make Canada a leader in research and development. He has failed utterly. Granted, there has been a lot of symbolism and a lot of rhetoric.

We must congratulate the Hon. Minister of State for Science and Technology (Mr. Oberle) who has done a journeyman's job of trying to sell the notion that research and development ought to be increased in this country. However, he has failed utterly with the Prime Minister. For example, the Prime Minister promised in January that an additional $1.3 billion would go into research and development and that of that some $200 million would go to the granting councils.

One of the interesting things which the Prime Minister did was to form an advisory committee on research. A member of that committee wrote a report which said that over the next two years there ought to be a doubling of the investment in the granting councils and that thereafter there ought to be a rate of increase of 1.5 per cent, the rate of increase in the Gross Domestic Product. Instead, $200 million has been spread over five years. That results in a 2.7 per cent increase for NSERC. There has been a significant increase in the commitment to the expenditure on the space station. It was supposed to cost $800 million. There was a great deal of concern expressed that this would distort expenditures in other areas of research and development which the country just as desperately needs.

• (1700)

Now we discover that it will not be $800 million, but $1.2 billion. A great part of the increased expenditure will come from the $1.3 billion in additional money in research and development that the Prime Minister promised. We learn further that there are likely to be increasing demands for increased expenditures for that space station.

The Government has set aside $240 million of that $1.3 billion for centres of excellence. A great deal of those expenditures will be concentrated in Ontario and Quebec which, as the Hon. Member for York East (Mr. Redway) has already recognized, have benefited to a great extent already.

Our comparative position with the rest of the world with respect to research has not significantly improved as a result of government action. I have cited the $1.3 billion promised by the Prime Minister, spread over five years. When the Government first came to office it cut expenditures in the Departments of Fisheries and Oceans, Environment, and Agriculture. It ravaged the National Research Council. Much of the increased expenditures being touted now really are a compensation for cuts made in the past.

The core of the issue is that there has been no net increase in the position of this country with respect to its competitiveness in research and development and consequently its general competitiveness, since the Government came to office. Free trade is supposed to be a great boost to our competitiveness. We understand that competitiveness is founded on capacity for innovation which, in turn, is dependent upon research and development. Everyone recognizes that as a consequence of free trade there will be a good deal more dominance in our economy by American owned companies.

One must recognize that one of the reasons for our pitiful performance in research and development has been that many of our industries owned by American and other foreign investors do very little research. Compared to Canadian-owned companies, American-owned companies spend about half for research. The rate of investment in research and development by Canadian-owned companies is about 9 per cent or 10 per cent of sales. However, the rate of investment in research and development by American-owned companies in Canada is about 4 per cent to 5 per cent of sales. The deficiency in the amount of investment in research and development by industry in this country is largely because our industries are dominated by foreign, particularly American-owned industries that have no reason to do research in Canada.

It is of particular interest to note the example of the Auto Pact. Although the Auto Pact has provided assurance of a certain level of employment and production in the automobile sector in Canada, one result has been the repatriation of all engineering design and research to the United States. My City of Windsor, which had a significant engineering and managerial capacity, no longer has it because of the tendency for the parent plants to concentrate research and development and management in the United States.

In spite of the fact that the Prime Minister said we were minor league with respect to research and development, little has been accomplished in this area in the last four years, whether it be in universities or industry.

This contrasts with a very vigorous and concentrated program to enhance research and development in all the countries against which we must compete. Of course, there is the question of universities themselves. I am sure the House is familiar with reports emanating from all across the country, most recently from Ontario, which indicate that our universities are in a sorry state. The Government has failed to ensure that the provinces have an adequate level of transfer payments. It has also failed to come to grips with the necessity that the provinces must pay their share. It is another example of tragic neglect.

If one looks at what has happened in the United States as compared to Canada in the last several years in terms of the recognition of the need to have a solid level of investment in universities and colleges, one must fear for the fate of our country's future when we are confronted with direct competition with the United States. The United States spends 25 per cent more of its GNP on universities than we do here.

The rate of increase in the level of funding of universities in Canadian provinces since 1983 has ranged from about 5 per cent to about 10 per cent. On the other hand, there has been roughly a 50 per cent increase in the rate of expenditure in places like Alabama and California. Through the United States there have been increases in the rates of funding for post-secondary education from 10 per cent to 60 per cent. In Canada it has been much less.

Surely this indicates that the Estimates we are discussing today, and the Government policy with respect to competition, have ignored an elemental fact in any trading relationship we will have with the rest of the world, let alone the United States. It is a prescription for dependency and for failure to obtain the kind of growth from innovation we might have had if we maintained our future independence and placed the investment in research and development and education and training to make this a prosperous country in the twenty-first century.

Mr. Oberle: Mr. Speaker, I think it is important to comment on a couple of remarks made by the Hon. Member. Unfortunately, some of his assertions are false. I know he would be the first to want to correct them.

He said that over-all spending for research and science-related activities in Canada has decreased every year since the Government assumed its mandate. That statement is false. The over-all spending in these areas is measured in accordance with the Gross Domestic Product. We have experienced a spectacular growth in the economy. This rate of growth has outclassed every industrial nation in the world. If one measures our performance in research and development spending in accordance with the GNP, the Hon. Member would agree that

spending has increased. I admit that we only made marginal gains in terms of the percentage of GNP we are spending on research and development. But we did keep pace with the growth, and it is a nominal 3.5 per cent. So there has been a 3.5 per cent real growth in the spending of R & D before we talk about the additional increases that have been made. Likewise, the Hon. Member said we have only boosted the granting council's funding from previous years by 2.7 per cent. That, too, is absolutely false. If the Hon. Member looked at the real figures he would discover that in the current five year projection, the rate of increase will be in the neighbourhood of 16 per cent.

• (1710)

The Hon. Member has been selective, but I do not blame him for that. It is true that the $1.3 billion has been made available as a result of the Prime Minister's announcement in January for research and development this year. There was a substantial increment last year, and I cannot predict, because I do not know what the growth of the economy will be next year, what moneys will be available to boost that effort next year. However, $1.3 billion is available this year. Of that amount, $200 million is given to the granting councils to be allocated to universities in the normal fashion. I am certain all of that money will go into basic theoretical and curiosity type research.

In addition, the Hon. Member knows we have announced a Centre of Excellence Program to which we have committed $240 million. That money also will be allocated by the funding council directly to universities. It is true that the program, of course, seeks to establish these critical linkages between government laboratories and the private sector, but any private sector participation in any of these programs will be supplemented with private sector contributions to the program. So the $240 million, I hope, will become $500 million, I do not know, but the federal Government is putting in $240 million and that money goes to universities.

In addition, the Hon. Member knows we have announced in connection with this program a scholarship program which will cost $80 million over a four year period. It will give 10,000 students over the four year period a scholarship that will encourage them to pursue these future oriented careers of which the Member spoke and in which there are critical shortages, such as engineering and the natural sciences. It will entice women to aim for those kind of future careers more than they did in the past. All in all, it is not a bad record when we compare it with what we inherited when we came on the scene.

My performance is measured against what we did before. As the Hon. Member knows, the performance of the previous Government was measured in bricks and mortar. The previous Government built buildings all over the place. I confess I am pleased we have facilities such as the Biotechnology Centre in Montreal, the Marine Dynamics Institute in St. John's, Newfoundland, and the Industrial Technology Centre in Winnipeg. Tens of millions of dollars were spent. But that was not research, it was construction.

As well, we had a so-called SRTC Program. When it was first started it was designed to encourage the private sector to spend more money on research. It did spend a lot of money, but it spent it on innovative tax accounting instead of industrial innovation, and $2 billion was lost over a 18 month period in property flips. We stopped that program. What I have put in place is a program that truly does give the private sector the incentive to do research. In fact, next to Singapore, Canada today has the most lucrative and advanced tax regime to encourage private sector research, and the results are showing in the sense that private sector has increased by 16 per cent its effort towards the total national research effort since I came on the scene.

Mr. McCurdy: The Minister of State for Science and Technology is a man I admire for his efforts not only on behalf of research and science but for what little success he has achieved with this Government. But in fact it has to be measured against the target which was described by the Prime Minister. He said: "In my term, Canada will achieve 2.5 per cent of GNP in investment and research". That has not happened.

The Minister says that I fail to tell the truth when I say that the rate of government expenditures for research and development have decreased. My God, these are figures from his own Department. In 1985-86, the rate of government expenditures for research dropped by 2.5 per cent. In 1986-87, it dropped by .3 per cent.

Mr. Oberle: False.

Mr. McCurdy: In 1987-88, it dropped by 1.3 per cent.

Mr. Oberle: False.

Mr. McCurdy: Those figures come from the publications of the Minister's own Department. With respect to this great $200 million that is going to be given to the granting council, what the Minister did not say is that that is going to be back end loaded. NSERC will receive 2.7 per cent in the next fiscal year out of the $200 million. The Minister no doubt will say there is additional money available from matching funds in the Industrial Matching Program. That is fine, but I am talking about the $200 million. Dr. Lortie, a member of the Prime Minister's own advisory council, said the level that has been accorded by Government should be doubled not only over five years but over two years. The Prime Minister's own advisory council is saying that what Government is doing is not nearly enough. We could have all of these weasel words that, yes, we have increased over-all Canadian expenditures for research and development because our percentage of GNP rate of expenditures has been maintained, but that is no excuse. What are we going to do, double the GNP next year and have our percentage devoted to research and development and once more claim that, yes, we spent a little more?

This country is far behind every other country against which it must compete—most particularly, the United States—in research and development. All the weasel words and all the little progress that has been made is not going to meet the needs of this country if it is going to compete, particularly in a free trade environment. The fact is that the Minister knows that in a free trade environment, our chances of ever developing in terms of adequate science or research will be utterly killed because the United States Government right now spends some $70 billion a year on research and development. Almost half of that is for defence research, or it uses defence research as an excuse for expenditures. We are expected to compete against that with a Government which puts pennies here and there and still has not decided what it is going to do with the other half of the $1.3 billion the Prime Minister said we are going to make available for progress.

Mr. Deputy Speaker: Resuming debate.

Mr. Lee Clark (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, as I begin, I cannot help but regret publicly the inclination of some within the House to equate progress and expenditure money as necessarily being synonymous because, unfortunately, as you know, Mr. Speaker, that type of comparison in itself can be very incomplete and can in fact be very misleading. Unfortunately, when one looks at Estimates, one talks entirely in terms of the dollars and cents. So there is, naturally, this inclination to think in terms of money spent as somehow demonstrating in itself a commitment or lack thereof on the part of any Government towards the objectives of those moneys being spent.

• (1720)

I would suggest in passing that that type of philosophy while it might be, to some degree politically popular can, in the long run, be injurious to a country. It has led to some of the excessive spending which we have seen in this country and in others in the last decade or so.

The objective before the House today is to talk about the Estimates. I am pleased to be able to do so with specific reference to the Estimates of the Department of Agriculture. In the absence of the Minister I am pleased as his Parliamentary Secretary to be able to explain and, if necessary, to defend the Estimates before the Members of the House.

Having done that, and without any excessive remarks on my part, I can say in all conscience that I believe that this Government's record and commitment to agriculture is unprecedented in the history of Canada. I readily concede that the problems which we have encountered have been very substantial. That certainly justifies the expenditures of the moneys which we are now presenting to the House.

I can also say that this is not the first time in Canadian history that we have had problems in agriculture, nor will it be the last time. While we cannot resolve those problems through the mere expenditure of money, I feel that the commitment of the Government, and the commitment which is most evident in the work and leadership provided by the various Ministers responsible for agriculture and the Prime Minister (Mr. Mulroney), is unprecedented. The Prime Minister has met with national farm leaders on, I believe, seven different occasions.

I say to those who are directly concerned with these Estimates that I think that the number of new programs which we initiated and the support which we are providing financially and otherwise does without a doubt indicate the commitment which the Government has to agriculture, and appropriately so. Because of the problems to which I have already referred it is no surprise that our support of agriculture financially is increasing. Despite the partisan differences that sometimes surface in the House I think that that type of financial support is welcomed by all Members of the House.

Spending plans for Agriculture Canada this fiscal year total some $2.16 billion, an increase of $421 million over last year's Main Estimates of $1.74 billion. In addition, there is also provision in this year's Estimates for a net increase of 66 person years, which is a point worth stressing. I hear on occasion people speaking of cut-backs within the Department of Agriculture. Of course, the reality is that we are talking about 66 additional person-years rather than a reduction in personnel.

The largest single new item in this year's Estimates is some $296 million, the bulk of which is the last part of the $1.1 billion program which will be expended during the course of this fiscal year. In fact, if I recall correctly, about 85 per cent or 90 per cent of the final cheques are being mailed this week. The balance is being mailed next week which is, of course, good news for farmers wherever they may be located. Within this $296 million there is some provision for additional personnel to be hired to administer the Special Grains and Oilseeds Program No. 2.

In 1987-88, provision for the $1 billion program which, of course, at that time was unprecedented, was provided through the Supplementary Estimates. By the end of June a total of 208,000 grain producers will have received payments under the Special Grains and Oilseeds Program No. 2. While the average payment works out to some $4,500, statistics are often misleading. I know that the farmers in my constituency are receiving on average substantially more than that. I can also report that I have had many farmers say to me quite candidly that if it were not for this program and for the payments under the Western Grain Stabilization Program they would not be able to continue farming as they are at the moment.

The purpose of the Special Grains Program is to reduce—not to eliminate—the impact on Canadian farmers of the trade war which has been taking place between the European Economic Community and the United States. It is a trade war which in all minds is evidence of the insanity which is in the international grain trading community. While we cannot match the resources of others, we are trying to lessen the impact. In addition, and something which is probably more

important, we are trying to provide the necessary leadership which we hope will mean the end of that trade war at some point in the reasonably near future.

Within this year's current Estimates there is $26 million for payments into the Western Grain Stabilization Fund, and $5 million for payments into the Prairie Grain Advance Payments Program. These programs fall within the jurisdiction of the Minister of State for Grains and Oilseeds (Mr. Mayer).

Elsewhere, a spending increase of just under $20 million is foreseen for various provincial agri-food agreements. These are regional development agreements which are intended to improve farm productivity, to explore export opportunities, and to help develop secondary industries. These are programs which are very important, particularly to the primary sector of agriculture which is in such difficulty. Our share of these agreements amounts to $40.3 million in 1988-89.

Another program provides $11.5 million which is needed to help tobacco producers adjust to the market realities of the 1980s. This is an industry which has undergone in many ways revolutionary changes over the last two to three years.

The alternative enterprise initiative encourages research, new crop development and market development projects in tobacco-producing areas in Ontario and Quebec. There is also a tobacco transition adjustment initiative program which provides payments to producers to help them leave the tobacco industry. This program applies also to Prince Edward Island producers, as well as to Nova Scotia and New Brunswick farmers.

Estimated statutory payments under the Agriculture Stabilization Act this year are expected to total $65 million.

The Main Estimates reflect our continuing commitment to agriculture, to the farm community and to the agri-food system through new initiatives and the maintaining of long-standing programs. It is important that I take a moment to mention some of the other initiatives which the Department of Agriculture is undertaking.

In April of this year the Minister of State for Grains and Oilseeds officially opened the National Grains Bureau in Winnipeg. Last year, a grains and oilseeds branch of Agriculture Canada was formed because of the very large and very special role these commodities play in Canadian agriculture. The National Grains Bureau is the policy and planning arm of the grains and oilseeds branch. Its purpose is to serve as a focal point for the federal Government to participate more effectively in and to respond to grains issues. It made sense that this National Grains Bureau should be located in Winnipeg which is in many ways the heart of the Canadian grain industry.

We have also started a new program called Grains 2000. The name says it all. This program will help us design long-term policy options for grains. You will recall, Mr. Speaker, the focus during Question Period on the appropriate need for long-term policy. I am delighted that Grains 2000 is working in that direction. I think that it is an initiative welcomed by others in the House. The idea is to give people within the grains industry, farmers, representatives of the various grain buying companies, universities, provincial Governments, and other agencies a chance to participate with the federal Government in policy development.

Having attended a number of meetings with the Minister of State for Grains and Oilseeds in which he has consulted with the industry on an informal basis, I find this type of consultation to be very effective. I think the investment which we are making as a Government and as a country in this type of program, and others, will be money very well spent.

Also in effect now is a transfer of the Grain Marketing Bureau to Agriculture Canada from the Department of External Affairs. There are a number of people certainly within the farming community who think that that is a change which is certainly warranted. This results in an increase in expenditure of $3.9 million, which includes 27 person-years.

For more than a year Agriculture Canada has been developing a strategic plan to guide the research branch into the 21st century. The plan is founded on something that the Minister and I, as well as everybody else interested in agriculture, really believe in—a stronger partnership between Agriculture Canada research stations and the agricultural industry, as well as our research partners in the provinces and universities.

What the plan hopes to do is to strengthen the links between Agriculture Canada research stations and organizations in the agri-food industry to bring about more joint research ventures. What is happening is that there is more of a realization that world research should indeed be a world in which government and others participate as partners. Certainly, the federal research station which has been an integral part of our history in Canada, since 1886 if my memory serves me correctly, has made an invaluable contribution. Nevertheless, having said that, we believe quite strongly that there is a role for the universities and for the provinces. For example, the University of Manitoba has a very valuable agricultural research activity. One of my alma maters, the University of Saskatchewan, also has a distinguished record in the same area. In the future, this type of partnership will be quite fruitful. We have had joint ventures before, but this type of plan will spark more research in the agri-food industry, especially for private food processing firms.

• (1730)

It has been said before, but it is worth saying again that Agriculture Canada has no intention whatsoever of relinquishing its historic role as a leader in the agri-food industry, but wishes a clear definition of where others fit in. That is an appropriate request, and it is probably also an objective with which it will be comfortable. It also sees government and research as being areas where there is an opportunity for partnership, and it simply wants to know what its role and the rules will be.

In accordance with the Government's commitment to deregulation, discussions on the privatization of the record of performance programs will continue with groups from both industry and provincial Governments. Privatization of recording activities is already well under way in the swine and dairy sectors. Generally speaking, it has been well received.

Our very important five-year dairy policy, outlined in January, 1986, continues to ensure that efficient producers of milk and cream receive a fair return for their labour and investment. This fiscal year the federal commitment to that program is $227 million.

Another area where we have put a great amount of effort, and perhaps to some degree with slightly disappointing results, although we see progress, is in the area of tripartite stabilization. The progress has certainly been slower than we wished, but indeed there is progress. In recent weeks there have been a number of meetings. The federal Minister will be meeting with provincial counterparts in Toronto on the 12th of July, or the week thereof, and I hope there to be more progress at that particular time. These meetings have become even more important since meetings last March in which the federal Minister of Agriculture (Mr. Wise) met with his provincial counterparts. There are differences, but there is a continuing commitment to resolve those differences. We will see some progress in the not too distant future.

Every Member of the House, whether a representative of urban Canada or rural Canada, is well aware of the international crisis which exists in the grain industry and is also aware of the leadership that the Government has been attempting to provide.

In our opinion, the trade agreement negotiated with the United States is helpful both as an example to the international trading community, and also in lessening some of the trade impediments which have plagued agriculture in the last two to three years.

We also believe that our participation in the current round of multilateral trade talks is exceedingly important. It is through those types of discussion that we will find the long-term solutions that we are seeking. All too often in politics the media, and to some degree the politicians, focus on the crisis of the moment. This morning's *The Globe and Mail* carried a story on the drought which is so significant on the Prairies. Predictably, and borne out by what happened in the House a few hours ago, much of the thrust of Question Period focused on that drought, in part because of the publicity provided to the issue by one of Canada's leading daily newspapers.

The problems which exist in agriculture exist irrespective of whether they receive the attention of journalists, or indeed the attention of Members of the House. That is why discussions which have been taking place in the international trade community are so vital. Those ongoing discussions are absolutely essential if we are to end the war in subsidies, which means that Canadians who produce a very high quality product have been compelled to sell the product at substantially reduced prices. That is why the GATT round is so important. Our commitment and support of GATT is of absolute importance. In many ways we see that as being the real solution that the farming community and those of us who are interested in the farm community are seeking.

Those of us who are interested in agriculture, particularly those of us from the Prairies, know that we live in a world where exports are predominant. Fifty per cent of agricultural income comes from exports. Sometimes members of the urban community look at the supply management sector and ask: "Why do we not use that as a strategy to resolve all of our problems?" I have heard people on phone-in programs suggest that we sell in Canada and build a trade wall around Canada and meet the needs of the Canadian farmer. Tragically, that would mean a loss in agricultural income of 50 per cent. It would automatically mean a reduction in personnel of 50 per cent.

Our future in agriculture lies in the development of markets. To a large degree those markets will be found outside the country. There are really only two industrialized nations in the world that do not have guaranteed access to a market of at least 100 million. We are one, and Australia is the other. That is why the trade talks are so important, and why the free trade agreement is important. It provides us with an example to the rest of the multilateral trading communities of a direction in which we can go.

The GATT talks are of the utmost importance. The meetings in Montreal which will take place, the mid-term evaluations meeting in December, will give us an indication as to where we are headed. Our future lies in that type of activity. I am proud to be part of a Government that has made this a priority.

The main Estimates do not include all the expenditures which will take place in the world of agriculture. Some of those will be included in Supplementary Estimates after program specifications are provided by the Treasury Board. We are extending the Farm Debt Review Boards until 1991, which represents a further commitment of $39 million. I wish we did not need Farm Debt Review Boards, but the reality of the matter is that we do. I have spoken to many constituents who are able to stay in farming because of that type of program and financial commitment on the part of the Government and the people of Canada.

The main Estimates also do not show an additional commitment of $270 million through 1991 to the Farm Credit Corporation. That will enable FCC to enter into arrangements reached with the Farm Debt Review Board process to give it some much needed extra flexibility. FCC has been in a very severe financial crisis. If it operated within the private sector it would have been out of business some time ago. We as a Government are attempting to provide it with the necessary financial support to give it the flexibility which it needs to address its programs.

Another program we might wish that we did not need, but which is exceedingly important, is the Canadian Rural Transition Program. It has also been extended to 1991 at a cost of $28 million. Certainly, it is very difficult to think of this program in terms of successes because it is addressing the needs of people who have to leave the farm. When some must, or some choose to, it is very important that someone be there with a helping hand. That is basically where the rural transition program fits in.

In Manitoba, as a model, there have been services provided through a research institute which is located in my own community. I know the people who work there. I know many people who have made use of the service. It is money well spent, and money that is necessary to help in that type of transition.

Last December the Prime Minister (Mr. Mulroney) announced a $75 million National Soil Conservation Program to be carried out over the next three years. This is subject to matching funds from the provinces. All the evidence indicates that the provinces are extremely interested. Anyone who travels the Prairies these days is exceedingly conscious, perhaps even painfully conscious, of the need for soil conservation programs. In some areas the ditches are full of quality soil that is the victim of soil and wind erosion. This will be an investment in the future of the country. The Farm Fuel Tax Rebate Program often talked about in the House will save farmers approximately $440 million.

When we talk about the farm community today we talk about men and women working together. That has always been the case, but perhaps we are more conscious of it today than we have been in the past. One of the expenditures in this program which pleases me is that there will be some more money, not an awful lot, but some more money available to support Agricultural Canada's farm women's program this year. That will facilitate farm women coming together to discuss the problems that are so crucial to them. Furthermore, we hope that it will also provide them with an avenue by which they can approach the Government of Canada and be part of the consultative process.

Quite frankly, the objective of all of us and of the Government is to serve the needs of the Canadian farm community by working in co-operation with them. Too often in the past Governments have attempted to devise programs which were allegedly going to solve the problems of the people of Canada. We are attempting to work with the people of Canada in order to address the problems of the day.

• (1740)

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, I rise to speak in this debate because our Party will oppose the Estimates that are before us. Many of the things the Hon. Member opposite has suggested are happening in his community are certainly not happening in our communities. First and foremost, the Government is going to spend, at a minimum, $8 billion on nuclear submarines. Yet it cannot find the money to increase the Estimates for the Canadian Jobs Strategy.

The Canadian Jobs Strategy has been cut by $125 million. That $125 million could have gone toward providing programs for older workers. Three times I have heard a program announced for older workers. First, a program is announced and then a year later, the Government says that it has to negotiate with the provinces. Then when it is asked what the provinces are doing, the Government says that it is just on the verge of an agreement, so it announces again that there will be a program. Sometimes Canadians are not aware of the details of what happens here, and they keep thinking that there is a program for older workers.

I want Hon. Members to know that 1,300 employees of Firestone in Hamilton were laid off this past year. I also want Hon. Members to know that many of those workers were older workers and there is no program for them. The federal Government is using the excuse that it cannot get an agreement with the provinces. It has agreements with many of the provinces now, but until it has an agreement with all the provinces, it simply will not worry about older workers. That is a very callous attitude and it is one to which I take great exception.

I also feel very strongly about the fact that the federal Government made a promise during the last election campaign of a child care program for the children of Canada. We know that two million children do not have child care spaces. There is no money in the Estimates to increase the child care that is provided to Canadian children.

I think these Estimates are a classic example of hypocrisy on the part of the federal Government. Yet, the Government can afford to put another $20 million into propaganda for selling a trade agreement with the United States that the Government calls a free trade agreement. Yes, it is free. It freely gives our country away. The Government is willing to spend money in order to convince Canadians with their own money that they should give their country away. That certainly does not make very much sense to me.

Looking at the Estimates, I recognize that the Government wants to provide some money for transition houses. I know that a million women are being battered, and the federal Government said during the last federal election campaign that money would not be an issue when serving the needs of battered women. Unfortunately, all the Government can find now is $10 per battered woman.

The Government talks about making allowances for the needs of society today. It says that it will reach out to the people. Words are cheap and the Government has been able to use those words during election campaigns. What we are looking for in the Estimates are programs. We are looking for dollars that will implement programs to give relief to the people who are suffering. The Government is not doing anything to provide for people's needs. It can spend all the money it wants to win a by-election. It can spend all the money

it chooses to buy nuclear submarines. It can spend all sorts of—

Mr. Crofton: Mr. Speaker, I rise on a point of order. The Hon. Member who is addressing the House referred several times in her speech to expenditures in the present Estimates for nuclear submarines. I would invite her to tell us just where in the Estimates these numbers are contained. She is talking about hypocrisy and falsehoods. I would suggest that that is a large one, because those figures are not in the Estimates.

Mr. Deputy Speaker: That is not a point of order, it is a matter of debate. The Hon. Member for Hamilton Mountain (Ms. Dewar) has the floor.

Ms. Dewar: Thank you, Mr. Speaker, and certainly we do not want to confuse the issue with reality, reality being that the Government has not only defended nuclear submarines in the House but has also said that the submarines would not be in any conflict with the environment. The Government has no expenditures in the Estimates to clean up the environment. At the same time, it has announced several times that it will spend money on nuclear submarines. It is in the process of letting the contract for those submarines in the next couple of months. It seems to me that the Government certainly has its priorities skewed, and I am very concerned about the fact that with that kind of hypocrisy that is being sold to the Canadian people, this Government does not deserve to govern. I hope we will be able to put an end to it in the not-too-distant future. It will not be too long before the Canadian people will realize that the great fear of this Government is dealing with what the Canadian people really want.

I would also suggest that we do not see spending programs for housing in the Estimates. We know that housing is job creation. We know that the needs across Canada for housing are crucial. Certainly looking at what is happening in my own community makes me recognize that. A study has shown that applications for social housing in Hamilton are up by 25 per cent over this time last year. With the Hamilton-Wentworth housing authority, there are 1,253 families on the waiting list for non-profit housing.

What can the federal Government do? Certainly Canada Mortgage and Housing could look at the situation and act on some solutions. Educational programs to improve community acceptance of social housing are very important. There has been a program like this in the City of Toronto. Certainly we could use this kind of program in Hamilton. It is something that not only creates jobs but gives people a sense of security in their own communities.

I have just been looking at *Canadian Business* of June, 1988, not necessarily a New Democratic publication, but certainly one that has taken a very good look at the problem with employment in Canada. This publication says that politicians focus too much on job-creation programs and not enough on policies that address the more fundamental problems in the economy, and that without such direction, lower unemployment rates will only be temporary. I think it is really important—

Mr. Redway: Free trade.

Ms. Dewar: No, if we look at what the trade agreement does, it deals with low-paid trades and the creation of low-paid jobs. It is a fundamental erosion of our economic base.

According to a survey done in 1982 by Labour Canada's micro-electronics task force, we were investing 25 hours per worker on annual retraining programs and education as compared to 35 hours in the United States and 65 hours in Japan. We must recognize that when dealing with the long term, we have to look at skills training that is outside that provided by the companies that look at the short term. Certainly these are the kinds of recommendations that came out of the study done by the micro-electronics task force.

A positive way of spending money certainly would be to invest in labour and in what the real jobs are in society without giving our country away. That would be the proper way to put the Estimates before the House. Rather than that, the Government is setting the priorities it thinks are important, not those that are important to the Canadian people, and expecting that the Members of the House of Commons will support those Estimates. I think we would be irresponsible as Members of Parliament if we approved these Estimates. Certainly with the majority that the Government has, it can do what it likes, or so it keeps telling us, both through the procedures of the House of Commons and the spending of the money of the people of Canada.

• (1750)

It is really important to recognize that it is the money of the people of Canada that is being spent. Certain things are not available. I see, for instance, immigrant women in this country who cannot get language training or access to the labour market and find it very difficult to integrate within society itself. They have children in schools and have to go for interviews. They need help from the health care system but cannot get access to it because of language problems. This is not a surprise to the Government. Studies have been done. We have asked questions in the House and constantly we have been told there will be movement on those programs, yet the Estimates before us do not allow for any language training for immigrant women.

These are the kinds of things that demonstrate whether or not a country cares about its society and the people who live in it. These are the kinds of programs that say not only that we welcome immigrants into society but that we want to assist them become full participants. Because of the lack of programs people coming into the country often feel intimidated and feel they are second-class citizens because they cannot participate with their family members because of a very rigid language barrier. There is discrimination between men and women. There are language programs for men but not for immigrant women. This is not only a very serious economic

obstacle but also a serious social obstacle hindering people from participating full time in society. It is more than discouraging; immigrant women are thus unable to be the kind of care deliverers for their families which they could be if there were adequate programs for them.

It is a disgrace to be asked to accept the kind of Estimates we are being asked to accept today. Those Estimates do not reflect the promises given by the Conservative Government during the last election. Things have not come to fruition. What have we got instead? We have a great PR program which is trying to tell Canadians what they should like whether they like it or not, trying to put them in a situation where they are threatened, whether they are threatened or not. We are supposed to be imagining some kind of great attack from over the Arctic Ocean, and therefore we are supposed to put all our resources toward saving us from that. We would be a lot better off if we were building a really constructive multilateral kind of trade policy to say that the country is important, that Canadians are competitive and can be multilateral traders, instead of having only one trading partner. But that is exactly what the Government is trying to do.

What is happening? The Government is spending money foolishly. It is cutting back on useful programs. The Canadian Jobs Strategy Program, as I have said often in the House and in committee, has taken on the proper direction, but it needs to be fine-tuned. It does not need cut-backs. That kind of investment will not only help reduce the deficit in the long term but it will also help build a stable economic base, which is much more important than spending $25 million telling Canadians they have a good agreement with the U.S. when it is a lousy one. That kind of hypocrisy is not what we stand for on this side of the House.

We look at programs that are important for people. We look at those things that will build a caring society and a society with some stability. When we look at those things we realize that the priorities in these Estimates are all wrong. This is not the kind of Canada we look toward. It is not the kind of spending we think is responsible spending of Canadians' own money. For that reason, Mr. Speaker, we will oppose these Estimates. We hope they will be the last Estimates that ever come forward to the Parliament of Canada by this Government.

Mr. Redway: Mr. Speaker, I was overwhelmed by the comments of the Hon. Member for Hamilton Mountain (Ms. Dewar). First, on a number of occasions she indicated the question of nuclear-powered submarines were in the current Estimates. Of course they are not, as you are well aware. All of her remarks with respect to that were irrelevant and out of order because they had nothing to do with the issue before us, that of the spending Estimates for 1988-89.

Second, the Hon. Member referred to the fact that the Estimates and the expenditure plan of the Government was a disgrace because it did nothing for people. As you are well aware, Mr. Speaker, the expenditure plan and the policy of the Government over the last four years have had a significant effect on those living below the poverty line. In fact, the incidence of low income people has decreased from 17.3 per cent of the population in 1984 to 14.9 per cent, which is the latest figure for 1986. It is quite clear that the policies of the Government as reflected in the spending Estimates have been a significant helping hand to low income people about whom the Hon. Member has expressed concern.

In job creation, Canada has led the industrialized western world in those four years. Canada led in economic growth in those four years. All of the things which the Hon. Member has spoken about seem to imply that her Party, the New Democratic Party, has a different approach to things. The New Democrats would have a different industrial strategy for the whole operation.

In this House recently the member of the New Democratic Party, the Hon. Member for Regina West (Mr. Benjamin), made a statement. He said that the NDP's industrial strategy:

> —could well mean less growth, or a bit of a standstill in growth, in the golden triangle form Québec to Windsor.
>
> I put this question. Why do we want Toronto or Montreal to get any bigger? What for? Glorified anthills is what they are. Why would one want to establish another manufacturing plant in that part of the country? As far as I am concerned Toronto needs another manufacturing plant like it needs a hole in the head.

Is that the Member's policy and the policy of the NDP as set out by the Hon. NDP Member for Regina West recently in this House?

Ms. Dewar: Mr. Speaker, the Hon. Member for Regina West (Mr. Benjamin) certainly does not have the authority to make or break a policy of the New Democrats, and I think we all know that. As New Democrats we have spoken about making sure there are economic policies to reduce regional disparity.

We are very concerned about the amount of unemployment existing in the interior of British Columbia, northern Canada, Newfoundland and Atlantic Canada. The present Government should be appalled by its actions which have allowed the level of unemployment to grow as it has in those regions of the country while there is an overheated economy in southwestern Ontario. It is certainly bad economic policy.

Mr. Speaker: It being six o'clock p.m., pursuant to Order made Thursday, June 23, 1988, it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the Business of Supply pursuant to Standing Order 82(11).

Accordingly, the question is as follows: Mr. Lewis (for the President of the Treasury Board) moved that the Main Estimates for the fiscal year ending March 31, 1989, laid upon the Table Tuesday, February 23, 1988, less the amounts voted in interim Supply, be concurred in.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

• (1800)

Mr. Speaker: I declare the motion carried.

Motion agreed to.

Mr. Lewis (for the President of the Treasury Board) moved:

That Supplementary Estimates (A) for the fiscal year ending March 31, 1989, laid upon the Table, Wednesday, May 18, 1988, be concurred in.

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

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Lewis (for the President of the Treasury Board) moved that Bill C-138, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1989, be read the first time.

Motion agreed to and Bill read the first time.

Mr. Lewis (for the President of the Treasury Board) moved that Bill C-138, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1989, be read the second time and referred to Committee of the Whole.

Motion agreed to, Bill read the second time and the House went into committee thereon, Mr. Danis in the chair.

Mr. Gray (Windsor West): Mr. Chairman, I would like to ask the President of the Treasury Board personally to assure the House that she has personally inspected this Bill, and can confirm to the House that it is in the usual and proper form. Do I have that assurance personally from the President of the Treasury Board?

Mr. Lewis: Mr. Chairman, on behalf of the President of the Treasury Board, I am pleased to advise the Hon. House Leader of the Official Opposition that the form of this Bill is the same as that passed in previous years.

The Chairman: Shall Clause 2 carry?

Some Hon. Members: On division.

Clause agreed to.

The Chairman: Shall Clause 3 carry?

Some Hon. Members: On division.

Clause agreed to.

The Chairman: Shall Clause 4 carry?

Some Hon. Members: On division.

Clause agreed to.

The Chairman: Shall Clause 5 carry?

Some Hon. Members: On division.

Clause agreed to.

The Chairman: Shall Clause 6 carry?

Some Hon. Members: On division.

Clause agreed to.

Schedule A agreed to.

Schedule B agreed to.

Clause 1 agreed to.

Preamble agreed to.

Title agreed to.

Bill agreed to.

The Chairman: Shall I rise and report the Bill?

Some Hon. Members: Agreed.

Bill reported.

Mr. Lewis (for the President of the Treasury Board) moved that the Bill be concurred in.

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

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion agreed to.

Mr. Lewis (for the President of the Treasury Board) moved that the Bill be read the third time and passed.

Motion agreed to and Bill read the third time and passed.

* * *

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—BANK CHARGES—CONCURRENCE IN REPORT OF STANDING COMMITTEE

The House resumed from Thursday, June 23, consideration of the motion of Mr. Rodriguez:

That the Nineteenth Report of the Standing Committee on Finance and Economic Affairs, respecting bank charges, presented to the House on Monday, June 6, 1988, be concurred in, and that the adoption of this motion shall not be considered to be a question of confidence in the government.

Mr. Speaker: The House will now proceed to the taking of the deferred division on the motion of the Hon. Member for Nickel Belt (Mr. Rodriguez) in relation to the Business of Supply. Shall I dispense with the ringing of the bells?

An Hon. Member: No.

Mr. Speaker: Call in the Members.

The House divided on the motion, which was negatived on the following division:

(Division No. 415)

YEAS

Members

Allmand
Althouse
Baker
Blackburn (Brant)
Blaikie
Dewar
Foster
Fulton
Garneau
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Harris
Henderson
Hopkins
Hovdebo
Isabelle
Jewett
Keeper
Killens
McCurdy
McDonald (Broadview—Greenwood)
McLaughlin
Nystrom
Ouellet
Parry
Riis
Rodriguez
Rompkey
Young—30

NAYS

Members

Andre
Attewell
Bernier
Bertrand
Bissonnette
Blackburn (Jonquière)
Blais
Blenkarn
Blouin
Bourgault
Bradley
Brightwell
Caldwell
Cardiff
Chartrand
Clark (Brandon—Souris)
Clifford
Cochrane
Collins
Comeau
Cossitt
Crofton
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Darling
Daubney
de Cotret
Desjardins
Domm
Dorin
Duguay
Duplessis
Ellis
Epp (Provencher)
Ferland
Fontaine
Forrestall
Fretz
Friesen
Gagnon
Gormley
Gottselig
Graham
Gray (Bonaventure—Îles-de-la-Madeleine)
Greenaway
Grisé
Hamilton
Hardey
Hawkes
Hnatyshyn
Hockin
Holtmann
Horner
James
Jardine
Jelinek
Jepson
Johnson (Bonavista—Trinity—Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kilgour
Ladouceur
Lawrence
Layton
Lewis
MacDonald (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly
Marin
Martin
Mazankowski
McCain
McCrossan
McDermid
McDougall (St. Paul's)
McKenzie
McKinnon
McKnight
Merrithew
Mitges
Nicholson (Niagara Falls)
Nickerson
Nowlan
Oberle
Oostrom
Pietz
Plourde
Porter
Price
Ravis
Redway
Reimer
Ricard
St. Germain
St-Julien
Schellenberg (Nanaimo—Alberni)
Scowen
Sparrow
Stewart
Tardif (Charlesbourg)
Taylor
Thacker
Towers
Tupper
Turner (Ottawa—Carleton)
Van De Walle
Vankoughnet
Vézina
Vincent
Warner
Wenman
Wilson (Swift Current—Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Wise
Witer—120

● (1830)

Mr. Speaker: I declare the motion lost.

It being 6.30 o'clock p.m., pursuant to Order made Thursday, June 23, 1988, this House stands adjourned until tomorrow at 11 o'clock a.m. pursuant to Standing Order 3(1).

The House adjourned at 6.39 p.m.

HOUSE OF COMMONS

Tuesday, June 28, 1988

The House met at 11 a.m.

Prayers

[*Translation*]

CANADA ELECTIONS

RESIGNATION OF CHIEF ELECTORAL OFFICER

Mr. Speaker: It is my duty to inform the House that I have received a message from the Chief Electoral Officer advising me of his resignation effective January 1, 1989.

ROUTINE PROCEEDINGS

[*English*]

LAW REFORM COMMISSION OF CANADA

TABLING OF 16TH ANNUAL REPORT

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased to table, in both official languages, the sixteenth annual report of the Law Reform Commission of Canada.

* * *

CUSTOMS TARIFF

TABLING OF REMISSION ORDERS

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, pursuant to Standing Order 67(2), I have the honour of tabling seven tariff remission orders. Five of these orders will remit over $20 million in duty on textiles and apparel during a ten-year period. One will remit over $20 million in duty on tires over a five-year period.

The tabling of these remission orders meets the commitment made to the Standing Committee on Public Accounts with respect to greater accountability and transparency in the tax and tariff systems.

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to S.O. 106(8), I have the honour of tabling, in both official languages, the Govenment's response to the 40 petitions bearing the following numbers: Nos. 3322-4552 to 332-4557 inclusively; 332-4570, 332-4574 to 332-4576 inclusively; 332-4586, 332-4587, 332-4594, 332-4597 to 332-4601 inclusively; 332-4609, 332-4611, 332-4615, 332-4621, 332-4642, 332-4650, 332-4654, 332-4665, 332-4669, 332-4671 to 332-4674 inclusively; 332-4677, 332-4687, 332-4689 to 332-4691 inclusively; and 332-4696 to 332-4699 inclusively.

[Editor's note: *See today's Votes and Proceedings.*]

* * *

[*English*]

CONSUMER AND CORPORATE AFFAIRS

PRESENTATION OF THIRD REPORT OF STANDING COMMITTEE

Mrs. Mary Collins (Capilano): Mr. Speaker, I have the honour to present, in both official languages, the third report of the Standing Committee on Consumer and Corporate Affairs. This report deals with the subject of misleading advertising and recommends major changes to the Competition Act such as the inclusion of a class action procedure and appropriate administrative remedies to ensure consumer redress for misleading advertising.

After hearing witnesses on this subject for several months and travelling to Washington to see how they deal with misleading advertising and deceptive marketing practices, your committee came to the conclusion that Canadian consumers should be better protected against those engaged in misleading advertising.

Our objective during the investigation was to find ways to improve the current system. We believe our recommendations do just that.

[*Translation*]

Mr. Speaker, I would like to thank my colleagues from all parties who participated in our work over the past several

months. An atmosphere of genuine co-operation prevailed at all times. This report reflects a consensus of opinion and we hope it will lead to a renewed debate on the issue of class action suits.

• (1110)

[*English*]

Pursuant to Standing Order 99(2), the committee requests that the Government table a comprehensive response to the report within 150 days.

[*Editor's Note: See today's Votes and Proceedings.*]

* * *

PETITIONS

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is my pleasure, indeed honour, to present pursuant to Standing Order 106 a petition on behalf of a number of constituents who are of the opinion that the Government lacks a mandate from the people of Canada to conclude a trade agreement. I suspect these people have actually read the agreement and have come to that conclusion, unlike the Minister.

They believe that the proposed trade deal would deny Canada the policy freedom to determine its own economic future and therefore undermine Canada's ability to build a society distinct from that of the United States. Since the trade deal failed to provide us with secure access to the U.S. market and threatens a loss of hundreds of thousands of Canadian jobs, they call upon Parliament to dissolve now and allow the people of Canada the opportunity to accept or reject the proposed trade deal during a national general election.

Mr. Les Benjamin (Regina West): Mr. Speaker, it is my honour and duty to present two petitions from Canadians from Toronto, Scarborough, Brampton, and other points in that immediate area. They humbly pray and petition Parliament. Whereas the trade agreement negotiated by the Mulroney Government threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to control foreign ownership effectively, to develop Canadian energy resources in the best interest of Canada, or to equalize opportunities between the regions, the undersigned, your petitioners, humbly pray and call upon Parliament to allow the people of Canada the opportunity to accept or reject the proposed trade agreement during a national general election.

NORTHERN TAX ALLOWANCE

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, it is my honour to present a petition from residents of Seal Cove on Grand Manan Island in New Brunswick, where the residents claim that the federal Government is discriminating against the community by not allowing them tax deductions under the northern allowance.

They also claim that they have just as much right to the deductions as residents of dozens of communities in Nova Scotia and hundreds of communities in Québec and Newfoundland. Therefore, they pray and call upon Parliament to designate and add Seal Cove, New Brunswick to the eligibility list.

[*Translation*]

REQUEST FOR RETENTION OF 10-WEEK QUALIFYING PERIOD FOR UNEMPLOYMENT INSURANCE

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, I also have several other petitions from New Brunswick residents, in particular from the villages of Saint-Antoine, Saint-Paul, Buctouche, Cocagne, Shédiac, Saint-Thomas, Richibucto Village, Sainte-Marie, Saint-Louis-de-Kent, Grande Digue, Sainte-Anne-de-Kent, R.R.1 (Buctouche) and again, Sainte-Anne.

These petitioners contend that they, as residents of rural areas in New Brunswick, are the victims of certain injustices and that the federal Department of Employment and Immigration failed to take into consideration the differences between rural and urban areas when it increased the period of eligibility for unemployment insurance benefits from 10 to 16 weeks. They are demanding that the governement revert to the original 10 week eligibility period.

[*English*]

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I have the honour and duty to present petitions on behalf of a number of citizens from Toronto, Vancouver, and Halifax. They suggest that the Mulroney-Reagan trade deal will affect the very fabric of Canadian society, that the Mulroney Government does not have a mandate to negotiate such a deal, that it will reduce Canada's ability to plan the economic, social, and cultural programs we need, and that it would implicate Canada further into the North American defence industrial base.

Therefore they believe the House of Commons should ensure that a national debate take place and result in a national general election before the agreement is signed.

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Howard Crosby (Halifax West): Mr. Speaker, I wish to present four petitions to the House of Commons on behalf of residents mainly from Halifax West but also from other parts of Halifax County in the Province of Nova Scotia and other centres across Canada.

The concern in each petition is about the Supreme Court of Canada decision rendering invalid Section 251 of the Criminal

Code of Canada. Each petition asks the House of Commons to consider a law that will protect the life of the unborn.

SUPPORT FOR BILL C-204—NON-SMOKERS' HEALTH ACT

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, I have another of the many petitions that have come to the House on behalf of my Bill C-204. I suppose this should now be a message to the Senate rather than to the House. Nevertheless, these petitioners are from Deer Island, St. Andrews, and St. Stephen, New Brunswick.

Whereas cigarette smoking is Canada's major preventable health hazard and is responsible for 35,000 Canadian deaths each year, and whereas secondary smoke is implicated in the deaths of 500 involuntary smokers each year, they request that Parliament pass the Non-Smokers Health Act, Bill C-204, to protect the health of Canadians by restricting the promotion of tobacco and guaranteeing smoke-free air to Canadian workers and travellers.

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Jack Scowen (Mackenzie): Mr. Speaker, I have the honour to present a petition on behalf of residents of Powell River, British Columbia, who humbly pray and call upon Parliament to pass legislation immediately that will protect the unborn child from the moment of conception.

Mr. Paul Gagnon (Calgary North): Mr. Speaker, I have the honour and privilege to present two petitions containing a total of 301 signatures from five Calgary ridings and the riding of Bois River, organized by Wolfgang Rochow and Reverend Hilsden.

The petitioners are asking Parliament to protect the life of the unborn child.

CONSTITUTIONAL PROTECTION OF PROPERTY RIGHTS

Mr. Paul Gagnon (Calgary North): Mr. Speaker, I have a petition bearing 118 signatures, which was sent in by Jean Thompson.

The petition states that whereas a motion to provide for the entrenchment of property rights in the Constitution Act, 1982 passed the House of Commons on May 2, 1988, and whereas the outcome of this vote reflects the true sentiments of Canadians, wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to act upon the issue of constitutional protection for property rights by bringing forth and passing requisite legislation.

RESEARCH INTO PREVENTION AND CURE OF SCHIZOPHRENIA

Mr. Elliott Hardey (Kent): Mr. Speaker, it is my duty and honour to rise and present these petitions which have been properly certified.

These constituents who reside in the riding of Kent recognize that the condition known as schizophrenia is a major illness in Canada affecting about 1 per cent of the population, causing severe mental anguish to patients as well as their families. However, research efforts dedicated to schizophrenia are extremely limited.

• (1120)

Therefore, the undersigned humbly pray that Parliament will ensure that research efforts in the future will be commensurate with the seriousness of this illness in Canada.

[*Translation*]

REQUEST FOR URGENT SETTLEMENT OF HOMELESS SITUATION

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, Canadians continue to be concerned about the plight of our country's homeless. It is my duty this morning to present these petitions signed by residents of Fort Erie, London, Toronto, Ontario, Kelowna, B.C., Mississauga, Ontario, Kingston, Chicoutimi, Winnipeg, Manitoba, Richmond Hill, Ontario and Halifax, Nova Scotia.

The signatories to these petitions object to the fact that more than 100,000 Canadians were homeless last year and that the number of homeless is steadily rising. They also deplore the ever-shrinking number of affordable housing units and the government's failure to take action to resolve this problem.

For these reasons, the signatories to these petitions humbly request that Parliament take immediate action to provide all Canadians with clean, affordable housing and to establish social reintegration programs so that these disadvantaged Canadians can once again become members of society.

[*English*]

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, I have the duty and privilege to submit three petitions signed by a number of electors from the Province of Alberta and the Province of Ontario. These petitions have all been properly certified by the Clerk of Petitions.

The signatories protest the free trade agreement. They believe that it constitutes a threat to the fabric of Canadian political and economic sovereignty. They also protest the Government's failure to consult the people and demand that an election be held so that the views of the people of Canada may be ascertained in respect of an agreement they have not, up until now, had an opportunity to consider and upon which they have not voiced their opinion heretofore.

* * *

STARRED QUESTIONS

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, would you be so kind as to call starred Questions Nos. 358 and 359.

These answers are very lengthy, and I would ask that you consider that these answers have been read.

[*Text*]

CANADIAN COMMERCIAL BANK AND NORTHLAND BANK

Question No. 358—**Miss Nicholson (Trinity):**

What is the final cost of the inquiry headed by the Hon. Willard Z. Estey into the collapse of the Canadian Commercial Bank (CCB) and the Northland Bank?

Hon. Michael Wilson (Minister of Finance): The final cost of the operations of the inquiry headed by the Hon. Willard Z. Estey into the collapse of the Canadian Commercial Bank (CCB) and the Northland Bank was $1,493,000. This amount does not include the legal expenses incurred by the Department of Finance and the Office of the Inspector General of Banks which total $1,785,000.

COLLAPSE OF CANADIAN COMMERCIAL BANK AND NORTHLAND BANK

Question No. 359—**Miss Nicholson (Trinity):**

1. Were lawsuits involving the Government initiated by individuals or other bodies as a result of the failures of the Canadian Commercial Bank (CCB) and the Northland Bank and, if so (*a*) how many (*b*) how many of these are still ongoing?

2. What are and what will be the total legal costs incurred by (*a*) individuals or other bodies who have initiated legal action (*b*) the Government?

Hon. Michael Wilson (Minister of Finance): 1. Individuals or other bodies have not sued the Government as a direct result of the failures of the Canadian Commercial Bank and the Northland Bank. However, the Government is involved as a defendant in three lawsuits indirectly relating to the failure of these banks, and these are still ongoing.

2. The legal costs of those who brought the lawsuits are unknown, and not likely to be ascertainable, being subject to solicitor and client privilege. The Attorney General is defending two of the above lawsuits while outside counsel has been engaged in the third. Legal costs of the outside counsel to date amount to $4,878.67, and it is not possible to estimate the total legal costs at this time.

[*English*]

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

The Acting Speaker (Mr. Paproski): Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CUSTOMS TARIFF

MEASURE TO AMEND

Hon. Tom Hockin (Minister of State (Finance)) moved that Bill C-135, an Act to amend the Customs Tariff (code 9956), be read the second time and referred to a legislative committee.

He said: Mr. Speaker, I am very pleased to present to the House today Bill C-135, an Act to amend the Customs Tariff, for second reading. This Bill has being introduced in order to extend for a specified period the statutory authority which allows Canadian customs officials to prohibit the importation of obscene material and hate propaganda into Canada.

The Government is bringing in this Bill at this time because the authority provided under the Customs Tariff which prohibits the importation of hate propaganda, as well as obscene, seditious or treasonable materials, expires on June 30, 1988. This provision allows the Government to prevent the importation of the most virulent forms of violent, degrading and dehumanizing materials such as child pornography, depictions of violence against women, and many other things which are so repugnant to Canadians.

As Members of the House will recall, a sunset clause was initially inserted under this authority in 1985 in anticipation of new legislation on pornography which was to include amendments to the Criminal Code. The original sunset clause has since been amended on two separate occasions in order to extend the prohibition authority while the proposed pornography legislation was under consideration by Parliament.

While the provisions of Bill C-54 may be a matter of some debate, I do not believe that any Member of this House would want pornographic materials to enter the Canadian market unrestricted. I believe that as Members of Parliament we owe it to the Canadian public to ensure that such materials continue to be prohibited from entry.

Therefore I urge all Members to join with me this morning in giving unanimous and speedy approval to this technical amendment to extend the period of effect of this provision until December 31, 1989 and thereby ensure that there will be no lapse in the prohibition on the importation of obscene material and hate propaganda. The content is not changed. We are staying with the *status quo*. All we are doing with this Bill is extending the deadline for 18 months to December, 1989.

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I would also like to make a few comments on Bill C-135, which amends the Customs Tariff by extending the period during which a definition of pronography may be used by customs officers to stop at our borders pornographic material that someone is trying to bring into Canada.

Unfortunately matters are not quite as simple as the Minister who has just spoken would have us believe. The Minister is bringing before the House Bill C-135, which at first sight is designed simply to extend the definition for this tariff code for one year.

However, things are a little more complicated than that, and Bill C-135, which is being brought in by the governement, is intended not merely to extend the tariff code but also to conceal the government's failure to bring before the House a real bill dealing with pornography and hate literature.

This is not the first time the government has brought back to us a measure aimed at extending these provisions. To sketch in the background of the situation, Mr. Speaker, . . .

[*English*]

You will remember, Mr. Speaker, that under the Customs Tariff Act customs officials are empowered to forbid entry into Canada of material of an immoral or indecent character. The definition of what constituted obscene material under the Customs Tariff Act used to be broader than the definition of obscenity contained in Section 159(8) of the Criminal Code.

This did not pose a problem until March, 1985 when the Federal Court of Appeal found that the obscenity provisions of the Customs Tariff Act were so vague as to be an unreasonable limit on the freedom of expression guarantee contained in Section 2(b) of the Charter of Rights and Freedoms. Therefore the court struck down these provisions and, until Parliament acted in April, 1985, there were no restrictions on the importation of obscene materials.

The Tory Government came into power and in April, 1985, instead of bringing in comprehensive legislation dealing not only with the entry into Canada and the dissemination within Canada but with the printing in Canada, the showing of obscene materials, and the dissemination of hate propaganda material, the Government decided to operate by way of a stop-gap measure which at the time was known as Bill C-38. Bill C-38 in fact incorporated the obscenity and hate propaganda provisions of the Criminal Code into the Customs Tariff Act. I think the Minister will have to agree that this is what happened in April, 1985.

The problem is that Bill C-38 was introduced for only one year and it lapsed on June 13, 1986. In other words, during the course of that one year the Government did not find time to put together a comprehensive piece of legislation dealing with obscene material, with pornography, and with hate literature.

• (1130)

What did it do a year later since it had not found the time to do the proper thing? It brought before the House Bill C-111, as Your Honour may remember, because Your Honour is very assiduous in attending this House. Your Honour must remember that in June, 1986 Bill C-111 was brought in, which Bill extended the application of these obscenity and propaganda provisions of the Criminal Code and the Customs Tariff Act until December 31, 1987.

However, after a second year the Government had not yet brought before the House and passed a proper piece of legislation, so what did it do? In December, 1987 it came forward with Bill C-87 to extend further the stop-gap measure by one year.

What is happening this year? The Government is bringing forward Bill C-135 to further extend the provisions by one year. The real reason for all these extensions is the failure of the Government to pass new pornography legislation which would address the definition problems contained in both the Criminal Code and the Customs Tariff Act.

You will recall, Mr. Speaker, that the Government's new pornography legislation, Bill C-54, which I must admit it tried to pass through the House, did not wash. The legislation was decried. It was criticized by several elements in our society. It was depicted as backwards and Victorian. I also remember Members in this very House saying that it went much too far, that it would impose undue constraints even on libraries which would have to post signs stating that certain books contain material purported to be either obscene or pornographic because of an ill-advised piece of legislation, Bill C-54. In the opinion of some it would even criminalize normal adult sexual activity.

[*Translation*]

What happened is very simple: the government did not pass Bill C-54, it left it on the Order Paper. The government saw the country was against Bill C-5 and it didn't try to get it passed.

So today we have reached a point where the last extension of a definition of obscenity, of pornography, which allowed our customs officers to stop such material at the border, is running out, since Bill C-97, which was brought in last year, "expires" this week, on June 30, in two days, in other words, as it's already June 28.

The government, having failed to bring in a reasonable piece of legislation, containing definitions of pornography that would be acceptable in Canada (unlike Bill C-54, which was not acceptable to a majority of Canadians), now finds itself obliged once again to extend this provision for a year, to gain time. I don't wish to impute motives to the government, but this does give the impression that the government is trying to buy time so it can come before the people at the next election without really having tackled the problem of pornography in Canada, without having done its duty by bringing in legislation that would also cover hate literature.

This is what really lies behind Bill C-135, which at first sight is perfectly innocuous since it consists of exactly one line. I'll read it to you, Mr. Speaker, it's extremely simple. It has only the one clause, clause 1, which reads as follows:

Code 9956 in Schedule VII to the *Customs Tariff* is amended by striking out the works following paragraph (d) thereof and substituting the following therefor:

and I quote:

"(This code expires *December 31, 1989.*)"

So all this mysterious language, which at first sight seems very simple, contitutes not just an extension of a customs tariff but a way for the Government to shirk its responsibilities and try to make it to the next elections without really having tackled the problem of pornography and hate literature in Canada.

Mr. Speaker, it is regrettable that the Government is putting off the admission that it made a mistake in presenting an unacceptable piece of legislation like Bill C-54, and putting off the drafting of another bill that would be more reasonable, more in line with the views of the majority of Canadians today, in the Canada we live in now. It is quite obvious that without an adequate bill defining appropriately what is obscene, what is pornographic, we don't have much choice but to vote for this extension of the customs tariff, so that at least unacceptable pornographic material doesn't get into Canada from other countries. But that doesn't really solve the problem of pornography, which can be home-grown. The government is evading its responsibilities.

It is thus with regret that we are going to support Bill C-135, but I wanted to review for you, Mr. Speaker, all the events that led up to this Bill, events the Government has no right to be proud of.

[*English*]

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I am glad to represent my Party on Bill C-135 this morning. My remarks will not be long. I feel that this is an experience that we have endured—and I use the word advisedly—before, in regard to the extension of the expiry date of the Customs Tariff respecting the prohibition on the import of pornographic materials and hate literature. It is a rather sad irony that we are forced to do this again, for I believe the third time, and particularly that we are forced to do so because of a judgment of the Federal Court of Appeal.

That judgment, after all, ruled on the applicability of the Charter of Rights and Freedoms. I believe that when that Charter was passed most of us thought that it would be something that could be used to protect the weaker members of our society against the sort of aggression that the importation of pornography and hate literature represents.

By the perverse machinations of the legal system it came up with a ruling that rather made it easier to import pornography and hate literature into Canada. I think that it is a sad reflection on the way in which power has been vested in the judiciary in our society and taken away from the democratically elected organs of society that we are forced to do this now again, as I said, for the third time.

I should take this opportunity to point out to Canadians and to Members of the House the very narrow distinction, if any exists, between pornography and hate literature. We in this Party believe that much of what is today termed pornography is in fact hate literature aimed at women and children and that the function of the Charter of Rights and Freedoms should be to protect society, and thus women and children, from those forms of hate literature.

Because of the striking down of provision 99210 in the Customs Tariff which prohibited, and I quote, "the importation of books, printed paper, drawings, paintings, prints, photographs or representations of any kind of a treasonable or seditious or of an immoral or indecent character", we have amended the Customs Tariff. The other reason we are amending the Customs Tariff is of course the fact that we have not had a Bill passed in this House which defines and outlaws pornography and hate literature.

My hon. friend from Saint-Jacques pointed out that simply the importation was governed by the Customs Tariff and that there was no provision in Bill C-135 that would effectively control locally produced obscene or hate propaganda materials.

• (1140)

The Government has been successful to a limited degree by providing a tighter definition of obscene material in the Customs Tariff. I do not believe the insertion of a sunset clause was unwise, but it is because the sunset clause and its latest reincarnation expire this weekend that we have to come forward with this motion to extend that sunset clause for 18 months, and it has to be by means of a Bill.

I sincerely hope, and I am sure all Canadians share this sentiment whatever are their views on the matter of pornography and hate literature, that within 18 months either this Government or our Government which will succeed it, will manage to bring in a workable definition of pornography and hate literature that can be widely supported within the Canadian community and can be applied not only to prevent the importation of such materials but also to prevent their local production.

By the operation of Bill C-135, obscene material according to Section 159 and hate propaganda according to Section 281.3 of the Criminal Code, always assuming the perverse and capricious other House does not interfere with the passage thereof, will be prohibited from introduction into Canada for a further 18 months.

Let us not lose sight of the objective that we should have in this House, the objective of producing a workable definition of what is pornography, what is hate literature, what is erotica, and of enshrining that definition into law so that we can safeguard Canadians, particularly women and children, from the effects of what I believe can ultimately be included in the definition of hate propaganda.

[*Translation*]

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I think you have the consent of this House to refer Bill C-135 to Committee of the Whole.

The Acting Speaker (Mr. Paproski): Do I have the consent of the House? The Honorable Member for Ottawa—Vanier (Mr. Gauthier).

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, before going to Committee of the Whole, I would like to make a few comments at second reading, as I am entitled to do. I would also like to explain to my constituents and to those who are listening to us the reason for Bill C-135, An Act to amend the Customs Tariff (code 9956). This kind of thing is all Greek to a lot of people, and I would like to make sure that it's at least clear.

What the government is proposing, Mr. Speaker, is that the expiry date for the application of the Criminal Code to code 9956 of Schedule VII of the Customs Tariff be extended. It reads as follows:

> Books, printed paper, drawings, paintings, prints, or representations of any kind which:
>
> a) are deemed to be obscene within the meaning of section 159(8) of the *Criminal Code*.

You have to look at the Criminal Code to understand what that means, and section 159(8) of the Criminal Code reads as follows, Mr. Speaker:

> (8) ["Obscene".] For the purposes of this Act, any publication a dominant characteristic of which is the undue exploitation of sex, or of sex and any one or more of the following subjects, namely crime, horror, cruelty and violence, shall be deemed to be obscene.

Mr. Speaker, section 9956 continues as follows:

> (*b*) constitute hate propaganda within the meaning of subsection 281.3(8) of the Criminal Code.

Section 281.3(1) of the Criminal Code reads as follows:

> (Warrant of seizure) A judge who is satisfied by information upon oath that there are reasonable grounds for believing that any publication, copies of which are kept for sale or distribution in premises within the jurisdiction of the court is hate propaganda, shall issue a warrant under his hand authorizing seizure of the copies.

Thus it is possible for a judge to take action. I return to section 9956, and I quote:

> (*c*) are of a treasonable character within the meaning of section 46 of the Criminal Code.

Now, section 46 of the Criminal Code states:

> 46. Everyone commits high treason who, in Canada,
>
> (*a*) kills or attempts to kill Her Majesty,
>
> (*b*) levies war against Canada,
>
> (*c*) assists an enemy, etc.

It goes on at length, Mr. Speaker, but essentially it covers treason and other offences against the authority and person of the Queen.

> (*d*) are of a seditious character within the meaning of sections 60 and 61 of the Criminal Code.

That is, persons who take part in an organized rebellion against public authority.

Sections 60 and 61 of the Criminal Code read as follows:

> Sedition
>
> (1) Seditious words are words that express a seditious intention.
>
> (2) A seditious libel is a libel that expresses a seditious intention.

It explains what is meant by seditious words, libel, conspiracy and intention, and section 61 sets out a few exceptions.

Mr. Speaker, the government has introduced Bill C-135 in order to extend the life of the aforementioned sections because it does not have the courage to bring forward Bill C-54, which promised and proposed amendments that would provide Canadians with better legislation on pornography and hate literature.

Mr. Speaker, this is yet another sign of a government that is continually wavering, unable to make a firm decision and proceed with a bill it originated, devised and drafted itself, a government that is indecisive because it lacks courage.

Naturally, we will not oppose Bill C-135. I would like the government to know, however, that its lack of courage, its inability to act, to make decisions, to put firm legislation before the Canadian people, were discussed on television again yesterday.

I could recite the history of the bills that have languished in the House for a year or more. Already three bills have been passed to delay introducing provisions dealing with items that may be pornographic or seditious.

[*English*]

There was Bill C-38, an Act to amend the Customs Tariff Act. It received Royal Assent on April 13, 1985. At the time the Hon. Member for Mount Royal (Mrs. Finestone) argued that while the Liberal Party supported the Bill it was only a stop-gap measure. We said that in 1985. The Hon. Member for Mount Royal pressed for a response, in terms of legislation, to the Badgley and Fraser reports. I recommend Members read *Hansard* at pages 3604 to 3606 of April 2, 1985, wherein the Hon. Member for Mount Royal made a very good and thoughtful speech on the subject.

Later on, Bill C-111 further extended the code until December 31, 1987. It received Royal Assent on June 26, 1986. Again, I invite Members to read *Hansard* at page 14,306 to page 14,311. Still later, Bill C-87, an Act respecting the harmonized tariff system, received Royal Assent on December 17, 1987, and extended the code to June, 1988. Now, two days before the expiry of the code, government Members come into the House and say: "Hey, quickly pass this Bill, please, because we would like to act", and conserve or reserve, or pickle code 9956 of the Customs Tariff.

• (1150)

We only have a small number of MPs on this side. It will not be long. We do not mind telling the Government with its large numbers that if it decided to have it its way democracy would possibly be at work. They have to make decisions. They have to make up their minds what they want. They have Bill C-54 before the House, which indeed they probably will not call; they do not have the courage to call it.

As a lady said on TV last night, "if you don't like it, at least let us look at it to amend it or withdraw the darn thing and come in with something stronger, more in keeping with Canadian expectations". However, putting off and extending things is a sign of indecisiveness, a sign of those who do not know what they want, a sign of those who should not be governing the country.

The Acting Speaker (Mr. Paproski): I believe the Hon. Parliamentary Secretary requested that the Bill go to Committee of the Whole instead of to a legislative committee, which would require unanimous consent. Is that agreed?

Mr. Gauthier: Considering the urgency of the matter and the Government's intention to have this legislation proclaimed early, we will so agree.

The Acting Speaker (Mr. Paproski): Very well. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. Paproski in the chair.

The Deputy Chairman: Order, please. The House in Committee of the Whole on Bill C-135, an Act to amend the Customs Tariff (code 9956).

Shall Clause 1 carry?

On Clause 1

Mr. Gauthier: Mr. Chairman, I will ask the Minister a simple question. It has been the practice of the Government to ask for the code to be extended for one year, from 1985 to 1986, from 1986 to 1987, from 1987 to 1988. Now we see that it is to be extended until December 31, 1989.

Could the Minister explain why he wants it to go for a year and a half now? Are they stretching things even further now and the next time it will be two or three years? I just want to know.

Mr. Hockin: Mr. Chairman, we are not asking for two or three years. We are asking for 18 months. The Hon. Member is quite right. It is not 12 months; it is 18 months. We want to work with Parliament to make sure that Bill C-54 is properly debated in Parliament and that it receives proper consideration in the country at large. We felt that a period longer than 12 months was necessary to do it. To go beyond 18 months would be saying something else. It would be saying that we do know when the change will be occurring. The 18 months is our attempt to consult widely, to listen to Parliament, but to get it done as soon as possible.

Mr. Gauthier: The Minister is confirming what I was thinking. He is telling us that Bill C-54 is as dead as a doornail and that the election will intervene before its discussion in the House.

They are not actually talking about serious discussion of the Bill at this time. Indeed they are canning Bill C-54, aren't they?

Mr. Hockin: Not at all, Mr. Chairman. We are determined to move ahead with this Bill, but we also are determined to make sure that proper debate is held and that Members do not feel pushed with an unreasonable time frame in this regard.

If in fact we were shelving the issue as the Hon. Member says, we would be asking for unlimited time, for three or four years, or whatever. Eighteen months will give us the time to do proper consultations.

Mr. Gauthier: I suggest to the Minister that in that case, if he wants serious debate, why not call the Bill now?

Mr. Hockin: We have had this Bill before the House on five separate occasions already. The Opposition has not seen fit to give approval to the Bill. We will continue to bring it forward and hopefully find some co-operation.

Mr. Gauthier: Co-operation is what you are getting. Serious debate is what we are looking for. Don't put the blame on the Opposition.

The Government proposes the agenda to the House for study. We just try to dispose of it in a democratic way and in a serious manner. If the Minister is asking for serious commitments on this side, he will get them. He will also get serious debate.

Bring on Bill C-54. We will amend it, possibly, because we do not like it in its present form. We are not the only ones; I think the Minister himself and many of his colleagues are also hesitant about Bill C-54 at this time.

Clause agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Paproski): When shall the Bill be read the third time? By leave, now?

Some Hon. Members: Agreed.

Mr. Hockin moved that the Bill be read the third time and passed.

Motion agreed to and Bill read the third time and passed.

CANADIAN ENVIRONMENTAL PROTECTION ACT

MEASURE TO ENACT—CONCURRENCE IN SENATE AMENDMENTS

Hon. Bill McKnight (for the Minister of the Environment) moved the second reading of, and concurrence in, amendments made by the Senate to Bill C-74, an Act respecting the protection of the environment and of human life and health.

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, amendments read the second time and concurred in.

* * *

• (1200)

INDIAN ACT

MEASURE TO AMEND—CONCURRENCE IN SENATE AMENDMENT

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development) moved the second reading of, and concurrence in, an amendment made by the Senate to Bill C-115, an Act to amend the Indian Act (designated lands).

He said: Mr. Speaker, I just want to rise at this time and express to the House my appreciation for the way we have been able to co-operate on this important piece of legislation. It sets a milestone. I want to indicate to my colleagues in the other two Parties that it will benefit all as we proceed down this road.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, we certainly support the amendment coming back from the Senate on Bill C-115. I want to take this opportunity to say that this was a result of co-operation by a large number of people representing different levels of government, the Minister, his associates, the opposition Parties, and the initiative, I might say, of the Kamloops Indian Band. The Minister will recognize that it was the Kamloops band many years ago which first brought this initiative forward. Under the very positive leadership of Chief Manny Jules, as the Minister has indicated we now see the completion of a very important step for native people in this country, an important step toward the realization of self-government and self-determination for native people.

Motion agreed to, amendment read the second time and concurred in.

CANADIAN EXPLORATION INCENTIVE PROGRAM ACT

MEASURE TO AMEND

Hon. Gerald. S. Merrithew (Minister of State (Forestry and Mines)) moved that Bill C-137, an Act to provide for incentives to assist in financing exploration for mineral resources and hydrocarbons in Canada and to amend the Canadian Exploration and Development Incentive Program Act, be now read the second time and referred to a legislative committee.

He said: Mr. Speaker, it is my pleasure to put before you for second reading today Bill C-137 to establish the Canadian Exploration Incentive Program. At this point I would like to thank the Opposition for agreeing to deal with this matter expeditiously because it is an important program for Canada.

[*Translation*]

The program I announced on May 3 will be of great importance to the petroleum and mining exploration sectors of the Canadian economy. In that sense, the program has a specific target, but from a broader standpoint, it will have more widespread significance since all Canadians benefit, in the long run, from higher profits earned by any industry.

[*English*]

The oil and gas industry employs many thousands of Canadians directly and indirectly. When we include the oil and the gas downstream and the metal fabrication components, we are really talking about one-quarter of a million direct jobs and many more thousands of indirect jobs for Canadians.

The purpose of this Bill is very simple. It is to provide an opportunity for junior exploration companies to maintain an adequate level of exploration financing by raising new equity through the use of flow-through shares. In this way they can continue to contribute to our economic objectives and to the type of country we hope to share into the 1990s and beyond. The program will provide a positive environment in which our exploration industries are free to do what they do best, namely, explore for, develop, and market Canada's mineral and hydrocarbon wealth.

My colleague, the Minister of Finance (Mr. Wilson), retained the flow-through share mechanism in the tax reform package which he introduced last year. We in the Government know that flow-through shares work. They provide funds efficiently for exploration and they have brought prosperity to many of the outlying regions of Canada. Even before tax reform the Government moved on a number of occasions since 1984 to improve flow-through share financing. We extended the period of eligibility so that expenses made in January and February could be claimed for taxation purposes for the previous year. The flow-through share mechanism was thus more responsive to the realities of winter drilling. With tax reform we also lowered taxes for the mining industry in line with general rate reduction, and the industry as a whole has started to do very well.

However, with the unforeseen downturn in the stock market on October 19, economic conditions changed all equity markets including the market for exploration issues. Funds became more difficult to raise. This, combined with the planned phasing out of the Mining Exploration Depletion Allowance or MEDA over the next few years, gave us cause for concern. If I had to capsulize what this program is all about, I would say that it will bring sustained and ongoing growth for the mining and oil and gas industries.

CEIP, the Canadian Exploration Incentive Program, will provide an estimated $210 million per year to these resource exploration sectors so that junior exploration companies, be they looking for oil and gas or minerals, will be able to maintain an adequate level of financing or exploration. This translates into about $700 million annually for exploration activity for projects which go ahead as a result of this program. It can be expected to generate about 12,000 person-years of employment. As Hon. Members of the House realize, most of those jobs will be in areas of Canada where we desperately need new job creation. The program will begin on January 1, 1989 for mining companies. For the oil and gas industry, the program will kick in on October 1, 1988. The different commencement dates stem from the different phase out schedules for MEDA and the Canadian Exploration and Development Incentive Program on the energy or hydrocarbons side.

Eligible companies will be able to claim 30 per cent of their eligible exploration expenses, up to a maximum of $10 million in expenses per company per year. This is a direct incentive payment. It is not within the tax system. After all, a fundamental principle of a responsible Government is that public expenditures are not hidden in the tax system if at all possible. Otherwise we would lose the fiscal responsibility which the Government promotes because we believe that Canadians have a right to know how their money is being spent.

Let me say a word about the $10 million ceiling per company. We can target the money to smaller companies by placing a cap on individual claims. It is a fairly generous cap including a 30 per cent payment which would limit an applicant to receiving 30 per cent of a maximum of $10 million, or about $3 million a year. This meets the requirements of most exploration programs for junior exploration companies.

As you know, Mr. Speaker, we have planned to phase out the Mining Exploration Depletion Allowance over the next few years. The 30 per cent under CEIP is somewhat more generous than the previous depletion incentive, but we felt that this was warranted by current market conditions and as a result of what happened to the equity markets since October 19.

However, to allow us time to consult with industry and to implement this program, the Minister of Finance agreed in his announcement of May 3, 1988 to extend MEDA for individuals to the end of this year, December 31, 1988, at a full rate of 33 and one-third per cent. This will allow us time for a smooth transition from MEDA to our new program, CEIP. The industry likes the particular arrangement very well. The 30 per cent rate will be guaranteed for two years until the end of 1990, after which it may be adjusted up or down according to market conditions and how much incentive is required to maintain healthy levels of exploration.

Mineral exploration expenses that will be eligible for CEIP include those incurred on primary or grass roots exploration by qualified companies financed through issuing flow-through shares. Those expenses are the ones that currently qualify for the Mining Exploration Depletion Allowance which can be flowed through to the investors. In the oil and gas sectors expenses which are purely exploratory in nature and financed by means of flow-through shares are eligible. CEIP will strengthen the flow-through share concept. Exploration companies or limited partnerships acting as their agents will apply for the incentives. Therefore, for all practical purposes the program reaches the same client groups that purchased flow-through shares before, and it brings approximately the same benefits which the earned depletion deduction would have provided to June, 1988.

• (1210)

While CEIP is aimed at junior companies that issue flow-through shares for exploration activities, it is nevertheless acceptable by both public and private companies. However, CEIP is designed to encourage new investment capital for exploration. The regulations must include special rules to ensure that only exploration activity rather than developmental financed by this equity will qualify. These rules will be covered in the regulations which will be developed after consultation with industry and the Department of Finance, hopefully sometime this summer or very early fall.

For most investors the program will provide greater benefits than earned depletion. Repayment will be just as fast because firms will be able to submit applications four times per year. They will be able to submit them through five new regional offices that will themselves make a contribution to regional economic development.

Since announcing CEIP on May 3, we have been in constant consultation with the industry. In fact, at the end of May, we sent out a discussion paper entitled *Proposed Rules for Canadian Exploration Program* to obtain the views of the relevant industry associations, provincial and territorial Governments, and key investment community planners. In general we have received in general very favourable responses to this paper.

Over the summer months while officials in my Department are drafting regulations for this Bill, we will address the technical questions arising from our consultative process. Consultation rather than confrontation is a very important policy of this Government and it will be continued. Reasoned discussions about problems will lead to equitable solutions within the spirit of this program.

In conclusion, this program provides financial incentives that do not run counter to the Government's tax reform initiatives. It maintains a balance between the oil, gas and mining sectors with respect to opportunities to raise funds for much needed exploration. It allows the industry to make decisions and allows the investors to make decisions. It is not a discretionary, bureaucratically driven grants program.

[*Translation*]

Historically, flow-through shares have enhanced prosperity in many isolated regions in Canada where there is often only one industry other than mining or oil and gas.

In particular, this program will ensure that these regions will continue to benefit from the profits earned through exploration financed by flow-through shares.

[*English*]

In my opinion, when economically disadvantaged regions of our country benefit from such a program as CEIP, then all of Canada benefits as well. The program we are establishing by passing this piece of legislation today is a good one and is supported by the mining industry, by the equity industry, and by the exploration industry. It fulfils a need and will ensure adequate exploration in Canada over the short term and mid term. This legislation deserves our full support.

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, we in this Party have no option but to support this legislation because in fact the initiative began with this Party. A rose by any other name smells as sweet, and that is the situation we have here. This is not simply a name change but a change in the mechanism to a system of passing out cheques rather than a system of allowing people to withhold taxes. In any case, it amounts to the same thing.

To listen to the Minister, one would think that suddenly a light had gone on in the Government's head with regard to a great new regional development incentive. The fact is quite the opposite. As a matter of fact, the March 12 edition of *Daily Press*, northeastern Ontario's daily newspaper, contains the following headlines: "Liberal critic watches Wilson", "Finance Minister dismantling tool", and in a separate item, "NDP finance critic changes his tune on funding scheme".

The reality is that this measure was brought in by this Party when we were in government in 1983, a measure which has been eminently successful. After 1983, it took off as the source of 70 per cent of the financing behind mining exploration. It was a successful regional development tool. It was an idea that worked. It brought in hundreds of millions of dollars of investment to small mining companies in remote regions of Canada, and it created thousands of jobs.

What happened to it? The Minister of Finance (Mr. Wilson) saw fit to discontinue it. Yesterday, in the debate on the Estimates, we heard of all the jobs that had been created in Canada by the present Government. Jobs may have been created, but where have they been created? They have been created mostly in Toronto, not in the regions.

This was an initiative that created jobs in the regions where jobs were needed. The Minister just said that in his speech, and that is quite true. However, the purpose of the Minister of Finance was to do away with that program which provided hundreds of millions of dollars to small mining companies and therefore to put into jeopardy the thousands of jobs that had been created and the new jobs that might be created.

This was not really a deathbed repentance on the part of the Government, either. It was only through a great deal of pressure from a very formidable lobby headed by people from Kirkland Lake and Timmins in northern Ontario, and from Val d'Or and other mining areas in Quebec, a coalition of concerned mayors, company executives and individuals from all of those regions, that the Government was forced to change its mind.

As a matter of fact, this is really a rerun of the drama of pension deindexing. The very same thing happened. The Government decided to stop the indexing of old age pensions and there was a hue and cry across the country. Grey power rose up in the thousands all across Canada, and there was enough pressure in support of the Opposition's attacks upon the Government that the policy was changed. The same thing happened on flow-through shares.

The Minister of Finance decided that creating jobs in Toronto was enough, and he decided to do away with flow-through shares. This powerful lobby came together and supported the Opposition in its attack on the Government. As a result, the Government's policy was changed. That is the reality.

We met with this coalition, the Canadian Save Flow Through Committee, on March 1. The Hon. Member for Algoma (Mr. Foster), the Hon. Member for York Centre (Mr. Kaplan), the Hon. Member for Cochrane—Superior (Mr. Penner) and I met with that group. It explained to us its great concern that the regions would be affected and that small mining companies which had work in progress would not be able to bring that exploration to fruition.

The Minister is quite right. It is not just northern Ontario and northern Quebec that benefits from this measure. In my own province there is gold exploration and exploration for other minerals on the island of Newfoundland. That exploration is about to come on stream, and it was thrown into jeopardy by this move.

We met with that coalition on March 1, and our finance critic, the Hon. Member for Laval-des-Rapides (Mr. Garneau), emphasized in his speech to the group that the retention of this deduction would constitute an important facet of the regional development strategy of future Liberal Governments. It was this Party that brought in the initiative in 1983. It will be this Party that continues to have that initiative in our program as a successful tool for regional development.

The Hon. Member for Laval-des-Rapides also noted that flow-through shares represented a practical instance of co-

operation between the private sector and the Government since, as the Minister said in his speech as well, and on that point he was quite right, they avoided the bureaucratic red tape which often comes with direct subsidies. That is the reality, and we in the Liberal Party not only want to continue this initiative but to see it created as a box of tax incentives which perhaps would function in a manner similar to RSPs.

• (1220)

This is not something that the Government has suddenly discovered. It is not a light that has gone on in the Government's head. Rather, it is a baseball bat that was beaten over the Government's head to bring it to its senses with regard to a sensible regional development policy. It is an idea that worked. It is an idea that the Government wanted to stop. It is an idea that, thank God, is going to be continued because of the pressure from this Party.

I would like also to quote from the March 12 edition of the *Daily Press* which carried the following headline:

> NDP finance critic changes his tune on funding scheme.

The article went on to say:

> Michael Cassidy is not one to make apologies.
>
> The personable New Democratic finance critic in the House of Commons readily admits he was totally against the concept of flow-through shares as recently as December 1986.

I will read that again.

> The personable New Democratic finance critic in the House of Commons readily admits he was totally against the concept of flow-through shares as recently as December 1986.

The article continued:

> At that time, he said he felt flow-throughs benefited only Bay Street and large investors.

Who does he represent? Not the place I come from. However, he has changed his mind and thank God for that. The article went on to quote him as saying:

> "I have given a lot of thought to flow-throughs and the depletion allowance in the last year or so,"—

If it takes a year, then let it take a year as long as they come up with good policies. He said:

> "But they have turned into quite a regional development tool."

That is true. We knew that in 1983. That is why the then Liberal Minister of Finance brought in this legislation. It has worked, so we support it. We have no option because it is creating jobs in eastern Canada, northern Ontario, northern Québec, and northern B.C., as well as, obviously, in the Yukon and Northwest Territories. Those areas need job creation.

This is not a hand-out. This is an investment that is paying off in jobs. It is one that this Party, the originator of the idea, fully supports now and well into the future.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, it is a pleasure to speak in this debate. Of course, I would not like the occasion to go by without remarking on the Government's conversion. Despite the efforts of the Hon. Member for Abitibi (Mr. St. Julien), at the time the White Paper was issued almost one year ago today the Government turned its back on northern Canada, including his riding, and decided to phase out the earned depletion allowance which was an essential part of the flow-through share program. Therefore, I suppose it is incumbent upon me to congratulate the Government for having come around—

Some Hon. Members: Hear, hear!

Mr. Cassidy: —to the point of view expressed by the NDP. While it might take some interpretation, I appreciate the endorsement and I know that when we form the Government Members opposite will continue to endorse our policies in as generous and open way as they just did.

Mr. Scott (Hamilton—Wentworth): Strike the applause.

Mr. Cassidy: Mr. Speaker, I would like to point to the minority report that we submitted at the time the Standing Committee on Finance and Economic Affairs issued its report on tax reform. You will recall that the committee itself had a number of questions about the flow-through mechanism and recommended changes in what the Government was doing. Recommendation No. 9 of the NDP minority report urged the development of tax measures specifically targeted to smaller companies and to regions in need of investment. We stated in the fall of last year that the flow-through share provisions had benefited small companies but were so broadly designed that large, well-established corporations which did not need the assistance had also benefited.

When my friend from Labrador speaks to this issue he suggests that the Liberal program of 1983 was sufficiently desirable that it should have been maintained in its entirety. However, it was the abuses that arose under that program which eventually led to the need to take some action. When companies like Falconbridge, Inco, and Cominco took advantage of the flow-through provisions meant to benefit junior mining companies and promote new investment and new mines, it was clear that something was wrong. However, just as the Liberals had thrown away billions of taxpayers' dollars on the scientific research tax credit, there was also the threat that that would occur with the flow-through provision as designed by the Liberals and perpetuated for a while by the Progressive Conservatives.

The Hon. Member is correct that in the fall of 1986 my Party questioned the whole flow-through mechanism as it existed because of the abuses which had been put in place by the Liberals and perpetuated by the Progressive Conservatives. The Minister of Finance (Mr. Wilson) then turned around and decided to throw out the baby with bath water by throwing out the whole mechanism in a very brief phase-out. That created enormous inequity since there was a continuing program for the oil and gas industry similar to what is being enacted today which was not provided for the mining industry. It created enormous concerns in areas of northern Quebec, northern

Ontario, and the West which had simply not benefited. They had not had a chance to benefit from any regional development programs from the Liberals or Progressive Conservatives. Yet this was a program, as they pointed out so effectively, that was working. I will cite the estimates made by prospectors in Quebec, for example.

[*Translation*]

A study done by the *Association des prospecteurs du Québec*, for example, found that the flow-through share mechanism, an incentive associated with the mining sector, had contributed to 71 share issues in 1985, of which 33 involved flow-through shares, and to 25 strikes. It is estimated that these strikes will generate profits and jobs in the future. The projections are for about 66,000 jobs, a value added of $2,8 billion and a gross increase of about $300 million in federal and provincial government revenues.

Mr. Speaker, the residents and the communities that would like the flow-through share program to continue have shown how effective this program has been in depressed areas where the rate of unemployment was running as high as 20 per cent, as was the case in the riding of the Honourable Member for Abitibi (Mr. St-Julien).

An Hon. Member: Twenty-eight per cent.

Mr. Cassidy: Twenty-eight per cent. But this rate of unemployement fell from 28 per cent to, I believe, about 7 or 8 per cent.

An Hon. Member: Six per cent.

Mr. Cassidy: Six per cent, according to the Member for Abitibi, all as a result of this program, Mr. Speaker. And what did the Conservative government do after dismantling the program in terms of providing specific benefits to regions such as the Abitibi and northern Manicouagan? It abandoned these regions. And it abandoned the Members representing these regions, Mr. Speaker. A campaign was launched by the New Democratic Party, by the Liberal Party, by prospectors, by the junior mining companies, by the chambers of commerce . . . For instance, a coalition was formed in Quebec. It included universities, CEGEP's, unions, chambers of commerce, mining associations, junior mining companies and so forth. Everyone was involved, even the Quebec government. The municipalities also jumped into the fray.

• (1230)

[*English*]

In the end reason prevailed. When I say that reason prevailed, I refer to the recommendations which we made about eight or nine months ago to urge the development of tax measures specifically targeted to smaller companies and regions in need of investment. Through Bill C-137, the Government has come up with a program which provides for a substitute for the earned depletion allowance in the form of the 30 per cent incentive payment on qualified exploration expense. The term "Qualified corporation" has been defined and this will require some study. I hope this Bill has a chance to go to committee briefly because I would like to ensure that the words are okay. However, "qualified corporation" has been defined, as I understand it, in such a way as to ensure that major mining companies will not be able to draw tens of millions of dollars from this program as they were able to do from the flow-through share mechanism which existed previously under the Liberals and Conservatives. The Hon. Minister says that they will probably not bother because the maximum incentive in a year will be about $3 million.

They have not eliminated but have certainly limited the use of the flow-through mechanism for step out exploration by companies like Falconbridge and Inco, which I believe was a major abuse. At the time mineral prices were low, Falconbridge stepped in and took advantage of this program for its routine annual program of exploration, designed to ensure that 10 or 12 years of reserves are always available as a part of the normal functioning of its mine in Sudbury. I felt that was an abuse.

There is, therefore, a limitation of $10 million and a cap on maximum expenditure, although I am not quite clear what happens if the applications for funding exceed the cap. The Minister may want to comment on that at a later date. This means that the Government has now accepted the type of advice it was receiving from the industry and communities affected which saw that so much of this activity was coming from junior mining companies that would not have been able to carry out the exploration expenditure without the incentive of the flow-through program and the mineral exploration depletion allowance which are now being replaced with the incentives in this particular program.

In other words, we now have a program specifically targeted to smaller companies. It is not regionally located, but most mining activity does not take place on the outskirts of Toronto. It takes place in northern Quebec. It takes place in Labrador. It takes place in northern Ontario. it takes place in the northern parts of the Prairies and Territories, and in the interior and north of British Columbia, areas which otherwise would be suffering from high levels of unemployment, areas which have been ignored by government far too long, and in many cases areas where there are single-industry towns whose only hope under existing Governments of continuing to thrive and prosper is the discovery of new mineral deposits and the development of them within reach of their workforce, in order that people can move from one mine to another as old mines become less productive and profitable.

I make no apologies for the fact that the New Democratic Party, and myself as spokesperson, questioned the generosity, the scope, and the lack of focus of the flow-through mechanism in 1986; nor do I make any apology for the fact that we as a Party which has a skeptical view of corporate tax incentives listened to the people, the communities, and the industry concerned with respect to whether or not there was a means by which the flow-through mechanism could be enhanced,

maintained, and targeted in the way which is being proposed today.

My Leader, the Hon. Member for Oshawa (Mr. Broadbent), dating back to the 1984 campaign and before has been challenged on this very question. People say that New Democrats are opposed to the corporate sector, any form of incentive, and any type of so-called tax give away to business because we are basically, it is said, anti-business. It is one thing to be skeptical and another to be ideologically blinded. I believe that skepticism is entirely appropriate when we are talking about defending the taxpayer and having regard for who is paying for corporate tax incentives as opposed to the benefit.

Mr. Boyer: Hear, hear!

Mr. Cassidy: I appreciate the applause of the Hon. Member for Etobicoke—Lakeshore (Mr. Boyer). I am not quite sure what it means, except that the Conservatives anticipate who is going to form the Government after the election and are seeking to establish a friendly working relationship. I appreciate that very much.

Mr. Boyer: Don't read that much into it.

Mr. Cassidy: It is one thing to be skeptical and another thing, as I said, simply to say "no" categorically under any circumstances. My leader has made it clear that where it appears that an incentive to business is working effectively in terms of promoting jobs, research, economic development, and equality for women and minorities, to which I believe every Member of this House in all Parties would subscribe, and where it is clear that the benefits equal or exceed the cost of that particular incentive, that particular program should be considered very seriously.

That does not mean that it should be automatically accepted. There may be other means of better using the public's dollars. We must always remember that a dollar put into an incentive for junior mining corporations, for example, is a dollar which cannot be spent on other programs such as a national child care program, an affirmative action program for women or, dare I say it, a contribution to peace and common security by means of an improvement in our foreign aid program.

We must be careful with these dollars. However, we have said very consistently that where it is demonstrated that there is a real benefit, it makes sense to consider the matter very seriously. It is in that spirit that the New Democratic Party supports the principle embedded in Bill C-137 which is before us today.

I believe that the Government and the Liberal Party are to be criticized for the fact that the Government turned topsy-turvy on this and for the fact that both the Government and the Official Opposition from time to time have been totally blind to the wasteful use and misuse of incentives to the corporate sector. The Liberals brought in the scientific research tax credit about 1981 or 1982 and it was a bonanza. The stock markets and promoters in Vancouver, Montreal, and particularly Toronto, rubbed their hands with glee. In short order they had put together programs which have successfully taken $700 million or $800 million out of the pockets of average Canadians and put it into the hands of promoters for research, much of which has proven to be useless, not well founded and, in many cases, not well intended, and which under any circumstances have been an arrogant and total waste of public funds.

The Liberals drew on a very strong tradition which began with the Hon. Leader of the Opposition (Mr. Turner) when he was Minister of Finance in the early 1970s. He began this tradition of give aways to the corporate sector for which there was no ground at all. That has been carried on by the Progressive Conservatives. In fact, they let another $1 billion or more go out the door through the scientific research tax credit before they finally stopped up that tax loophole. It was as if they had cut an artery and let the taxpayers' money flow into the pockets of people who are now sitting back and laughing at the stupidity of the Liberal and Conservative Parties.

• (1240)

Let me come back to the question of flow-through shares and the tax reform proposals. The Finance and Economic Affairs Committee did a useful job in its work on this particular subject in the last year and a half. In our study of the White Paper on tax reform during the summer and fall last year we closely considered this question and said that there had to be an alternative mechanism. We argued strongly that the Department of Finance timetable for phasing out the earned depletion allowance was unfair, far too short, and would create enormous difficulties in the mining sector. Of course, that has occurred.

I believe that has occurred not solely because of the stock market collapse in October last year but because there has been a general continuation of economic activities. Most sectors have not experienced a sharp cut-back because of the stock market crash.

However, this announcement has hung like the sword of Damocles over the Canadian mining industry, particularly the junior mines for some time. The large mining companies have not been affected because they returned to profitability a year or two ago. Their mineral prices have been high and rising rapidly. Their profits have been quite substantial, and they were able to write off their exploration and development expenditures from their profits. They did not need to take advantage of the earned depletion allowance and flow-through share system.

However, the smaller companies that were not in a tax paying position were badly affected. What has occurred since then could best be described as a pre-election strip-tease by the Government. In December, in response to the recommendations of the Finance Committee, the Government decided to

extend by six months the final phase out of the 16 and two-thirds per cent earned depletion allowance to the end of 1989. Originally it was due to expire at the beginning, then the middle of 1989.

It is my understanding that the Hon. Minister is announcing that the present rate of earned depletion allowance will be extended to the end of 1989. I believe that is a change from what was already intended. Finally, we have legislation which I have indicated my Party supports.

There should be a lesson from this. We had a program that was well intended, had proven to be effective in terms of helping the mining industry in remoter parts of Canada, but which had faults at the same time. Too much of the benefit was going to either very wealthy investors or large mining companies, rather than junior mining companies developing new mines.

That program has been substituted with a program that will be substantially more modest in its cost. It is estimated to have an annual cost of about $70 million a year. The Minister's White Paper estimated that the cost of the flow-through mechanism might have been as high as $300 million a year. We have effected a substantial saving to the Treasury and have a program that is more targeted.

The third point is that the industry came to us, as it went to the Minister of State and the Government, to say that it does not want a program whereby it must make an application every time it believes it can do exploration. It does not want a program like the regional development incentive in which it must pass proposals by a bureaucrat in order to gain approval. It would like an assurance that its judgment would be trusted. Therefore it is prepared to spend $7 or $8 on an exploration program on which it can get back some money. For every $10 of qualified expenditure there will be a 30 per cent incentive or rebate. That means the industry will spend $7 and the Government will be prepared to chip in $3 in incentives.

The industry also said that it would prefer such a program. The New Democratic Party listened to that proposal carefully and looked at some of the alternatives. It is proving possible to focus the program in such a way that that particular wish of the mining industry is being satisfied. The industry will make the decisions about where explorations should go and what kind of exploration should proceed. If a mining company finds a promising new prospect and does not want to tip off its competitors about it, it can proceed with its drilling and stake its claim prior to notifying a government official about what it is doing, and still qualify for the exploration incentive. I believe that reflects how the program is being designed to be sensitive to the needs of the original industry.

There were legitimate questions about the cost of the program and its focus. It seemed that too much money was going to large companies that did not need the incentives and that the program should have focused on smaller companies. If it is possible to take that program and improve it, it should be possible in other areas as well.

• (1250)

[*Translation*]

My party believes that an exploration incentive program would ensure the health of the mining industry, and in particular the health of the smaller companies. This program is an example of what other incentives could do for manufacturing industries. For instance, instead of handing out all kinds of incentives to people in the hope that jobs will be created, specific areas could be targeted to ensure that the taxpayers' money is not being wasted and that the benefits arising from the federal program are in line with the costs to the taxpayer.

I believe that in future, when we have, I hope, the opportunity to design a fairer, more equitable tax system than the old one, even though it was instituted by the Conservative Party's white paper and tax reform proposal, it will be possible in many sectors to effect the same kind of reform as that proposed today in Bill C-137.

I would like to conclude, Mr. Speaker, by saying to my friend from Abitibi (Mr. St-Julien), who worked for this with the Member for Timiskaming (Mr. MacDougall) . . . it should be remembered that those Members had to seek support in industry and the Opposition parties.

Our party, as the Honourable Member for Grand Falls-White Bay-Labrador (Mr. Rompkey) noted in his quotation from the *North Bay Nugget*, I believe, or the *Timmins Press*, affirmed its support for the flow-through shares program in March 1987, only two or three months after objecting to the previous program as a whole. However, it took the Minister of State (Forestry and Mines) (Mr. Merrithew) and the Minister of finance (Mr. Wilson) until May 1988 to issue a joint statement to the effect that, finally, the government would do something to meet the needs of regions affected by the government's decision to eliminate flow-through shares and previous incentives.

Mr. Speaker, it has taken 14 months, and it is only through the efforts of the people of the minig regions, such as my friend the former rector of the University of Quebec at Abitibi, Mr. René Trudel, that this issue has come before the House of Commons. It is through the efforts of the Association des prospecteurs du Québec and other associations, of all the flow-through share committees, the people who came here with their "Go with the flow" buttons to support flow-through shares. It is primarily through their efforts, Mr. Speaker, that the government was finally persuaded.

If the Member for Abitibi and his colleague from Timiskaming, Ontario, had had to go it alone, there would have been no change and mining areas would be in very difficult economic straits because of the decline in exploration that is ending already and will become worse in the coming months.

It is because our party was prepared to look at the region's needs objectively, to work with people there, to indicate, as we have done today, that we are ready, despite the Free Trade Agreement, despite everything else we are opposed to, to co-

operate in ensuring that this bill is passed. Mr. Speaker, it is thanks to all that, ultimately, that this step forward has been taken.

As I just said, I believe the details must be given some consideration. I don't know how this could be worked out, perhaps a legislative committee could spend two or three days on it. I don't know what discussions have been held among the House Leaders of the three parties regarding referral of this Bill to Committee. I have some questions about that, simply to reassure myself that, for example, this is really a program for junior mining companies and not a disguised program with hidden benefits for the big mining companies that won't be getting benefits. But although I'm suggesting referral to a legislative committee, I know we are committed to ensuring passage of the Bill before we adjourn in July for the summer recess, for the holidays, and we will keep that promise.

Thank you for your patience and attention, Mr. Speaker. I think it's an historic occasion to see the support we are showing for a Conservative Party bill, and to see how generously the Conservatives applauded our Party's support for their motion.

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, following consultations with the various leaders of the various parties, I think you will find that there is unanimous consent in this House to immediate referral of Bill C-137 to Committee of the Whole.

[*English*]

Mr. Rompkey: Mr. Speaker, we would be agreeable to passing the Bill in all stages today. I would simply ask whether there is an opportunity now for questions and comments on the last speech.

The Acting Speaker (Mr. Paproski): There are no questions or comments. Is it so agreed?

Some Hon. Members: Agreed.

Motion agreed to, Bill read a second time and, by unanimous consent, the House went into committee thereon, Mr. Paproski in the chair.

The Deputy Chairman: Order, please. House in Committee of the Whole on Bill C-137, an Act to provide for incentives to assist in financing exploration for mineral resources and hydrocarbons in Canada and to amend the Canadian Exploration and Development Incentive Program Act.

Shall Clause 2 carry?

On Clause 2—*Definitions*

Mr. Cassidy: Mr. Chairman, I would just like to ask for the indulgence of the House. It might be simpler if we agreed that we would not watch the clock too closely and if we went a couple of minutes past one o'clock to go through the committee stage. It would be more efficient than to leave the matter tied up with the free trade debate this afternoon.

The Deputy Chairman: Is it so agreed?

Some Hon. Members: Agreed.

Mr. Cassidy: My questions really relate to the two points I raised in my speech. Perhaps I can raise them with the Minister who is here now. To what extent is the definition of eligible expenses reduced? To what extent is it still possible for these large enterprises in Vancouver and Toronto to continue to package flow-through investments under this particular program? Is that a healthy kind of situation or not? To what extent, if at all, can large companies benefit under this particular program?

There is a $70 million cap on expenditures. What is the intention of the Government if it finds that the rate in which this fund is drawn down is going more quickly than had been anticipated? Is it the Government's intention to judge that the program is a success and reduce the percentage rate of incentive from 30 per cent to a lower figure? Or, is it the Government's intention that this in fact is an open-ended commitment?

Those are the major questions I had hoped might be answered. I might come back to one or two of them, but if the Hon. Minister has some comment on those questions now it would be helpful.

Mr. Merrithew: Mr. Chairman, just on the first point, the Act spells out very, very carefully under Section 5 that the eligible expenses which can be used by a qualified company using a flow-through share mechanism are exactly the same as they were before and as defined under the Income Tax Act. There are no changes whatsoever. It worked before. It is exactly the same mechanism.

Second, the Member asked what the role would be, whether CMP and some of those very large equity raising companies would be operating about the same. Yes, they will. In fact, they have already gone to the equity market-place with some packages. Limited partnerships will be put together as in the past. There is no change there.

Third, the Member asked to what extent large companies would be able to utilize this particular program. I can tell him that I have talked with quite a lot of seniors in the Mining Association of Canada. It is very unlikely that they would use it at all. It makes no sense for them. First of all, they may not have losses which they can write off, and they are unlikely to want to deplete their own share ownership and give it to investors through a limited partnership. They would much rather hang on to their shares and invest out of their cash flow. I have an idea that they would be very unlikely to undertake that. I guess the good side of it is that the larger companies will tend to have their own exploration programs as they mostly had in the past.

This program, because of the cap, is designated for junior mining companies. I believe those are the three or four issues the Member raised.

• (1300)

Mr. Cassidy: Mr. Chairman, the fourth question I raised was with respect to the $70 million amount. Is that for the first fiscal year that this measure will be in force? Perhaps the Minister could give some further estimates of how much the Government anticipates might be spent under this program.

Should the draw downs of money go above the $70 million at the current rate of 30 per cent, is it the Government's intention, should it still be the Government, as a matter of policy that the incentive rates would be adjusted to keep the annual draw down at about $70 million? Or, is it the Government's intention that this is an open-ended type of commitment?

Mr. Merrithew: Mr. Chairman, I can assure the Hon. Member that there will be a Government, probably of the same political stripe.

Mr. Cassidy: Probably? You change your stripes every six months anyway.

Mr. Merrithew: Hardly. It is the NDP which changes its stripes.

I want to tell the Hon. Member that the amount that was to be drawn down from the Consolidated Revenue Fund, which is mentioned in this particular Bill, will cover the draw on it through the hydrocarbon part which is a replacement for CEDIP effective October 1 and through to the end of this fiscal year, March 31, 1989. Because this new program, CEIP, will kick in on January 1, it will be whatever draws will be made on that between January 1, 1989 and March 31, 1989 on the mining or the mineral side. Although no one will know, we think that there will be a adequate number of dollars in there to finance both programs. If not, we can always undertake to raise money the way we normally do if one program happens to be running short of cash.

I can tell the Hon. Member that the 30 per cent of the contribution on the incentive toward eligible expenses will be in place for two full years. At the end of that time we will have a look at it to see if the level of exploration is satisfactory. If it is, we will continue. If not we can either lower it, raise it, or whatever, depending on what the markets look like at that particular time.

Mr. Cassidy: Mr. Chairman, for the fiscal year 1989-90, how much is it estimated that this program will cost? How much will be paid in incentives? Of that, how much is it estimated will go on the petroleum side and how much on the mining side? Is there any substantive change on the petroleum side from the existing incentive which I believe was put in place a year or so ago? If so, what is that change?

During the calendar year 1989 there will be a continuation of the 16 and two-thirds per cent earned depletion allowance. How does that relate to the incentive? Is there a doubling up, or does the existence of the earned depletion allowance effectively undercut by an equivalent amount the incentive payable? Rather than getting a maximum of 30 per cent incentive, can one only get 30 per cent minus the end of year depletion allowance which is claimed?

Mr. Merrithew: Mr. Chairman, the first question had to do with the relative levels of expenditures that would be required to fund this particular initiative. It is very difficult to know because who has a crystal ball to look and to say "here is the number of millions of dollars that we spent in exploration in the year 1989"? Based on previous experience we estimate that it will be around $210 million for a full fiscal year for both programs, the replacement of CEDIP which starts October 1, 1988, and of course the new program, CEIP, which will begin January 1, 1989.

Mr. Cassidy: How much on each side?

Mr. Merrithew: It is about $150 million for CEIP and about $60 million for CEDIP, the oil and gas CEDIP.

Mr. Cassidy: Mr. Chairman, was that $150 million on the mining side and about $60 million on the oil and gas side?

Mr. Merrithew: That is correct.

Mr. Cassidy: Could the Minister say what is the status of these subsidies under the trade agreement? If a mine which has been developed with this particular subsidy were to begin exporting to the United States, would its production be subject to countervail by the United States if it chose to do so on the grounds of there having been a federal government subsidy? Is that the position in which the Government is putting mining companies which take advantage of this particular incentive?

Mr. Merrithew: Mr. Chairman, just to make sure that we understand the figures in the previous question, it is around $150 million for the mineral exploration side and about $60 million for the oil and gas or hydrocarbons. It is for a total of about $210 million for a full fiscal year. That is with the proviso that we do not know what it will really cost, because we do not know the level of activity. We think it will be adequate.

With respect to the Hon. Member's question on whether or not I think there is any conflict with the free trade agreement which is being worked out now, no, we do not think that there is at all. As the Hon. Member probably knows, this initiative is directed toward juniors, or very basic grass roots exploration. It is not a subsidy given to, for example, gold, zinc, antimony, or potash. It is available for just general grass roots exploration. From every source which we have checked we anticipate that there will be no conflict at all.

Mrs. Sparrow: Mr. Chairman, first I want to commend the Minister on this legislation, Bill C-137. I am sure that the

program will assist small and medium sized explorers to raise capital. However, I have two concerns. The first has to do with arm's length and the other has to do with eligible expenses.

In his remarks the Minister mentioned that the regulations would be forthcoming at perhaps the end of the summer or early fall after consulting with the industry. I wonder if the Minister would give favourable consideration to the removal of the words "where the corporation and investor are at arm's length from the eligible expenses". There are numerous privately owned oil and gas exploration companies in the industry. I believe that this consideration would provide privately owned oil and gas exploration companies the same opportunities as provided for public companies under the present terms of the Canadian Exploration Incentive Program. Some small private companies will find it very difficult to issue more shares. It will really cause dilution of the company.

I want the Minister to comment on what expenditures qualify. Using the Income Tax Act, which the Minister mentioned in his remarks, really discriminates against the petroleum industry. The problem with the Income Tax Act is the threat of a potential retroactive assessment by the tax Department. That is sort of reclassifying a well from exploration to development.

This happens when a well appears to strike a new oil or a gas pool and then later when the geology is better understood it is decided that it hit upon an existing pool. A reassessment is then made under the provisions of the Income Tax Act. The entitlement that is paid through the CEIP, which has probably gone out to the investors, is really null and void and would have to be collected back. Would the Minister talk about arm's length also in regard to what expenditures qualify?

Mr. Merrithew: Mr. Chairman, first I want to congratulate the Hon. Member for Calgary South. She has been very assiduous in trying to protect the interests of those small privately owned exploration companies on the oil and gas side.

I want to say what we have tried to do. The industry asked us in our consultations to use the same type of criterion under eligible expenses that would be given under Section 66 of the Income Tax Act. The industry said: "Leave it as it is. It is working now". We are happy with that so we will leave it that way. There will be no retroactive assessments. We are attempting to ensure that that does not happen.

• (1310)

The other one is a much more difficult one to resolve. That is the issue of small exploration companies on the oil and gas side. We have to remember that CEIP is not like CEDIP which is essentially an activity program. A tax mechanism is being used here. When the program was designed we wanted to ensure that it utilized the flow-through share mechanism. It was very important that we maintain that as a means to flow through those benefits to individual shareholders. If that is not done, there is some concern that there could be a potential for abuse. For example, one corporation could flow shares to another shareholder, perhaps other small shareholders within the same corporation, or a wholly owned subsidiary. There is more potential for abuse using the other route and not having it at arm's length.

I wish it to be fully understood that CEIP is utilizing a tax mechanism. The idea is to find a way to raise equity for exploration. We do not want this to move in and find another way of doing it, if we do not have to use the tax system form. The rules do not preclude a private company making a private placement to existing shareholders, providing that shareholder is not the majority shareholder in that corporation or a member of a related group in which he would be a majority shareholder. In other words, while it might preclude the majority, it does not preclude any small company from utilizing the mechanism, providing it is not to the majority shareholder who already has control of that company.

There is one thing I will make in accommodation to the Hon. Member for Calgary South. We have had many consultations with the industry, not only the exploration industry on the oil and gas side but on the mineral side and through the investment community.

We will undertake to continue that type of discussion with them. We understand their concerns. We too have concerns about it. Perhaps something might be able to be worked out. I am not sure. We will undertake, on behalf of the Hon. Member for Calgary South and on behalf of other Members who share those views, to consider the interests of those small privately owned exploration companies on the energy side. We will undertake to work out the regulations with them. Hopefully we can come to a meeting of minds. We wish to be very careful that we do not, in some way, leave ourselves open to potential abuse by manipulating the shares between one company or a corporation and its wholly owned subsidiaries. We have to be careful of that, and we will do the best. I appreciate the Hon. Member's views in this matter.

Mr. Rompkey: The previous program was called CEDIP. With the type of turnaround that the Government has done, the new program might very well be called "CEDIP-CEDOO-DLE".

In the unfortunate event that the Party of the Hon. Member is likely to form the Government after the next election—

Mrs. Sparrow: You bet!

Mr. Rompkey: I notice the Hon. Member for Calgary South is wearing red today, which is no doubt a harbinger of things to come.

Some Hon. Members: Oh, oh!

Mr. Rompkey: —what type of dipsy-doodling will be done in 1990 when the review is done? What will be the factors in the review? Will it take another stock market crash before we see a continuation of flow through? Can we assure the industry now, particularly the Prospectors and Developers Association?

I think it should be put on record, the contribution of the Prospectors and Developers Association and of the flow-through share committee with its chairperson, Eveline Kasner. I would particularly mention the mayors of Kirkland Lake and Val d'Or who did an excellent job in the lobby process.

The question really becomes: Will we have to go through the lobby process in 1990? Will it take a stock market crash in 1990, or on what factors will the review process be done? What weight will be given to those various factors?

Mr. Merrithew: Like the Hon. Member, I have no crystal ball to see what the conditions might be like in the equity markets generally in Canada at the end of 1990. One thing we can assure the Hon. Member is that we will consult, as we have now, with groups such as the prospectors and developers, APQ in Quebec, the Mining Association of Canada and, of course, the CMPs, and the NIMs. on the investment side. We have already consulted widely with them. We will continue to do so.

Essentially, the reason we might have to change the level of contribution either up or down would be the level of mining exploration activity that we might have going on. We were forced to take this particular step. It was something totally out of the hands of anyone. That is what happened on October 19 in the stock market. Obviously we saw what was probably going to be a very adequate level of exploration expenditure suddenly disappear. This group will need help. We immediately started to consult with them and ask: "How can we do this?" We extended MEDA to the end of 1988 and brought in this program. Those two things would determine what we would have to do with the 30 per cent. There are two full years in which to deal with the level of expenditures, the grass roots expenditures, and the need for raising of equity by those small companies that do not have many other mechanisms by which they can raise equity for exploration.

Mr. Cassidy: I ask the Hon. Minister what would be the interplay of the earned depletion allowance continuing in 1989 at the lower rate and of the new incentive programs coming in for mining at the same time. Will the regulations be designed in such a way that it is not possible to stack one on top of the other, but that the total benefit will be in the order of the 30 per cent incentive? How will the Minister handle that particular problem?

As a final comment, because I believe it is time that we started going through the sections fairly quickly, as a finance critic I am uneasy that a complex piece of legislation similar to tax legislation should be adopted by the House within a matter of a day or less from it being introduced in the House. I believe that the delays were due to the Government. It has taken from May 3 to June 26 or June 27 for the Bill to be introduced. That is inadequate. I hope the Senate has a more profound look at it and will abide by the agreement that we gave to see this through. It is not good to legislate in this particular manner. I sincerely hope there are no egregious errors in the Bill as a consequence of its hasty passage. It is a bad way to proceed. I hope that the Department of the Hon. Minister and the Department of Finance together ensure that this type of hasty treatment is not given to such future complex and important legislation. After all, we are engaging in the expenditure of $200 million a year. In anybody's language that is a lot of money.

Mr. Merrithew: I do not share the view of the Hon. Member that there has been any inappropriate hastiness in this particular program. It is a complicated program because it does utilize other references to different pieces of legislation, for example the Income Tax Act and CEDIP. It was not an easy piece of legislation to put together. We wanted to take our time at it, and we did, in order to consult with the industry, and it appreciated that. We will continue that type of process. Most of the detail will come out in the regulations under the Act, not this piece of legislation which by itself is reasonably general.

On the Mining Exploration Depletion Allowance, under CEDIP on the energy side, that will continue at 16 and two-thirds per cent. Applicants who wish to utilize this particular mechanism will have a choice of going with one or the other. They can use either or an accommodation, but they cannot exceed the level outlined in the Act which is 30 per cent of a maximum of $10 million of eligible exploration expenditures.

On the mining side MEDA will continue at 33 and one-third per cent until the end of 1988 and will then be phased out to zero. They will go immediately into the new program which is as rich or even a bit richer.

Mr. Cassidy: The point that I make on the process is that if it is a complicated piece of legislation as the Minister states, and if it required a great deal of preparation, what is the basis of the assumption by his officials that Parliament can then turn around and pass it in the blink of an eye? If there were consultations widely within the industry, there could have also been consultations within the House of Commons. If the industry were only consulted narrowly, then there will be many companies that may have wanted to make some comments but would have been excluded from the consultation process.

Therefore, I suggest as a general rule that it is not good to legislate in this manner. I am afraid that all of us are familiar with the problems that arise when legislation is rushed through the House too hastily. I am saying this at the same time as recognizing that my Party has called for this type of legislation and is happy to see it go through. In process terms we run severe risks because of the way this is being handled.

• (1320)

Clause agreed to.

Clauses 3 to 34 inclusive agreed to.

Clause 1 agreed to.

Title agreed to.

Bill reported.

S. O. 21

The Acting Speaker (Mr. Paproski): When shall the Bill be read a third time? By leave, now?

Some Hon. Members: Agreed.

Mr. Merrithew moved that the Bill be read the third time and passed.

Motion agreed to and Bill read the third time and passed.

The Acting Speaker (Mr. Paproski): It being 1.25 p.m., I do not leave the chair until 2 o'clock this day.

At 1.25 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

ARMED FORCES DAY

TRIBUTE TO WORK OF SERVICE PERSONNEL

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, Saturday, June 25, was Armed Forces Day in Canada.

The members of our Armed Forces are called upon to perform many tasks and, as a result, they have developed an expertise and professionalism in a very extensive variety of duties and responsibilities. Whether they are called upon to handle natural disasters caused by floods, fire, or earthquakes, they assume those duties with poise, efficiency and good naturedness.

Because of their ability to be good soldiers, and diplomats in their understanding of international politics, they have performed peacekeeping duties whenever called upon to do so. Their emphasis on training and their ability to meet new challenges make them an efficient and respected security force in the international community.

All Canadians I am sure will recognize that the members of the Canadian Armed Forces do Canada proud as they perform their duties of national and international security, with diplomacy and tact, anywhere in the world.

This Parliament of Canada thanks them for their dedication and efforts.

OFFICIAL LANGUAGES

POSITION OF ALBERTA GOVERNMENT

Mr. Gordon Taylor (Bow River): Mr. Speaker, in 1905 a great Prime Minister, Sir Wilfrid Laurier, refused to entrench French in the Alberta Charter as the vast majority of the population in the new province were English-speaking Canadians

In 1988 a great Premier, Hon. Don Getty, and his Attorney General, Hon. Jim Horsman, and their PC supporters made English the language of legislation in Alberta because 97 per cent of the population are English-speaking Canadians. After all, a real democratic Government reflects the thinking of the majority of its electors in its laws, and both Laurier and Getty have done this. Furthermore, Premier Getty is operating within the Constitution, and Alberta's treatment of its minorities, including the French minority, is equal or better than that found in any other province.

I support the position taken by the Alberta Government as it is in direct accordance with the thinking of the people of the province to whom the Government is accountable, and that is democracy, Mr. Speaker.

* * *

[*Translation*]

LA CENTRALE DE L'ENSEIGNEMENT DU QUÉBEC

WOMAN ELECTED PRESIDENT

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, the *Centrale de l'enseignement du Québec* set a precedent yesterday by electing a woman, Lorraine Pagé, president. Ms. Pagé becomes the first woman in Quebec to lead a large labour union. The openness of the union movement to women is remarkable. We see Ms. Pagé's accession to the highest position in the *Centrale de l'enseignement du Québec* as a result of the evolution in thinking that, we hope, will occur in all segments of our society.

The CEQ did not elect a token woman but a real president who sees her election this way, "I am rather inclined to believe that the fruit falls when it is ripe."

Ms. Pagé has proved her ability and leadership as president of the Montreal Teachers' Alliance. We wish her every possible success in her new duties, because we know that she will devote all her enthusiasm, determination and energy to them. I am sure that Ms. Pagé as president of the CEQ will represent the workers well, as does Shirley Carr, president of the Canadian Labour Congress.

[*English*]

SERBIAN DAY

CELEBRATION OF SERBIAN HERITAGE

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, today the Serbian community in Canada celebrates Serbian Day, a day on which Serbian Canadians celebrate their rich culture, heritage, and tradition, and commemorate an important event in Serbian history, the Battle of Kosovo.

Serbian immigration to Canada began in the second half of the 19th century. Many of those who followed came in search of the freedom denied them in their homeland. Over the years, Canadians of Serbian descent have made significant contributions to the cultural, social and economic development of Canada and have taken great pride in their dual heritage. They have retained, enhanced and shared their heritage, and today the Serbian community in Canada invites all Canadians to join them in celebrating Serbian Day.

* * *

INDUSTRY

FIRESTONE—HIRING PRACTICES AT HAMILTON WAREHOUSE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, Firestone has done it again. It ought to get the worst citizen of the year award in the country of Canada.

Having collected upon a $13.5 million interest free grant for five years, and after picking up stakes, it has gone to the United States and left the Canadian workforce high and dry. To add insult to injury, this week we discovered that at the Hamilton area warehouse where it should be hiring laid-off Firestone workers, some of whom have more than 30 years' service, Firestone has decided to hire scabs to work in the warehouse.

Why doesn't the Government collect over $6 million in interest that it gave to this company so that it could rip off Canadian taxpayers, rip off the workers and go to the United States with machinery that was actually paid for by the people of Canada? Why doesn't the Government demand an immediate repayment of the $6 million in interest so that the workers in that company could at least get a fair shake by setting aside that particular money for a pension, retirement, and replacement fund?

Start fighting for the workers of this country, not fighting for American based multinationals that pick up stakes when the going gets tough.

S. O. 21

HUMAN RIGHTS

U.S.S.R.—PLIGHT OF BORIS BENDERSKY

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, in this period of *glasnost* there are still hundreds of Jewish families who are suffering inhumane treatment at the hands of the Soviet authorities, and for what reason?

I speak particularly of Boris Bendersky and his family who were brought to my attention by one of my constituents. Mr. Bendersky is seriously ill with a kidney ailment that can only be treated by doctors in the West. However, the Soviet authorities refuse to let this family leave.

We must insist that the Soviet Union honour its signature on the Helskini Accords, that it act in a humane way and let these people have their freedom.

* * *

NATIONAL DEFENCE

OPPOSITION TO ACQUISITION OF NUCLEAR POWERED SUBMARINES

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, despite his best efforts the Minister of National Defence (Mr. Beatty) has failed miserably in his attempt to convince the Canadian people that this country needs a fleet of nuclear powered attack submarines.

In fact, it seems he is having a great deal of difficulty convincing even his own caucus colleagues of the need to spend billions and billions of dollars on these submerged nuclear power stations. Many of his colleagues are wisely urging him and the Government to abandon this dangerous proposal. Tory Members of Parliament are belatedly realizing what we on this side of the House have known for some time now, that Canadians don't want these submarines at any cost.

A recent slew of public opinion polls certainly must be discouraging to the Minister. One poll, done only last month, found that opposition to his megadollar proposal had soared to 60 per cent nationally. It is clear that Canadians have passed judgment on the Minister and his proposal. They see no need for Canada to get involved in the nuclear sub game. It is time the Government listened to this wise counsel.

* * *

STATUS OF WOMEN

ETOBICOKE ROTARY CLUB—ADMISSION OF WOMAN TO MEMBERSHIP

Mr. Patrick Boyer (Etobicoke—Lakeshore): Mr. Speaker, Canadian women have been second-class citizens in law and still in many ways are second-class citizens in fact.

While Governments, including successive Governments here, have taken steps to see on the long journey to equality that this is changing, often progress comes when individuals and private organizations and individuals, men and women, join in this battle for true equality in Canadian society.

Today on the floor of the House I would like to pay tribute to the Etobicoke Rotary Club as being the first in Ontario to admit a woman to its membership and to point out that it intends to withstand the efforts being made by the head office of Rotary International in the United States to correct this development which they refer to as "a mistake", and to say through private organizations, like the Etobicoke Rotary Club, that we are seeing the spirit of equality of the sexes being achieved.

Not only do I pay tribute to this Rotary Club, I would also like to point out that I am very proud of the fact that the first woman to be admitted is the publisher of *Etobicoke Life* newspaper and my cousin, Lynne Boyer Parks.

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[*Translation*]

TRANSPORT

INFRASTRUCTURES IN MONTÉRÉGIE

Hon. Jean Lapierre (Shefford): Mr. Speaker, last Sunday, I had the opportunity to take part in a peaceful demonstration of officials from the south shore of Montreal. There were representatives from nearly 250 municipalities, several Members of this House and several Members of the National Assembly. And they were all together to denounce a situation that has gone on much too long, holding the people of the region hostage on the transportation issue.

Mr. Speaker, Highway 30 was promised several years ago and the Hon. Member for St. John's West (Mr. Crosbie) when he was Minister of Transport made a commitment that a bridge would be built in the Salaberry-Valleyfield region, but this has not been done. Another transportation issue on the south shore of Montreal is the commitment made by the Hon. Member for La Prairie (Mr. Jourdenais) concerning the tolls on Champlain Bridge.

Mr. Speaker, I am convinced that the people of the south shore are getting impatient, and rightly so, because of two commitments that this Government has not kept and unfortunately, last Sunday, the Minister of Transport (Mr. Bouchard), unlike his provincial counterpart, did not have the courage to come and explain his position to the people of this region.

Mr. Speaker, the voters on the south shore will not let themselves be bought at the last minute by another series of promises from the Conservative Members. There must be a signed agreement and they must act immediately.

* * *

FREE TRADE

WISH OF ONTARIANS

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, the Government of Ontario is using every trick in the book to harm the free trade agreement, including legislation on health centres and legislation on exports of natural resources. The Liberal Premier of Ontario is trying to isolate Ontario from the rest of Canada. But that is not what will happen. What will happen is that the Premier of Ontario, together with his Government and his Liberal supporters in Ottawa, supporters in both Chambers, will be isolated from the rest of Ontario. He will be isolated because Ontarians want free trade. Ontario's consumers want free trade. Ontario's business people want free trade, and with the kind of negative legislation it has introduced, the Government of Ontario will wind up in the opposition, Mr. Speaker, and I certainly hope so.

Thank you, Mr. Speaker.

* * *

• (1410)

[*English*]

AIR TRANSPORT

SERVICES IN NORTHERN ONTARIO

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, deregulation has led to a continuing deterioration of airline services throughout northern Ontario. Since deregulation, jet service has been discontinued to Dryden and drastically reduced to Sault Ste. Marie and Sudbury. Air Ontario has pulled out of Geraldton and Canadian Airlines has abandoned Dryden. Schedules have deteriorated, connection delays have increased, and transfers and overbooking have become more common.

In the meantime the major alternative, the Trans-Canada Highway, suffers from increasing truck traffic, is neglected by the provincial Government, and is totally ignored by the federal Government which provides funds for the Trans-Canada Highway in every other participating province.

I call upon the Government to abandon its slavish addiction to the ideologies of privatization and deregulation, to look at what is happening in real life to travellers in northern Ontario, and to establish a commission to examine the effect of deregulation on northern Ontario.

AEROSPACE INDUSTRY

ORDERS RECEIVED BY DE HAVILLAND SINCE ACQUISITION BY BOEING

Mr. John Oostrom (Willowdale): Mr. Speaker, once again the doom and gloom scenarios painted by the Opposition when the Government sold de Havilland failed to materialize. The Opposition predicted that Boeing would shut down the plant, thus making thousands of workers unemployed as well as crippling Canada's aircraft industry. So much for their ill-informed rhetoric.

Last week de Havilland announced new orders for Dash-8 totalling $116 million, with options for more if delivery time can be shortened. Along with the increase in sales due to Boeing's international contacts, production has been streamlined and made more efficient, employment has increased by 1,000 with the possibility of more, and the company will be profitable before the end of 1989.

The Opposition should congratulate the Government for giving Canada's aircraft industry and its employees a secure future.

* * *

[*Translation*]

BY-ELECTIONS

ELECTION OF LUCIEN BOUCHARD

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, today is an important occasion. It is the first time that the House of Commons welcomes a Member elected in a by-election that has been the most expensive proposition ever for taxpayers in Quebec and Canada. This is the first time one of the Tory cronies from Lac-Saint-Jean, a native son who went first to Quebec City, then to Paris and then back to Lac-Saint-Jean to try and show people that the Party is pure as the driven snow, and who used the most underhanded tactics to win the election in that riding.

Mr. Speaker, he even promised Montreal would get the space agency. I would like to inform the new Member who has just arrived and who already has something of a reputation that as far as the space agency is concerned, the people of Montreal will not accept an empty shell. They will accept a space agency with contracts . . .

Introduction of New Member

[*English*]

AGRICULTURE

CHANGE IN TWO-PRICE WHEAT SYSTEM

Mr. Don Ravis (Saskatoon East): Mr. Speaker, the two-price wheat system has been abolished and grain farmers will receive compensation in the 1988-89 crop year to ease the process of adjustment. However, the real issue has become why the two-price wheat system was changed.

I have been disturbed by the recent comments of some western Canadians that the reason for the change was the free trade agreement. This hollow argument ignores the fact that the policy was no longer doing what it was intended to do. The two-price system was artificially distorting the production patterns for wheat in Canada while also taxing food.

Why should the Government continue to tax consumers and encourage the growing of grain outside the Wheat Board region when 17,000 Saskatchewan farmers and farm workers have left the land in the last year? Clearly the policy had to be changed because it was not helping the majority of grain farmers while it was hurting other sectors of the Canadian economy.

This Government has made a sustained commitment to agriculture that is based on sound judgment. The reality is that since this policy was no longer sound, it was ended for all Canadians.

* * *

[*Translation*]

NEW MEMBER

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has received from the Chief Electoral Officer the certificate of the election and return of Mr. Lucien Bouchard, Member for the electoral district of Lac-Saint-Jean.

* * *

NEW MEMBER INTRODUCED

Lucien Bouchard, Member for the electoral district of Lac-Saint-Jean, introduced by the Right Hon. Brian Mulroney and the Hon. Don Mazankowski.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, we welcome the new Member and we intend to give him a short period of grace before testing his mettle.

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—REQUEST FOR MINISTER'S DISMISSAL

Right Hon. John N. Turner (Leader of the Opposition): My question is for the Prime Minister. The Minister for International Trade, the man in charge of selling the Prime Minister's trade deal, the Government's chief huckster, has admitted that he has not even read the whole deal.

• (1420)

What would you say, Mr. Speaker, if that man were your lawyer and you were up on a criminal charge—

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): —and after you were convicted he admitted to you that he had not read all the evidence, interviewed all the witnesses, or even read all the relevant law?

What would you say if that man were your doctor and gave you a clean bill of health, but then admitted he had not looked at all your tests?

Mr. Speaker: It is not my place to say to the right hon. gentleman what I would say, but the right hon. gentleman might put his question.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I was trying to put myself in your position with respect to what you would do if that man were an accountant, did an audit, and then admitted he had not read the books. I know what you would do. You would want that lawyer disbarred, the doctor charged with malpractice, and the accountant run out of business.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, when is the Prime Minister going to fire that Minister for International Trade, a man who has been living a lie, going across this country trying to support this deal?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I might say that what I said yesterday was that I had not read the entire text of the Canada-U.S. Free Trade Agreement. I once sold the *Encyclopaedia Britannica* and I never read every article in it to sell it, believe me. I once sold vacuum cleaners and I never once vacuumed a house.

This document has 2,106 articles, 195 pages, 12 pages of letters, and 500 pages of customs tariff changes. There is another 500—why, I can hardly lift it, much less read it all.

I have read all parts of this document which are of any importance. I left out a few pages. I will give you an example. I refer you to page 56:

where:

A = acreage idled under the acreage reduction program

B = yield per acre on idled acreage in bushels

where:

B = [(G + 0.85 x A) x (H - 0.85 x—

It's right here! Do you want to read that?

Mr. Turner (Vancouver Quadra): Mr. Speaker, there is nothing funny about a Minister who does not do his homework.

Mr. McDermid: Have you read it?

Mr. Turner (Vancouver Quadra): There is nothing funny about this deal that changes the whole future of Canada.

[*Translation*]

READING OF AGREEMENT—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Minister didn't even take the trouble to read an agreement that drastically changes twenty-seven laws of this country. That is blatantly irresponsible. It is an abuse of trust. It is an incredible affront to the Canadian people.

The Government is hiding behind a misleading façade. The Minister is praising the benefits of the agreement across this country, an agreement he hasn't even read. No wonder the Tory Ministers are in favour. No wonder they can't answer direct and specific questions, because they haven't even read the agreement.

Mr. Speaker, why should Canadians believe what they are being told by this gang of impostors who haven't even read the agreement?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Leader of the Opposition isn't upset because the Minister for International Trade isn't doing his job. He is just disappointed that the Minister for International Trade is doing his job too well.

Since the Leader of the Opposition raised the issue, we just had a little referendum on his position on the free trade agreement. In Alma, he said he would tear up the free trade agreement, and the people of Lac-Saint-Jean gave him a memorable reply!

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, at least I read the text! And the Minister isn't doing a good job if he doesn't do his homework.

[*English*]

REQUEST THAT ELECTION BE CALLED

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Minister for International Trade has not read one of the most important documents in the 121-year history of our

country. It is a document that diminishes our cultural integrity, diminishes our national sovereignty, and diminishes our political independence.

Some Hon. Members: Hear, hear!

Mr. McDermid: What a crock.

Mr. Turner (Vancouver Quadra): And he has not read the document. What hypocrisy! What incompetence! What incredible—

Some Hon. Members: Order!

Mr. Speaker: The Right Hon. Leader of the Opposition will put his question.

Mr. Turner (Vancouver Quadra): Mr. Speaker, the point is that the Minister knows, as does every single Member of this House, that he should have read the deal. He should not have been selling it if he had not read it. The Prime Minister smiles and the Minister jokes but it brings shame to the idea of responsible Government that the Minister defends a deal, advances a deal, and attempts to sell a deal he has not even read.

Some Hon. Members: Question!

Mr. Turner (Vancouver Quadra): Mr. Speaker, why should Canadian taxpayers tolerate a Government that spends $30 million on propaganda in an attempt to sell a deal which the Minister in charge has not even read? If the Prime Minister is so confident, why not go to the country now and ask Canadians to say whether or not they have confidence in a Government trying to sell a deal it has not even read?

Mr. McDermid: It will be your swan song, John.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, this is a question by a person who hopes to be Prime Minister. It is the same kind of question he asked about Mrs. Margaret Thatcher last week. Perhaps he is going to allege she has not read the deal either.

The Right Hon. Leader of the Opposition said he read the agreement. He could not have read Article 2106 which says the agreement shall remain in force until terminated by either party upon six months' notice to the other party. If he had, he would not have gone around the country saying he was going to tear the deal up. Donald Macdonald said this about that threat: "I think it says more about the strength of his wrists than it does about the strength of his judgment."

Some Hon. Members: Hear, hear!

Mr. Crosbie: Mr. Speaker, obviously he did not read Article 2006—

Ms. Copps: It is your deal.

Mr. Crosbie: Look, the braying from the Member for Hamilton East continues.

Article 2006 says that cultural industries are exempt from the provisions of the agreement. Read the text, Mr. Leader of the Official Opposition. Don't just pretend you have.

* * *

[*Translation*]

THE CABINET

STANDARDS

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Right Hon. Prime Minister.

He can laugh all he wants at the lousy jokes of his clown for international trade, but I would like to ask him whether he thinks his Minister has done his job too well. Is the Prime Minister telling the House it is normal practice for his Ministers not to read the documents for which they are responsible and to be ignorant of the issues they are supposed to defend?

[*English*]

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, it is extremely gratifying to know that the Right Hon. Leader of the Opposition has such a diligent and literate caucus behind him. Every one of them have apparently read the free trade agreement and every line of it. Well, I have not. I have read the analysis. I have read all the important points of principle. I have read John Crispo's book. I have read memorandums to the Cabinet. I have read analyses. I have read about previous free trade deals. I could not find the text of the Mackenzie King free trade deal because no one living was ever consulted by him.

[*Translation*]

QUERY WHETHER PRIME MINISTER WILL DEMAND MINISTER'S RESIGNATION

Hon. Jean Lapierre (Shefford): Mr. Speaker, my supplementary is directed to the Right Hon. Prime Minister.

The Minister for International Trade has just admitted a second time that he did not read all the documents he defends in the House before us and before the Canadian people. Once again he has admitted his crass incompetence.

Will the Prime Minister ask the Minister to resign immediately, on grounds of incompetence?

• (1430)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Minister made it abundantly clear that in a set of documents with a number of schedules that are very—do they want an answer, yes or no? I was asked a question!

An Hon. Member: We want the truth!

Mr. Mulroney: Do you want an answer? I am trying to answer the Hon. Member.

The Minister said that he may not have necessarily read every single letter of the provisions in the schedules or elsewhere, but that is hardly surprising. He has read and understands perfectly well every provision the document contains.

I think it is clear he is defending the document and what it entails very effectively across this country, and I think we just had another opportunity to defend the agreement.

I personally went to the riding of Lac-Saint-Jean where Quebecers showed what they thought of the agreement in general, and the result is here before you, the new Member for Lac-Saint-Jean.

* * *

FREE TRADE

QUERY WHETHER MINISTER READ AGREEMENT

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have a very serious question for the Prime Minister. Since, it wasn't the Minister who signed the agreement but the Prime Minister, I want to ask him this question: Did the Prime Minister read the agreement before signing it?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I read every word, every paragraph and every sentence, and I recommend that the Hon. Member do likewise.

[*English*]

REQUEST FOR MINISTER'S RESIGNATION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I then ask the Prime Minister why he would not expect his own Minister for International Trade, who is selling this deal across the country, to have done exactly the same thing. Why is that fact not such a shameful admission that the Prime Minister will stand up in this House and demand the resignation of the Minister for International Trade for his inability to recognize the responsibilities of his position?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, it is quite obvious from the questions which come from the New Democratic Party and the Official Opposition that not a Member over there has read this agreement in total. What they have read they completely misunderstand and try to mislead the Canadian public about. At least I tell the truth about the parts that I have read, the important parts. Why does the hon. gentleman not try to do the same? He will find it to be much more effective.

Mr. Langdon: I expected, Mr. Speaker, that the Minister was going to stand and give us his resignation. My regrets.

MINISTER'S POSITION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the Minister has described himself as a revolutionary and a Trotskyite. Let me ask the Minister, as a Trotskyite, just exactly what he sees in this deal—in the parts which he has read, as opposed to the parts he has not read—which is so tremendous for this country, when we lose the ability to control our energy, the ability to control our culture, and the ability to control—

Mr. Speaker: Order, please.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, if the hon. gentleman claims that he has read the agreement it must be some different kind of agreement that he has read, or he has completely misunderstood it.

Some Hon. Members: How would you know? You haven't read it.

Mr. Crosbie: I am resigned to having a continual barrage of silly questions from the hon. gentlemen opposite who do not want to spend the time of this House on something realistic, who cannot deal with honesty when they hear it, who cannot deal with real life, and who cannot deal with the facts.

Has Bob White read the agreement? Has Shirley Carr read the agreement? Has Ed Broadbent read the agreement? Has one soul in their caucus read the agreement? Obviously none of them have.

MINISTER'S RADIO STATEMENT

Mr. George Baker (Gander—Twillingate): Mr. Speaker, perhaps the real reason the Minister refuses to read the trade deal is that deep down he really does not believe in it.

Does the Minister recall saying on VOCM in St. John's, not very long before taking over this portfolio: "We had a very interesting trip to Singapore, to Southeast Asia. Most of our trade is, as you know, going to the United States, over 78 per cent now. We have a very dangerous dependence on the United States. Southeast Asia is one of the very few areas where we have improving prospects"?

Does the Minister still secretly "sing a song of Singapore"?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, this is the most serious question we have had today in Question Period. It illustrates that our policy is one of two sectors. One is the multilateral negotiations at GATT where we are expanding our trade with the rest of the world. That part is supposed to be Liberal policy until there is a GATT panel ruling against Canada, and then it ceases to be Liberal policy. The other of the two tracks is the U.S.-Canada Free Trade Agreement.

I am afraid the hon. gentleman is off the track. He has gone on a "Singapore sling".

A QUESTION OF LITERACY

Mr. George Baker (Gander—Twillingate): Mr. Speaker, the Minister long ago confessed that he is incapable of speaking French, even English for all that. I suspect that after today we can come to the conclusion that perhaps he is incapable of reading, that he did not get past Dick and Jane. Fascinated with Dick and perhaps infatuated with Jane, he didn't go any further.

While the Minister goes from town to town singing "I'm a Yankee Doodle Dandy", when he puts the feather in his hat will he call it what it is, baloney?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, we were sorry to hear that the hon. gentleman had a fire in his library. He lost all two books, one of them before he finished colouring it.

Some Hon. Members: Oh, oh!

Mr. Crosbie: The other one was *Playboy*.

Some Hon. Members: Oh, oh!

• (1440)

Mr. Crosbie: We have heard that the Leader of the Opposition has a new song: "I've got a lovely bunch of caucus-nuts".

Some Hon. Members: Oh, oh!

READING OF DOCUMENT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it has been six months since the trade deal was originally initialled on January 2. The Prime Minister has indicated on a number of occasions that he feels this is the most important trade deal in world history. This is not a minor, typical piece of legislation, but, by the Prime Minister's own words, the most important trade deal in world history.

The Prime Minister felt it was appropriate that he read it. Since he felt it was important enough for him to read, and considering its importance in terms of the future of Canada's economy as well as social, cultural, and perhaps even political policy, does he feel it would not be unreasonable to expect the Minister responsible for international trade to have sat down and read it, having had the document in his hands for six months?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, that is just as sensible as saying that the Minister of Finance—

Mr. Turner (Vancouver Quadra): Reads his Budget before he presents it?

Mr. Crosbie: —has to read every page of every tax Bill and every finance Bill that goes through the House.

Mr. Blackburn (Brant): Do you not do that, Michael?

Mr. Turner (Vancouver Quadra): He does his homework.

Mr. Blaikie: You should have read your 1979 Budget.

An Hon. Member: How long did you have that job?

Mr. Crosbie: I made the mistake of reading the 1979 Budget, and I will not do that again!

Some Hon. Members: Oh, oh!

Mr. Riis: It is obvious that the Minister did not read his 1979 Budget. If he did, perhaps he would not have brought Mr. Clark's Government down with him. I suggest that if he read this trade Bill he would not be bringing down Canada with this particular Government as well.

Some Hon. Members: Hear, hear!

REQUEST FOR MINISTER'S RESIGNATION

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my supplementary question is directed to the Right Hon. Prime Minister. He felt it appropriate, in his busy schedule as Prime Minister, to read this deal. I suspect that most of his other senior Ministers would have read the deal at least once.

The Minister for International Trade has indicated publicly that he did not feel it was important enough for him to read through it at least once. Will the Prime Minister do what I suspect is the appropriate thing in the eyes of Canadians and ask for that individual's resignation?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, what would be appropriate for the Minister for International Trade would be a promotion, but he is already so high in the regard of the people of Canada that there is nothing I can do to elevate him any further.

An Hon. Member: That is what you said about Eric last year.

Mr. Blaikie: Give him the job he wants—yours.

Mr. Tobin: He will take over as Leader of the Opposition once you are gone.

Mr. Mulroney: My hon. friend knows full well that the Minister made his comment in reference to very substantial annexes that go along—

Mr. Riis: You read it.

Mr. Mulroney: Not only has he read it and understood it and debated it—

Mr. Riis: He has not read it. He said he has not read it.

Mr. Mulroney: My hon. friend is completely misstating the Minister's case and distorting the Minister's statement. Not only has he read it and defended it with great brilliance and success across Canada, the G-7 leaders read it and strongly

welcomed the free trade agreement both for Canada and for the liberal effects that it would have on world trade. My hon. friend knows that. He knows that the NDP and Liberal position against the free trade deal is going absolutely nowhere because of the tremendous efforts of the Minister for International Trade.

* * *

[*Translation*]

CANADA POST CORPORATION

CO-OPERATIVE PROJECTS OF CANADIAN DIRECT MAILERS ASSOCIATION

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, my question is directed to the Minister responsible for the Canada Post Corporation. The Canadian Association of Direct Marketing which was here today in Ottawa, an industry that employs 200,000 Canadians, submitted to Canada Post a series of co-operative projects that would reduce the deficit on a permanent basis and it also asked the Government to make no changes in the postal system until such time as the projects have been assessed.

My question to the Minister is very simple. Has Canada Post assessed the projects submitted by the Association, which would have dealt with the deficit problem? If so, what is the conclusion?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I think that is an appropriate question to put to Canada Post. When it was before the committee the Hon. Member should have been there to put those questions.

This gives me an opportunity to point out that the Postal Services Review Board which I announced yesterday will provide the kind of mechanisms to allow the Direct Mailers Association and other interested customers of postal services to present their ideas and suggestions and to have them evaluated in an objective fashion which will hopefully lead to improved services and a contained cost of the stamps.

Mr. Gagliano: This is another case of a Minister who does not even read his correspondence.

REQUEST THAT RATE CHANGES BE POSTPONED PENDING STUDY BY REVIEW BOARD

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, the Canadian Association of Direct Marketing recommends that the new proposed increase of rates by Canada Post, published in the *Canada Gazette* on May 14, be delayed until the new board is in place and can review this proposed rate. Will the Minister guarantee to the House today that all rate changes and service changes will be delayed until the new board he introduced yesterday will have time to look at them?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, yesterday a spokesman for his Party said that the new board would not do any good. Now he does not want me to do anything until the new board goes into action.

The fact is that the Post Office and all those dealing with the Post Office require some planning time. Rate increases scheduled for January 1 have to go ahead, otherwise it would create a chaotic situation. In terms of any further adjustments to rates, it will be done on the basis of recommendations made by this independent review agency. I think everyone will benefit from that process.

* * *

[*Translation*]

THE ENVIRONMENT

MEASURES TO REDUCE GREENHOUSE EFFECT—PRIME MINISTER'S POSITION

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my question is directed to the Prime Minister and concerns the contradictions in his statement to the World Conference on the Changing Atmosphere in Toronto. The Prime Minister said that Canada would promote measures to reduce the greenhouse effect, which is mainly caused by the use of coal, oil and natural gas. However, the free trade agreement encourages fast exploitation of these resources and is thus against reducing the greenhouse effet and against sustainable development.

Is the Government aware of this contradiction and how does it intend to resolve it? Is the Government in favour of reducing the greenhouse effect or in favour of the fast exploitation and use of resources that causes the greenhouse effect and is incompatible with sustainable development?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there is no contradiction between the two. These positions can be harmonized, and that is what we are proposing, with the collaboration of the Minister of Energy, Mines and Resources and my Cabinet colleagues. There is no contradiction at all!

[*English*]

SUSTAINABLE DEVELOPMENT POLICY

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, I hope the Prime Minister would consult some experts who would tell him something about what causes atmospheric change. He would discover what this contradiction is.

If the Prime Minister is really serious about dealing with the greenhouse effect, will he bring in a policy of sustainable development? Will there be a real change in our energy policy in the direction of conservation and the use of renewable

resources of energy that do not pollute and cause the greenhouse effect? Are we going to be seeing a real commitment to a safe energy policy and sustainable development?

• (1450)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I thank my hon. friend for the advice that I consult experts with respect to this very difficult and challenging area. I try to do that and have done so with respect to a sensitive area of our national life, namely, the protection of the atmosphere, particularly with respect to the conference ongoing in Toronto.

In fact it may please my hon. friend to know that, contrary to the suggestion implied in her observation, Prime Minister Brundtland of Norway congratulated the Government yesterday for its leadership role in this respect and also paid a modest compliment to the Ministers who have been involved in developing this quite effective policy.

* * *

[*Translation*]

EMPLOYMENT

ALLEGED DISCRIMINATION AGAINST OLDER WORKERS—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is for the Minister of Employment and Immigration. This morning, I, as well as the Liberal caucus, had the honour to meet members of the Quebec Coalition, mainly from the St. Maurice region. This coalition is opposed to the Government's decision to discriminate against older workers. They gave me a petition supported and signed by 70,000 people from the region. These people, some of whom are here in the gallery, would like to know—and I would remind the newly elected Member for Lac-Saint-Jean that he promised to help these people.

So I ask the Minister if she would be prepared to announce immediately that her Government will amend Bill C-50 so as to eliminate discrimination against older workers who lose their jobs and are not entitled to full unemployment insurance benefits under the so-called Bouchard law?

[*English*]

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, as the Hon. Member knows, with respect to the transition period in which we dealt for those older workers, many of those people have been reviewed and changes were made for many of them. The changes that were not made were all very carefully reviewed by my Department and by myself. I should point out, as I pointed out yesterday, that the unemployment rate among older workers is below what it is for the population as a whole, and we will continue to take action for older workers.

[*Translation*]

ELIGIBILITY CRITERIA FOR UNEMPLOYMENT INSURANCE BENEFITS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I have the feeling that all of them in that Cabinet have the same problem—they do not read the bills that they defend.

Ms. Copps: Right on!

Mr. Malépart: I have the feeling that the Minister is like the Minister for External Trade.

Can the Minister tell us what kind of social justice says that an older worker in Toronto, Montreal, Winnipeg, Vancouver . . .

Ms. Copps: Alma.

Mr. Malépart: . . . who loses his job and looks for work is not entitled to unemployment insurance because he has withdrawn his pension plan? Another older worker, like friends of the Minister, who are richer, who are in management, has an RRSP. He gets a lot of money and is entitled to full unemployment insurance benefits. What kind of social justice is that? Explain that to the people here in the gallery who have lost $10,000 through your mistake!

[*English*]

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, one of the problems with older workers that we have seen over the past few years is not that they are older but that they have joined the long-term unemployed as a result of a very long recession that was there in the early 1980s. They then became discouraged workers and long-term unemployed through policies that had to do with the people on the other side of this House that brought about that recession.

Let me say as well that 119,000 new jobs have been created for older workers within the last year. There are 34,000 who have come off the unemployed rolls. We spent $1.5 billion on job development through the Canadian Jobs Strategy, and all older workers can apply for that and are eligible for it.

* * *

[*Translation*]

EXTERNAL AFFAIRS

SOUTH AFRICA'S ACTIONS IN CANADA—GOVERNMENT POSITION

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is for the Secretary of State for External Affairs. Last night, *The Journal* showed how the South African Embassy uses lies, distortions, intimidation, threats and even murder as tools in its propaganda war in Canada to

support apartheid. The Government rightly acted against the Soviet Embassy for its unacceptable activities. Does the Government consider the actions of the South Africa Embassy to be unacceptable also, and if so, what action will the Government take against the South African Embassy?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the actions of the South African Government mentioned last night on *The Journal* were not of the same kind as the Soviet actions that brought the response from the Canadian Government. I believe that is well established and well accepted by all Members here in the House. But personally, I am pleased that *The Journal* has begun to point out the propaganda activities of the South African Government, here in Canada and elsewhere. As the Hon. Member well knows, I believe, the Commonwealth Conference of Foreign Affairs Ministers to be held in Toronto in August will try to encourage the media and others to monitor the issues, the propaganda tactics used by the Government of South Africa.

[*English*]

REQUEST THAT CANADIAN AMBASSADOR BE RECALLED FROM SOUTH AFRICA

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, surely the documentation of threats, intimidation, distortions, lies and, in fact, murder, against those who have testified before CBC cameras are enough to justify some kind of action on the part of the Government right now. If the Government has difficulty in defining what action it should take, would it not be reasonable, at least, to recall the Canadian Ambassador from South Africa to plot the course of action that this Government should take to ensure that this kind of activity in Canada which, by the way, threatens all of us in many ways, can be brought to an end?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am very pleased that *The Journal* last night focused attention upon the propaganda activities of South Africa that occur in Canada and elsewhere. I hope that other members of the media in Canada will follow that very important story. Sometimes it takes great courage on the part of the Canadian media to follow that story. I hope that will be done. The Government of Canada has been pursuing the question of propaganda quite vigorously—

Ms. Copps: That's right!

Mr. Clark (Yellowhead): There is some derisive laughter from the Hon. Member for Hamilton East. I take it that is her personal problem and not one that relates to the rest of the House or to the serious question of apartheid.

The Government of Canada has been pursuing the question of how we might effectively combat the propaganda activities of the Government of South Africa. We have been doing that at the Commonwealth Conference in Vancouver, chaired by the Prime Minister. We are doing it in a special committee of Foreign Ministers that I have the honour to chair, which will be meeting with a focus on this particular topic in Toronto in August.

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FISHERIES

NEW BRUNSWICK NATIVE FOOD FISHERY—REPORTED THREATS AGAINST FISHERY OFFICERS

Mr. W. R. Bud Jardine (Northumberland—Miramichi): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans. The Minister will be aware of the present difficulties associated with the native food fishery in New Brunswick. Conflicting federal regulations, illegal salmon fishing, and seeming disregard for the authority of fishery officers, have exacerbated an already tense situation. Can the Minister advise what action the Government may be considering to defuse and finally resolve this problem?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I appreciate the serious question raised by the Hon. Member for Northumberland—Miramichi. We have a situation in northwestern New Brunswick where the Eel Ground Band of Indians have a food fishing allocation, but it does not include an area in which they have been active for some two or three weeks, known as the Big Hole Track. This particular band is apparently alleged to be fishing illegally by net in this area. Shots have been fired and I am told that threats against the lives of fisheries officers have occurred. We have the situation under surveillance. We are very concerned, of course, about these circumstances, and appropriate actions will be taken as required.

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FINANCIAL INSTITUTIONS

COMMERCIAL AND FINANCIAL LINKS

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is directed to the Minister of State for Finance. It concerns the reform of financial institutions. The Government proposed in its December Blue Paper that in the future commercial and financial links be banned, along with the retailing of insurance by financial institutions. However, two weeks ago the Minister in a press release seemed to back away from these policies and it is not at all clear what the Government's policies are. So I ask the Minister to clarify his position. Will commercial and financial links now be allowed under the financial institutions' reform?

• (1500)

Second, will the Government allow in its reform the retailing of insurance by financial institutions?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I thank the Hon. Member for his question. Two weeks ago I released to the press the information that in considering our draft trust and loan Bill we have reacted to the input we have had from across the country. We are going to place less reliance on the financial and commercial links part of that policy. Of course, the policy has 90, 100 or 120 principles in it. They remain.

The draft trust and loan Bill, as the Hon. Member has seen, will be largely the same except for some changes we might make to less reliance on commercial and financial links.

In terms of the banning of the retailing of insurance by banks, I am very pleased to tell the Hon. Member that in no way am I going to change my view on that matter.

[*Translation*]

FEDERAL GOVERNMENT'S RESPONSIBILITY

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, the reform of financial institutions has been expected now for more months than I care to count, indeed since 1985. And in recent years we have seen companies such as L'Alliance and L'Industrielle merge and give up their federal charter. Lately another company, Les Coopérants, has done the same. And now Montreal Trust is giving up its federal charter and we may be called upon to make a decision in this case.

I shall therefore ask the Minister: What is the Government waiting for to make its final position known? The legislation should have been introduced months ago and we still have nothing before us; in the meantime companies are giving up their federal charter in favour of provincial charters.

Does the Federal Government intend to abdicate all responsibility over financial institutions and introduce legislation only when all companies have left the federal jurisdiction?

[*English*]

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I hope that the Hon. Member is not against consultation. As a result of the draft trust and loan Bill, we have had the consultations that have allowed us to make some modifications in our policy which will make its passage more speedy when it comes to the House.

With regard to charters moving, Montreal Trust has made it very clear, and the Hon. Member knows this, that it has nothing to do with federal or provincial jurisdiction and the new framework. It has to do with its internal organization.

CANADA POST CORPORATION

ADMINISTRATION—STATEMENT BY PRESIDENT

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, Canada Post has produced a video entitled: "Delivering on the Promise". In that video Donald Lander states:

> Nobody in the Government is telling us how to run Canada Post. Contrary to what you hear in the media and so on. It's a bunch of crap. We run Canada Post and there's no politician telling us what to do.

My question to the Minister responsible for Canada Post is this. Can the Minister tell Canadians why he has let Canada Post close rural post offices, cut back on home delivery, and proliferate supermailboxes? Is it because he is afraid of Donald Lander? When will he stand up for the rights of Canadians?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, when Canada Post Corporation was created by Act of Parliament passed by unanimous approval of every Party in the House, the object was to have a Crown corporation that would act like a corporation at arm's length. Donald Lander is saying that he has the same authority in terms of Canada Post as Pierre Jeanniot has in terms of Air Canada. That is what Crown corporations are all about. It is not shocking. It is what this House asked should happen in 1981.

MINISTER'S POSITION

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, the Minister has failed to stand up to Canada Post as it runs roughshod over millions of Canadians because, as Donald Lander says; "no politician will tell us what to do".

When will the Minister finally accept his responsibilities and stand up for the millions of Canadians who are being denied full postal service?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the accusation is patently false. It is difficult to understand where the New Democratic Party is coming from. I have a letter here from the Hon. Member's colleague, the Hon. Member for Burnaby, who writes to Canada Post about a temporary post office box on Camrose and Tyndale in Burnaby. He says: "I am writing to request that you expedite the installation of a permanent box at Camrose and Tyndale." He then states: "Understandably, the people living in this neighbourhood are anxious to have a permanent box installed as quickly as possible".

Mr. Rodriguez: That's a group mail box.

Mr. Andre: The Hon. Member stood up just a moment ago saying that the people do not want it. Yet his colleague is saying that that is exactly what they want.

INDUSTRY

GOODYEAR COMPANY—GOVERNMENT ASSISTANCE

Mr. Patrick Boyer (Etobicoke—Lakeshore): Mr. Speaker, my question is for the Minister of State for Finance. Eight weeks ago in the House I asked the Minister if ,in light of the fact that the Government of Ontario was giving a $32 million interest free loan to Goodyear, and the fact that the federal Government was giving up to $50 million under a remission order to Goodyear, and contemporaneously with that the head office of Goodyear in the United States was taking an additional $25 million to $30 million out of the Canadian subsidiary, something which I described as an outrageous arrangement, the Minister of State for Finance would look into the matter.

I am asking the Minister today if he would now report to the House on what he found when he looked into the matter, and whether or not he has anything else he wishes to report.

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I thank my hon. friend for his important question. I want to thank him, too, for his continuing interest in this matter.

On May 26 I made it clear that after my examination of these levies and of inter-corporate transfers at Goodyear that the levy was not out of line. The inter-corporate transfers in that company have been generally very modest.

Ms. Copps: You are justifying that rip-off?

Mr. Hockin: Therefore this will have no bearing whatsoever on the duty remission which will be available for Goodyear as part of the existing industry-wide duty remission programs for that industry.

I might tell the Hon. Member that my tabling of the duty remissions this morning and the order today brings to a conclusion a process which will result in 800 jobs and $350 million worth of investment in eastern Ontario.

GOVERNMENT ORDERS

[*English*]

CANADA-UNITED STATES FREE TRADE AGREEMENT IMPLEMENTATION ACT

MEASURE TO ENACT

The House resumed from Tuesday, June 21, consideration of the motion of Mr. Crosbie that Bill C-130, an Act to implement the Free Trade Agreement between Canada and the United States of America, be read the second time and referred to a legislative committee, and the amendment of Mr. Axworthy:

That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:

"this House opposes in principle and therefore declines to proceed with Bill C-130, an Act to implement the Free Trade Agreement between Canada and the United States of America, because that agreement, which was negotiated in a secretive and irresponsible manner in the absence of a mandate from the Canadian people, will undermine the economic, social and political institutions of Canada, because it will fail to provide guaranteed and secure access to U.S. and other world trade markets, because it will create severe adverse effects on many industries and communities and because it will endanger the economic and social fabric and political independence of Canada."

And the amendment of Mr. Langdon:

That the amendment be amended by adding immediately after the words "political institutions of Canada," the words "including our valued system of social and regional development programs,".

The Acting Speaker (Mr. Paproski): When Bill C-130 was last before the House the Hon. Member for Louis-Hébert had completed her speech. The question and comment period following the Hon. Member's speech is now available to Members, otherwise the Chair is prepared to recognize another Hon. Member on debate.

If there are no questions and comments, the Chair recognizes the Hon. Member for Algoma on debate.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am glad to have a chance to speak on Bill C-130. We believe this to be the most important economic agreement which Canada has ever signed. It is regrettable that we have this Bill before the House when we have not seen the United States legislation which would enable this agreement to become law. It is those types of concerns that cause great distrust among the Canadian people, not only of Government but of the Prime Minister (Mr. Mulroney) and this whole agreement.

They are equally concerned because only five years ago when the Prime Minister was seeking the leadership of his Party he said in very determined and candid words that he was opposed to free trade with the United States. In fact, he said: "Canada rejected free trade with the United States in 1911. They will do it again in 1983".

My Party is not opposed to the liberalization of trade. We are opposed to the Mulroney-Reagan trade deal. We do not think that the Government got a very good deal out of it. It is not a free trade deal as such. It is a trade deal in which we did not get a great deal, and we gave away a lot.

• (1510)

The arguments that the Government is making for spending $30 million trying to sell this deal across the country are that it will give great access to the United States market, it is going to give secure access to the United States market, that it will give tremendous economic advantage to Canada, and that there is no alternative. Things are in such a terrible state that, even though the President has already vetoed the omnibus trade Bill, we have to jump off the cliff at any risk and accept this deal.

If we look at the deal itself we see what we have given away. We have given away or essentially aligned ourselves with the economy of the United States to make all of North America

one economy in which Canadian economic, trade, and industrial programs will be harmonized with those of the United States. We are turning over our water resources and our energy resources on an equal share basis. We are jeopardizing our social and environmental programs. When we start to harmonize economic policies, many other policies have to be harmonized, including social, cultural, and other programs.

In foreign investment the minimum goes to $150 million. Foreign investment will be able to come in and take over most Canadian companies without regard to providing any benefits to the Canadian economy. Our regional development programs will be affected because most of them under American trade law would be judged subject to countervail duties or anti-dumping duties. We will leap into the same economic basket with the United States service industry and financial institutions. All in all, we will give up a great deal.

I would like to look at the deal from the view of agriculture and the claims that the Government makes with regard to access to the U.S. market. Before doing so, I would like to mention the drafting instructions provided by the U.S. congressional committees, the Senate and the House committees, that went to the administration. They are very instructive. They tell us that this trade deal is subject to all other United States laws. It is interesting that our Bill C-130 is subject to the trade deal. Therefore, there is an inequity there. Not only is Bill C-130 subject to the trade deal, but any conflicts there are with provincial legislation will be subject to the trade deal as well, whereas on the American side, although we have not seen that Bill yet, its law will be superior to the trade deal.

Turning to the agriculture sector, if at some stage it is negotiated that we will do away with provincial marketing boards for the dairy industry, then Section 6 of the agreement on the implementing legislation or regulation can be drawn to do away with it. Those drafting instructions have a profound impact on all of agriculture.

Under Article 706 the administrative action recommended is that we get rid of all barriers for poultry and eggs. In Section 1901 there is a provision where the United States industry can put in place a permanent monitoring arrangement with reports to both industry and Congress in order that countervail or dumping duty actions can easily be taken by the United States industry.

Under these drafting instructions there is a section relating to the potato industry. It authorizes the United States administration to negotiate limits on imports of potatoes. There is a great deal in those drafting instructions to the United States administration which will end up in the United States Bill and will have a profound influence on Canadian agriculture.

Let us look at the argument the Government makes that we will have profound and great new access to the U.S. market. In the broad range of commodities traded with the United States the most commonly quoted one is the pork and beef industries. They will have great new access. Let us examine that situation. With regard to beef, over a five-year period we will remove the 1 cent per pound tariff on beef going into the United States. Essentially we have free trade now. I do not understand how we will have massive new access to the U.S. market with only 1 cent being removed over five years. Likewise, there is a countervail duty against hogs of $5 per hog. That stays in place. How will there be great new access?

The most troubling aspect and one of great concern to all exporters, whether in relation to beef, hogs, or any commodity, is the appreciation that has taken place in the Canadian dollar against the United States dollar. There has been almost a 15 per cent appreciation in the Canadian dollar. That was forecast, but most people did not think it would happen as rapidly. Clearly the Economic Council and some other agencies predicted that our dollar would appreciate from 70 cents in relation to the United States dollar during the next five or six years to toward 94 cents or 95 cents. Already we have seen an appreciation of 10 cents on our dollar against the United States dollar, which is far larger than any tariff advantage that will result from this trade deal.

In the Canada-U.S. meat import law, American meat import law drafting instructions suggest that the U.S. will still be able to use its meat import law if it is to carry out the impact of a third country importing that is subject to their meat import law, whereas our law does not provide for it. In fruits and vegetables, I have heard the Minister say that we may have an opportunity in a couple of commodities such as mushrooms, but generally our opportunities in fruits and vegetables are relatively limited in the U.S. Our controlled commodities of dairy and poultry products are far higher priced and there is little opportunity there. In the grains sector there is a tremendous market building up in the Pacific northwest for Canola meal. The western grain transportation subsidy is being removed almost immediately, whereas the tariff in place will be phased out over 10 years. There may be some increased access to the U.S. market, but it is extremely limited.

Let us look at coming the other way for the Canadian agriculture industry. In poultry, eggs, and turkeys, the U.S. has scored a major increase in its imports into Canada. The removal of tariffs on highly processed foods will increase that dramatically, as well as when those tariffs are removed. The CEMA organization has pointed out that there is a major problem with regard to surplus eggs, and that that will mean a further deterioration in the quota available in that sector.

In the dairy sector, the Government has moved to put in place import control regulations, but I think that we will wait a long time before we actually see any quantitative limitation. The grocery products manufacturing industry has made it clear right across the board that we cannot have supply managed and controlled commodities such as poultry and eggs and the goods processed from them being sold in this country and have them compete with eggs, poultry, and dairy commodities produced in the United States. The SAGITS told the Minister that in a report, and it has been ignored. Most

processing food companies in this country are American controlled. Clearly 21 out of the 26 companies are. The industry sent a very definite signal that unless the Government gets rid of supply management in this country, within a matter of six or seven years it will be moving to the U.S. The pressure from the free trade deal, and through the GATT negotiations will be to get rid of supply management, which I think will be a disaster for the dairy industry and the poultry industry.

• (1520)

In the grain sector, we see that our two-price wheat system is going by the boards. Instead of consumers paying for their wheat when they buy their bread or grocery products, the Government will be providing a subsidy in that regard. Many people in the industry believe that the Canadian Wheat Board will be severely weakened, that it will not have the power to have import end use certificates, that they will be handled by the Canadian Grain Commission that in the long haul the Canadian Wheat Board will lose its power, and that we will come under the control of the multinational grain companies, which will gain greater and greater control. It is interesting that when the Government lists subsidies in the free trade agreement it lists the Western Grain Transportation Act as a $700 million subsidy. That is an historic arrangement that has been with us almost since the turn of the century. It is given to western farmers to make up for the costs of transportation. Nowhere in this agreement is it mentioned what the corps of engineers spent on the Mississippi River system. In the GATT negotiations the American industry will be trying to get rid of the Western Grain Transportation Act, transportation assistance.

There is no provision in this agreement to list what is spent on the Mississippi River transportation system. Perhaps in no area do we see a greater impact than in the fruit and vegetable industry. That industry will be severely hampered. It will lose its seasonal tariff it will not be able to keep it. The snap back provision to the most favoured nation tariff is a cumbersome, crude device which will not work. It is designed to replace the tariff that existed. If the price of fruits or vegetables in Canada drop below 90 per cent of the five-year average, a device like that which takes five to seven days to be put in place is a total joke. Once the price breaks on fresh fruits and vegetables, is gone for the season. No industry, of course, has suffered more than the grape industry, the wine industry. Even though this deal does not come into effect until next January, that industry is going through tremendous strife already. I talked to a producer in the Niagara escarpment over the weekend who has some 800 acres. I believe he is the largest producer of grapes in Canada. He said that his vines will have to be cut and removed. To give up those special fruit, vegetables, grape growing areas, to say that we can sacrifice them and that they are not very important is not a criminal act, but I think it would be a terrible decision for a Government to take. We would become dependent in future on the wine and grapes produced in California.

If the Government were to do this—and it is its decision—it should have had those adjustment programs well in place and even had them listed in the agreement so that they could not be countervailed themselves. This trade deal was a signal to the GATT that they could lower the boom on the Canadian wine industry, and in fact they have.

Fortunately, at least in Ontario, the Ontario Government has brought in arrangements to reduce the tariffs over 12 years. That is what the B.C. wine industry pleaded with the Minister to do. That is what the Minister said she would do and understood she had to do. If they had the 10 to 12 years they could have survived, but if they lose half the differential in price in one year they will not survive.

Similarly, this agreement is a signal to the GATT to get rid of Article 11 which in the get rid of supply management in this country, within the next seven or eight years.

With the pressure coming from the Americans at the GATT, the Cairns Group the grocery products manufacturers and others, I think the whole supply management industry will ultimately be destroyed.

A monitoring mechanism should be put in place as well in this drafting instruction so that countervail and anti-dumping can be applied as well. In the long haul the Canadian Wheat Board will be destroyed, as well as our supply management in other commodities. Massive new access to the U.S. market will not occur, in my opinion, because we have already seen an appreciation of the dollar by some 15 per cent. We will probably see another 15 per cent over the next few years, which will make it that much more difficult for Canadian producers.

I believe that we will ultimately see the destruction of our supply management system which has a tremendous regional development diversification aspect to it. We have a healthy dairy industry in Atlantic Canada and in other parts of our country. We will not see that if we harmonize with the United States vertically integrated system. I believe GATT and this trade deal will have a very negative impacts on agriculture, the whole idea of a family farm and of moderate sized, efficient units. I do not think we want it. It is not good for Canada. We intend to oppose it in every way possible.

The Acting Speaker (Mr. Paproski): Questions or comments. The Hon. Parliamentary Secretary to the Minister for International Trade.

Mr. McDermid: Mr. Speaker, I listened to the Hon. Member who probably is one of the most negative people in the House of Commons—"nothing is right in Canada. We can't compete. We are not very good. We must withdraw into our little shell here in Canada and hide behind barriers and hide behind this, that, and the other thing".

First of all, let us talk about the supply management program and some of the comments that he made about supply management. He said that we dramatically increased the

importation of chicken under this agreement. What in fact happened is that chicken remains under quota. It went from about 6.3 per cent of production in Canada to 7.5 per cent. Do you know how they arrived at the 7.5 per cent, Mr. Speaker? They took the average of the last five years of actual importation of chickens into this country to reach that number.

That is in fact an historical figure. There is not a huge influx of chicken production coming into this country. The Hon. Member is a doctor of veterinary medicine. He should know that the production of chicken in this country has increased dramatically over the last number of years. That particular industry is healthy and is doing extremely well. We know that the egg hatching people are looking now at a marketing system which, I might point out to the people watching, is permitted under the free trade agreement.

• (1530)

The Hon. Member talked about the demise of our marketing system. I might point out that people around the world are looking at our marketing systems. They see farmers getting a fair return for their product under the marketing system. As a matter of fact upper state New York is looking at putting in a dairy program much like the one we have in Ontario. For the Member to talk about the demise of all these marketing systems is pure folly.

I might say one other thing. Yesterday John Swan, President of Hillebrand Estates Winery Limited, spoke on free trade in St. Catharines. Here is a little of what he said:

> Hillebrand Estate Winery promotes the fact that here in the Niagara Peninsula we can compete with the wines of the world. We provide a strong in-depth marketing strategy to sell our wines in Canada and abroad. We have grown from sales of 6,000 cases a year to 200,000 cases in four years time. All Hillebrand wines are produced from French hybrid and vinifera grape varieties.

These grape varieties are grown in the Niagara Peninsula. Listen to this:

> Eight thousand cases will be exported this year either to Japan or the United States.

Mr. Swan delivers a good speech on the free trade agreement and says what a challenge it is and how well he will do. With all the Hon. Member's doom and gloom and how terrible this whole deal is for agriculture, why is it that the majority of the agricultural groups in Canada support it? Why are the cattle producers, the pork producers, and the Canadian dairy industry supporting it? If this agreement is so bad, why are all these agricultural associations supporting it?

Mr. Foster: Mr. Speaker, obviously the Parliamentary Secretary has not read the Bill or the agreement very well.

Mr. McDermid: I have read the agreement more than you have.

Mr. Foster: He is just like the Minister for International Trade (Mr. Crosbie). Let me point out to him that in poultry meat alone the increase in the quota is some 21 per cent. It has gone from 31 million kilograms to 37 million kilograms. I am glad the Member raised the question of the hatchery egg marketing board because that board, established a year or so ago, had been pleading with the Minister to put in place import controls. The Government has refused to do so month after month after month. In the Ontario region alone three egg hatchery marketing producers have gone broke because of the Government's refusal. Why does the Government refuse to put in place those import controls, Mr. Speaker? It is because it is still negotiating and will be negotiating for the next five to seven years.

Mr. McDermid: You are wrong.

Mr. Foster: I would like to draw to the Parliamentary Secretary's attention a letter written by Archie McLean, the Senior Vice-President of McCain Foods Limited. He points out that he was a member of the Special Advisory Group on International Trade for agriculture. In a letter last December, the day the documents came out, he described himself as a member of the Minister's SAGIT, Special Advisory Group on International Trade for agriculture, and a hard core Tory. He launched into the worst denunciation of the agreement that I have read any place. In a letter he writes:

> I believe the Free Trade Deal in its present form, is a bad deal for food processing and will be a bad deal for Canadian farmers whose products are supply-managed or for farmers who produce fruit and vegetables.

This is a guy in the industry. He has served on SAGIT. He knows exactly how the deal runs. He goes on to point out—

Mr. McDermid: He wants the abolition of marketing boards.

Mr. Foster: —that the industry is organized from the United States. He points out that most of the food processing industry is nearly all American, at least 20 of 26 processors are, and that they will simply pull back their manufacturing and processing to the United States and just have a distribution system in Canada. When they do that, from where do you think they will get their food supplies? They will get them from outside the supply-managed system. Let me read his final paragraph:

> As a member of the agriculture SAGIT, I'm committed to improving and expanding our trade potential for primary and further processed agricultural products. I believe the Free Trade deal in its current form, however, is a bad deal for food processing and ultimately, will be a bad deal for farmers whose products are a) supply-managed products or b) fruit and vegetables.

Clearly those sectors are sectors which will be severely hurt. What do we get in return? We give up on poultry.

Mr. McDermid: Wrong.

Mr. Foster: We give up on fruit and vegetables.

Mr. McDermid: Wrong.

Mr. Cadieux: Totally wrong.

Mr. Foster: We give up the whole wine industry. Even worse than that was the signal sent to the GATT on the grape and wine industry. The Minister wrote a letter to the B.C. grape industry in October last fall and said: "Look, we understand this industry will require at least a 10-year period to be phased in". What did it get? Within one year, between January 1, 1989 and January 1, 1990, the industry will lose half its differential in pricing. The GATT decision to phase out the differential pricing over 12 years is why B.C. producers said they could have adjusted. They would have moved to a higher quality grape production which could have found certain niches in the market. This deal is phasing out half the differential in one year.

The Parliamentary Secretary is trying to put a gloss on something that is just unacceptable to Canadian farmers. I did not hear him telling us about how well the Ontario Federation of Agriculture liked the deal.

I had the opportunity to attend the annual meeting of the Canadian Horticultural Council in January. A panel of people outlined the opportunities of the free trade deal. I listened for two hours and heard a diatribe against how the industry would be destroyed, whether from Gerald Green of the B.C. tree fruit producers or others. When you get into the drafting instructions on how the Government will put in place a monitoring mechanism so that information will be available to pork producers, beef producers, or any other sector allowing a countervail or dumping duty to be imposed—all the subsidies are listed in this book—you will see that we are in for an extremely rough ride. There does not seem to be any adjustment programs in place. Fifteen or seventeen grape producers have been moved out of operation this year already in Ontario, yet there does not seem to be any adjustment put in place for them. People who served on SAGIT for agriculture and food production say that if we have highly processed food in Canada produced under supply management competing with highly processed food coming in from the United States that not produced under supply management mechanisms, we need import controls. Even though that was recommended by SAGIT, import controls have not been put in place by this deal.

The Acting Speaker (Mr. Paproski): I regret that the Hon. Member's time has expired. Questions and comments are now terminated. On debate, the hon. Minister of Labour.

• (1540)

[*Translation*]

Hon. Pierre H. Cadieux (Minister of Labour): Mr. Speaker, I welcome this opportunity to take part in the debate on a bill that will implement the historic agreement we have signed with the United States. Mr. Speaker, I intend, and I am sure this will come as a surprise, to vote in favour of the Bill.

At the Toronto Summit, heads of Government from the United Kingdom, Japan, France, Italy and the Federal Republic of Germany, and of course Canada and the United States, spoke out in favour of the free trade agreement. They felt that the agreement was a positive step, not only for Canada and the United States but for all our major trading partners.

Mr. Speaker, unfortunately, the free trade agreement is often discussed from a single perspective, as though it affected North America exclusively. In fact, we are talking about an agreement negotiated under the provisions of Article 24 of GATT. Furthermore, practically all the issues discussed by Canada and the United States during the bilateral talks are on the agenda of the multilateral trade negotiations now going on in Geneva.

That is why the Prime Minister (Mr. Mulroney) was right to say in his speech to the Americas Club in New York, and I quote:

> At the multilateral level, a trade agreement between the two biggest trading partners on this planet has exceptional significance. In fact, the outcome of the GATT negotiations depends very much on this agreement.

Mr. Speaker, perhaps I may name a few of the issues: putting a stop to the introduction of new protectionist measures; preparing new rules for international trade in agricultural products; reducing or eliminating tariff and non-tariff barriers in order to improve market access; and developing basic principles for so-called new issues such as trade in services, intellectual property and trade-related investment.

The vocabulary is impressive and the concepts are high-sounding but basically, Mr. Speaker, it all boils down to this: All exporting countries are now part of an integrated world economy. As a result, they have to adopt trade policies that take into consideration the interests of their trading partners. For all practical purposes, the national market we have known for centuries is a disappearing bread.

That is the international reality that our country must fit into, Mr. Speaker. That is the reality on which the free trade agreement between Canada and the United States is based. However—and this will surprise you too, Mr. Speaker—some among us refuse to see this reality.

Mr. Speaker, they are dealers in a big illusion. According to them, Canada can fully enjoy its interdependence with the world's main markets without at the same time exposing its companies and industries to international competition. They are greatly mistaken when they say that we can adopt trade and industrial policies without considering our trading partners. They are greatly mistaken, Mr. Speaker, when they say that we can adopt discriminatory laws, regulations and practices against the products, services and capital of our trading partners.

You konw, Mr. Speaker, according to an old law of physics, for every action, there is a reaction. This same law applies to international trade. If a country imposes barriers on other countries' exports, it will have barriers imposed on it. If a country is prepared to negotiate freer entry of goods and

sevices from other countries, it will get the same treatment for its own goods and services. Action, reaction!

The so-called nationalists will one day have to realize the interdependence not only of Canada but of all the major industrialized countries.

It is fine to talk about national self-assertation, Mr. Speaker, as long as one can see beyond a narrow parochial view.

Mr. Speaker, to deal with the real world, we need global attitudes and especially a worldwide vision.

To take up our place in the world, Mr. Speaker, we need a world-class industrial structure. What does the Official Opposition propose to ensure the competitiveness of our businesses and industries? They want to resurrect a department which they dismantled as they propose to tear up the Agreement, if they can. As I was saying, Mr. Speaker, they want to create a new department or resurrect one which they cut into pieces just six or seven years ago. They want to hire hundreds of public servants to look after international trade and industrial development. They want to spend more than 100 million dollars on God knows what bureaucratic initiatives to accomplish God knows what.

In other words, this proposal is typical of the liberal Party: when faced with a national challenge we see the federal public service, skyrochet, new allocation of funds and greater government interference in everybody's lives. We are all too familiar with the results of such an approach. Look at what happened between 1970 and 1984. The national debt incressed exponentially. And in spite of theire so-called national policies and their speeches on the famous third option, our reliance on the American market increased from 65% or so to more than 75%. That is what they call diversifying our export markets, Mr. Speaker. That is what I call blundering!

One need not look any further, Mr. Speaker, to get an idea of the Liberal party's economic expertise. We only have to look at how they manage their own funds. The key to economic growth and prosperity is not a bigger Canadian Government. The key to industrial productivity and international competitivity will not be found in the drawers of the bureaucracy. The key to our economic future lies in the entrepreneurship, the inventiveness and the initiative of our entrepreneurs and workers.

However, they need open and secure access to a world scale market in order to compete around the world. It would be extremely difficult over the next few years for our firms, our industries and our workers to compete with the Japanese, the Europeans and the Americans without a privileged access to the richest and most dynamic market in the world. This, Mr. Speaker, is exactly what we secured through the Free Trade Agreement.

[*English*]

Some say that we should rely exclusively on the multilateral trade negotiations under the GATT. They think we are too small, too weak, and not sharp enough to negotiate one on one with the Americans. That is simply a contradiction in terms. Just imagine, if we cannot negotiate with the Americans, how can we hope to negotiate with the European Community and other powerful trading partners such as Japan?

Others insist that the free trade agreement threatens our sovereignty. These are the same people who insist that we negotiate trade liberalization exclusively through the GATT. What they do not say is that each time we introduce a new policy, law or regulation related to international trade, we must ensure that it is consistent with the provisions of the GATT.

[*Translation*]

Mr. Speaker, does that mean we are any less sovereign? Definitely not! Does that mean we cannot maintain, much less improve our health and welfare programs? Not at all! Does that mean we cannot maintain or improve our regional industrial expansion programs? Definitely not! Are our cultural programs threatened? No, Mr. Speaker, our cultural programs are not threatened. The same goes for our trade agreement with the United States.

Since that Agreement was signed by the Prime Minister and the President last January, we have announced a number of new initiatives in all those areas. For example, Mr. Speaker, our national policy on film distribution and production, our new Copyright Act, our national policy on daycare, our new policy on women subject to marital abuse, our very recent agreement with Quebec on the St. Lawrence River clean-up and the development of fringe areas. Whether it be culture, welfare, health or economic and industrial development, Mr. Speaker, we are totally free and sovereign.

The FTA does not say anything about economic or political union. Mr. Speaker, it is simply a matter of creating a free trade zone as defined under GATT. Canada and the United States will indeed continue to have different policies, different laws, and different regulations. Mr. Speaker, the day the FTA comes into force there will not be any more snow in the Keys than there are palm trees in Chicoutimi.

However, one thing for sure, Mr. Speaker, is that there will be more jobs and more wealth in Canada, the kind of wealth which will enable us to maintain existing programs and introduce new ones. All independent research organizations are at one on this, including the Economic Council, the Conference Board, and Informetrica, just to name a few. To those who are concerned over the issue of sovereignty, Mr. Speaker, I say that political sovereignty without economic clout is nothing more than a mirage. All regions of Canada will benefit from the many free trade spinoffs. Industrialized regions will have freer and more secure access to the American market, and less industrialized regions will finally have an opportunity to diversify their local economy.

So what is at stake as far as Quebec is concerned, Mr. Speaker? In 1986, Quebec exports were estimated at roughly $21 billion—$3,500 for each man, woman and child in the province—or to put it another way, Mr. Speaker, $14,000 for a family of four. Perhaps you are wondering how much of that the American market accounted for? For about 76 cents of each dollar earned through Quebec exports, Mr. Speaker.

That is why we say that the Free Trade Agreement is the key to our economic future. That is also why the Premier of Quebec is one of the staunchest supporters of free trade. Indeed, Mr. Speaker, when some people tried to use Clause 6 in the Bill to sow discord, the Government of Quebec responded by annoucing that it would take whatever measures are necessary to ensure that provincial acts and regulations are in accordance with the Agreement's provisions.

The Government of Quebec fully understands what is at stake and knows that Quebec industries such as the newsprint industry, the automotive industry and those involved in the production of aluminium, telecommunications equipment, softwood lumber, railway and transport equipment or high tech equipment such as semi-conductors, all need access to the American market not only to grow but to survive.

• (1550)

[*English*]

Given the size and complexity of our country and our interdependence with the world's largest markets, not only the U.S. but also the European community and the growing markets of the Pacific Rim, our horizons must be large and our vision must be global. We simply cannot afford to withdraw into a protectionist shell. More important, as journalist Richard Gwynn has written, free trade represents "the ultimate declaration by Canadians of self-confidence in themselves, confidence both in their ability to compete and their ability to continue as a distinct political and social unit.

[*Translation*]

Mr. Speaker, in this age of advanced technology and integrate world economy, we need free and secure access to the world's markets. Trough the Free Trade Agreement, we will have unfettered access to the world's richest and most dynamic market.

As the economist Rodrigue Tremblay has said, and I quote:

> The United States and Canada have an historic opportunity to go foward in the direction of economic progress and to help North America become the most prosperous territory in the world.

For these reasons, Mr. Speaker, I will vote in favour of the historic Free Trade Agreement and the bill to implement it.

Some Hon. Members: Hear, hear!

Mr. Langdon: Mr. Speaker, I wish to direct a few questions to the Minister. My first point is that he should show that there is something for us in this agreement. The Tory Minister should do that because a number of his cabinet colleagues have yet to read this agreement themselves. The Minister stated that our health scheme is not at risk. I must say that here, on page 203 of the Agreement, there are health facilities which are covered. Also, when we take a closer look we realize that American laboratories and clinics will be able to set up shop in Canada. These Americans will kill our own approach to health services in Canada.

[*English*]

The Minister suggests that there is no threat to our regional expansion system. Let me point out that we have not reached a satisfactory agreement with the U.S. on the question of what constitutes an acceptable subsidy. We will negotiate this for seven years and then, when our economy will have restructured itself, it will be very difficult for any Canadian Government to stand up to the U.S. if it says that our regional development subsidies have to go. For us to withdraw from the deal then would have devastating consequences for our economy.

[*Translation*]

The Minister also said that our cultural life is not at risk. Again, there is on page 297 of the Agreement the nothwithstanding clause—

Mr. Cadieux: "La disposition dérogatoire"in French.

Mr. Langdon: —which states that if we insisted on doing something to protect our cultural life in the future, the United States would be able to take trade actions against Canada to respond to these changes.

[*English*]

One must also say, when one talks about GATT, as someone who was at the start of the present GATT round, that we are a respected and fully accepted member of GATT, with many allies and many countries which look to us for leadership. That is not the case in a one-for-one negotiation with the United States.

• (1600)

[*Translation*]

The Economic Council of Canada did not compare the results of this Agreement to a freer trade under GATT without having all the information concerning the give aways to the United States which are included in the Agreement. These are the facts and they are not as mentioned by the Minister.

[*English*]

Mr. Cadieux: Mr. Speaker, my hon. colleague has referred to the reading of the agreement. It is important to read the agreement, but it is also important to read it carefully and to read it the way it is written in order to understand it and not misrepresent what one believes is written in the agreement but in reality is not.

My hon. colleague posed about 25 questions. I will try to address a few. He refers—

[*Translation*]

—that Canada is a respected member of the GATT and, for once, I agree with something which was suggested by a Socialist. It is a fact that Canada is a respected partner within the GATT, as it is a respected partner of the United States. Mr. Speaker, it is not because Canada has signed an historical Free Trade Agreement with the United States that Canada is no longer seen as a respected partner within the GATT.

Mr. Speaker, I would like to point out to the Hon. Member, because he forgot to mention this, that the G-7 leaders who met recently in Toronto and whose countries also members of the GATT, have great respect and even admiration for Canada because they unanimously supported the Free Trade Agreement. Not only do they support free trade, but they stated this should help indeed the GATT negotiations which include Canada and which are scheduled to extend over a number of years.

It is my hope that the Hon. Member, who was here when the current round of GATT negotiations started, will still be here at the end of those negotiations to see how much more Canada will be respected at that stage, for reasons that include such initiatives as that historical accord reached with the United States.

Mr. Speaker, every day during Questions Period, which you follow reverently, you hear Members from the Official Opposition and the unofficial or not so official one rise and try to distort and sow fear among Canadians on items that are not written into the Free Trade Agreement, which again I suggest the Hon. Member should read again, Mr. Speaker, because there is nothing that prevents us as a sovereign nation to look after our culture indeed.

Mr. Speaker, how often do they rise across the aisle to shout that Canada's culture is threatened! My colleague, the Minister of Communication (Miss MacDonald), recently tabled two important pieces of legislation, one of which deals with film distribution in Canada. If we were to believe hon. Members on that side of the House that is sometimes referred to as the unofficial opposition, culture would be threatened by that Free Trade Agreement, but such is not the case. And I suggest to the Hon. Member that if he reads the Free Trade Agreement and if he claims to understand it, he should read the film distribution legislation.

The Acting Speaker (Mr. Paproski): The Time allotted for questions and comments is now terminated. Debate. The Hon. Member for Hamilton Mountain (Ms. Dewar).

[*English*]

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, in rising to speak on this Bill I am concerned that it will, in 20 minutes, be very difficult to explain comprehensively what is wrong with the Bill. I will try to define certain aspects of it which may help the people who are watching understand some of the implications of it.

As I talk to people in my riding and other ridings I am continually asked what the trade Bill is all about. People say that they do not understand it, that people are not explaining it to them, that some are saying it is good for Canada, others are saying it is not good for Canada, and they are left out in the cold.

The process which took place with this agreement has left people asking why the Government was rushing to get it signed when we did not have the text. The committee held hearings without knowing the specifics. When a government attempts to do that without allowing full discussion and debate, it is clear that there is fear. There is no question in my mind that the Government has been operating under an intense amount of fear. It has put legislation before this House which comes from a base of nothing but fear.

The Minister for International Trade (Mr. Crosbie) said that we have to pass this Bill because one form which U.S. protectionism can take is politically inspired distortion of trade remedy law and another form is direct limitation of trade as proposed in earlier versions of the U.S. omnibus trade Bill. We know that the trade Bill did have implications which certainly would make trading very difficult for Canada. We also know that protectionism exists in the United States because its economy is in such a dreadful state. The United States has a dreadful deficit in trade not only with Canada but with Japan and the European Common Market as well.

I heard the Minister say recently that our horizon must be large and our vision global. If we are looking for large horizons and a global vision, we are certainly not looking at a North American fortress. Yet that is exactly what I hear from the government side of the House. I keep hearing the word "harmonize" from each speaker. If you look up "harmonize" in the dictionary you will see that it says "become more like, become similar". That is certainly not what we on this side of the House want.

Over the years Canada has built up a very special value system and a very special country. Our ancestors sacrificed a lot to ensure that trade above the 49th parallel was able to create a society which had its own integrity and which did not become totally dependent. The wars which we fought in 1776 and 1812, and the declaration of our independence in 1867 were all statements that we as a people can be a little bit different but can be strong. We have had great success in doing that.

I heard my colleague from Algoma talking about supply management and the Government saying it was protected. My understanding is that Article 7(10) of the agreement says that both the United States and Canada are protected by Article 11 of the GATT. I agree with that. However, it does not go on to say that there has been a constant move by the Reagan administration and the Canadian delegation to remove Article 11 from the GATT rules. The Government is, on the one hand, saying that we are protecting our supply management system by Section 7(10) of the Accord and, at the same time, is

moving to remove the clause in the GATT which gives us that protection. That is the most devious kind of hypocrisy that I can think of. I do not think that all the Members on the government side have looked at the agreement in detail and recognized that that kind of thing is happening.

• (1610)

I question whether the Minister for International Trade is as committed to this as he seems when he says that he has not read it. He seems to form a policy with his friends through jokes rather than serious thought. When asked to make a concentrated response about the deal, rather than any serious analysis we see witticism that attempts to put people down.

What will be the implications of this Accord on women? There are those who say there will be wonderful benefits for women. They will only be wonderful for women who are presidents of multinational corporations, because multinational corporations do not want to be restricted by borders.

I am concerned about women in the service and manufacturing sectors, and women in the labour force who perform minimum wage and lower paid jobs. I cannot believe that members of the Government who have seriously considered this legislation believe the deal will help those people. We have known for some time that the United States wants a trade agreement in order to reduce barriers to services. We also know that Brazil and India, along with Canada, have strongly opposed that until now.

Now we find that services are included in the trade agreement. Our concern about services does not refer to hairdressers moving from one community to another, as has been suggested, but the future of data processing, health and education services and the variety of jobs that are being created today. Eighty-two per cent of our economy is in the service sector, and most of those jobs are the better paying jobs held by women. Yet the Government has gone ahead to trade the service sector.

Currently, information in the data processing industry must be collected in the branch plant or at the company where that information is being collected. Many of those jobs exist in Canada. According to a study conducted by the Computer Association of Canada, over 180,000 jobs in data processing will be gone when companies are no longer required to collect that information here. That is the consequence of part of the trade agreement in terms of trade in services. It is important that we consider those details.

The Minister who just spoke talked about all the studies that had recommended this trade agreement as a way to increase the employment base for Canada. The Economic Council of Canada admitted that it did not look at any studies that included the service base. The Macdonald Commission, which rationalized many reasons to support free trade, did not take into account one study on the service industry.

Last night I met some women from the National Organization of Women in the United States, as well as some of the executive from the Feminist Majority. They were very concerned about what could happen to our population in light of all we have worked for over the years. They do not have income security programs, minimum wage requirements or the same working conditions for women for which we have worked so hard.

They were impressed by our ability to have a national old age pension in spite of our small population. Many of those living in poverty in Canada are women over 65 years of age. The women whom I met were amazed at our ability to have developed our social programs over the years. It was with some pride that I acknowledged that we have a reasonably good social network system, particularly for women. It is frightening to realize that all of these programs could be at risk. There does not seem to be any concern or discussion about it on the other side of the House.

Women who work in the goods producing sector often fill the lower paying jobs. They are particularly vulnerable under the trade agreement. This sector includes the textile, clothing, leather products and small electrical appliance industries. These are the kinds of industries in which women are employed in my riding. Not only will there be a rapid loss of jobs in those industries, there has been no concerted effort to devise an adjustment strategy.

Some members of the Government have suggested that these matters will resolve themselves in 20 years. What will happen to the people who are affected in the meantime? There are enough homeless people who are already getting their food from the food banks. Surely those Members are not willing to ignore a whole group of people who will be dislocated from industries.

While there was great support for the free trade agreement at the Summit, I did not hear anyone talk about the importance of the trade agreement and the developing world. An agreement like this closes the doors on some innovative trade agreements that Canadians can enter not only in our own interest but in order to have a global vision, in the words of the Minister. No longer will we be able to get into special programs like auto insurance or dental care without asking permission of the United States. The agreement states clearly that we can no longer implement such programs if they affect American firms.

Many of our insurance companies are American, and we welcome them here, but we certainly do not intend to implement our own programs only by the grace of the United States. We would like to make those decisions on our own, as we have in the past. Without our health care plans, we would be facing the same situation as the United States. They cannot deliver health care as cheaply as Canada or cover their whole population. We have learned to conduct these programs well, and this agreement jeopardizes that.

The service industry in the United States allows for private management firms in health care. This will affect all our social services except child care. However, it will not be long before there is great pressure to provide child care services for profit.

Canadians have recognized over the years the importance of being able to deliver non profit services. We have delivered those non-profit services with a lot of efficiency and caring. Some of our social services need amendments and need to be addressed, but we can do that.

• (1620)

I become very worried when I hear that this trade agreement means we have confidence in ourselves. If we have confidence in ourselves, we do not have to run in a corner and decide there is only one partner we can trade with and we have to get into an agreement with them. If we have confidence in ourselves, we can stand up proud and tall, believing that Canadian workers can deliver anywhere in the world. We can get into a multinational kind of trade agreement. We do not have to get tied into American foreign policy. We do not have to get tied into every multinational that wants to exploit our people and resources. What we do understand is that our environment is sacred. There is dignity to the work our people do and they should have, and do have in most cases, a quality of life commensurate with the dignity of work they perform. It seems to me that if we are just going to get into the economic constitution of President Reagan, that is not what the majority of Canadians want. It is not what the majority of women in this country want and it certainly is not the future we want to build for our children. I think we understand that very clearly.

I have been very concerned about the fact that not many members on the government side have taken the Accord particularly seriously because, I believe, they trusted some of their cabinet Ministers had read the agreement. However, they are beginning to recognize, I would hope, that this is a very serious document, and not only must we read this document but we must look at every analysis of it. If those Members could convince me that this agreement would build a stronger Canadian economy, giving us the kind of sovereignty we had in the past, giving us the ability to have some direction over our own lives, to protect our environment and ensure our native people do not get caught into the whole economic development of our North that could very easily result in a further industrial militarization of our North, if they could convince me that that is what we were going to have, then I would say, yes, we would support it.

I think every one of those things are at risk now. The financial institutions can now come to Canada and purchase any part of the Canadian economy they choose. Can we go down there and set up our banks in the United States? No, we cannot.

Mr. Malone: Sure you can.

Ms. Dewar: No, we cannot. Read the Act. You obviously have not read it. We cannot do it because the American Bank Act is in contravention of the Canadian Bank Act. It was that Member's side of the House which changed that Bank Act in the last 18 months. That is why we cannot go there and set up a bank in the United States. That is the kind of agreement we have got ourselves into and government Members do not even understand it. That really does concern me.

I think we are looking at the ability of this country to govern itself. We want a country that has the kind of economy we have some say over. We want to be able to provide programs when we know that there are certain needs in our society that we collectively can deliver for the betterment of perhaps the weakest in our communities. Certainly, we will not be able to do that if we are tied into what the American companies are delivering in our country. It would be impossible. We would have to ask the permission of those American companies.

I could take examples of banking, women, telecommunications, resources, manufacturing, and go through the agreement paragraph by paragraph. There are thousands of pages. It seems to me that is what we should be doing in this House instead of cutting off debate. I think it is crucial we take every paragraph, analyse it, and then perhaps we would change our minds on some things and perhaps the Government would change its mind on some things. At least, our country would be better served. Certainly, the reason I ran for Parliament and the reason I want to represent the people of Hamilton Mountain is because they have great faith and confidence in this country and in the future. I am not going to let any government destroy that.

The Acting Speaker (Mr. Paproski): Questions or comments? Debate. The Hon. Member for Windsor West (Mr. Gray).

Mr. Langdon: I have a question.

The Acting Speaker (Mr. Paproski): If the Hon. Member would get in his chair, I would be able to recognize him. The Hon. Member for Essex-Windsor (Mr. Langdon) for a question or comment.

Mr. Langdon: I apologize, Mr. Speaker.

Mr. Malone: No one else could dignify that speech.

Mr. Langdon: I would have hoped that the Conservatives, since they were heckling so vigorously, would have had some constructive questions to raise. Since the Hon. Member comes from an industrial city and since that city has experienced a great many takeovers of Canadian companies and eventual problems that resulted from those takeovers, I wonder if she would deal with some of the threats that exist, especially for a city like Hamilton and for industrial cities right across this country from the West to the East? Will she comment on what we have given to the United States as part of the agreement, that we will no longer have a system of review for the massive takeovers of Canadians companies, and we will no longer ask for any commitments, any performance requirements? What

in her experience and in the experience of her constituency is likely to be the consequence of this?

Ms. Dewar: My colleague raises a very serious question. What we have seen since the early 1980s is the shutting down of plants and the relocation of plants that are not Canadian owned to the United States so factories that are under capacity can be filled. The Firestone situation has shown that its Canadian experience was more efficient, less labour costly and certainly the market was here for the factory in Hamilton. Yet, they made the decision south of the border that they would close that plant and fill a plant in the United States that was over-built and operating under capacity. That was of very great concern at the time. However, we were able to get back the money that had been given to Firestone to modernize in Hamilton. With no review, with the ability of plants to come and go whatever way they like and without any value standards to be looked at, what will happen? At the beginning of my remarks I noted that the United States economy is in very serious shape. We know there are a lot of parent companies operating under capacity. There will be absolutely nothing to stop them from filling up those factories completely without any worry whatsoever about what is happening in Canada.

Something else that is very serious is that we have seen a company come into Hamilton when Canadian Ceramics was closing and the workers themselves wanted to buy that plant. Of course, the American company said it would operate the plant but within two years it is closed. They undermined the competition that was there and off they went after they got a monopoly on the market. There was nothing to stop them. That is not free trade, Mr. Speaker, that's total exploitation of Canadian workers.

Something else we have to look at, and the Minister for International Trade referred to it in his speech the other day on this Bill, is the fact that we now send our resources out of the country and then import them at a value added and tariff. He seemed to think that we would be able to stop doing that because the tariff would be reduced. There is absolutely nothing we can say with this trade agreement that they must process in Canada. What we have done is put up more obstacles. Of course, we become, again, just the hewers of wood and drawers of water. We have limited ourselves of the ability to put any kind of regulation in because of this trade deal.

• (1630)

I heard from some of the steel people in Hamilton that their hope was that they would have great access to the American market. They said that it is so large that it would be great for people to have that kind of access. However, we then looked at the agreement and saw that there is nothing in it that says that the countervail has been removed. We are being asked now to put a voluntary export limit on our steel. Up to this point we have been agreeing to do that, even though we do not have to do it. We know that if we take the voluntary export limit off, that quota off, we could be subject to countervail. Then we thought that at least there would be a dispute settlement mechanism. We thought that perhaps this would protect our workers and even if it took a year or two we would be able to do it.

What did the Minister for International Trade say? He said they hoped that the agreement would stop unfair laws. The agreement does not stop any laws. What the agreement states with respect to the dispute settlement mechanism is that the Americans will interpret whether or not the laws are being properly interpreted.

Mr. McDermid: That's right.

Ms. Dewar: Yes. So they can put the most unfair trade laws in place. As long as they are being properly interpreted, then that is fine.

Mr. McDermid: Wrong. I do not think that you have read the agreement.

Ms. Dewar: I do not think that you have read the agreement clearly. It certainly is true.

Mr. McDermid: They have to abide by GATT. Read the agreement.

Ms. Dewar: Not only have I read it, but we also have two legal opinions with respect to it.

The Acting Speaker (Mr. Paproski): Order, please. The time allotted for questions and comments is now terminated. The Chair recognizes the Hon. Member for Windsor West (Mr. Gray) on debate.

Hon. Herb Gray (Windsor West): Mr. Speaker, we are debating second reading of Bill C-130. Its purpose is to approve the Government's comprehensive trade agreement with the United States.

Should this House and should the Canadian people approve this agreement? Let us take a look at the deal that was made. Let us ask ourselves a basic and simple question. Is it a good deal for Canada? There are two ways to find an answer to this question, two ways to assess it. One is to look at the objective the Government set for itself when it began the negotiations and see whether or not it was achieved in the deal that was concluded. The other is to identify the benefits and the costs of the deal and to see to what extent the benefits, if any, will outweigh these costs.

What was the Government's primary objective in seeking a comprehensive trade deal with the United States? It was to ensure secure access to the American market. This secure access, the Government said, would be achieved by complete exemption for Canada from United States trade remedy laws. This would mean that Canadian exports would no longer be hit by American anti-dumping or countervail duties.

The Prime Minister (Mr. Mulroney) stated this primary objective of his Government very clearly and categorically in

an interview with *The Wall Street Journal* in April, 1987, when he said: "Trade remedy laws cannot apply to Canada period . . . "

Was this objective achieved in the deal covered by Bill C-130? Clearly not. Even with the Government's trade deal Canada's exports will continue to be subject to all current American anti-dumping and countervail laws. In fact, the deal also states that Canadian exports will be subject to any new American trade laws adopted before January 1, 1989. Even though President Reagan vetoed the omnibus congressional trade Bill, if another version is passed that he accepts or if his veto is overridden, then it will apply to Canadian exports to the United States in spite of the Government's trade deal.

Therefore everything remains the same. We are not exempted from U.S. trade remedy laws. They do apply to Canada, in spite of the Prime Minister's words, which are shown to be empty and meaningless, as has happened all too often in the past. However, there is one difference, one change brought about by his deal. There will be a new dispute settlement mechanism. What does this mechanism do? How does it work? What will it accomplish? It comes into effect only at the very end of the presently existing and very lengthy process provided for by the American trade remedy laws now on the books.

The process that has sometimes troubled Canadian exporters remains the same, except in effect it has been lengthened and will have added to it this dispute settlement mechanism which involves the setting up of a panel. However, this panel can decide only if the American law has been correctly applied in terms of its own language. The panel will not have the power to decide whether the American law itself conflicts with the international trade rules created by the GATT, the General Agreement on Tariffs and Trade, and therefore could be rejected as being contrary to those GATT rules. This will not be able to be done by the provisions of the Prime Minister's trade deal.

A key issue when it comes to secure access to the American market is the definition of a subsidy. What government payments, what government programs should be considered as a subsidy of the kind that should be subject to countervailing duties to American trade penalties? Under the Prime Minister's trade deal this question, this key issue is left completely open. It is to be negotiated between Canada and the United States for a period of five years and even up to seven years. We are left in total uncertainty as to what the situation will be at the end of this seven-year period.

How will subsidy be defined as a result of these negotiations? What leverage will Canada have at the end of seven years from now to reject American demands that its definitions be accepted, even if these demands mean that Canada's social programs, medical care, pensions, industrial and regional development programs will be considered to be unacceptable subsidies? How can business in Canada make plans for investment and production with this uncertainty hanging over it?

Clearly, the Government did not achieve its primary objective of secure access to the American market in the deal it negotiated with the United States. Let us take a look at the deal in terms of its benefits and its costs.

One benefit supposedly coming from this deal is the elimination of all tariffs, all customs duties on goods moving between our two countries over a period of 10 years. However, 80 per cent to 85 per cent of all goods moving between the United States and Canada already do so duty free. This has been accomplished through the periodic rounds of international trade negotiations under the GATT since the Second World War. The average level of the remaining tariffs has been reduced from some 40 per cent to some 10 per cent.

Surely, even further substantial reductions in tariffs and customs duties would have been achieved through the new round of international tariff negotiations presently under way without the necessity of the massive concessions, the massive costs to Canadian sovereignty, and the massive risks to the economic well-being of this country that have been created by this deal. The Government's claim that the trade deal would bring tremendous benefits to Canadians as consumers through the elimination of customs duties on goods brought into Canada from the United States on examination is just another Conservative Government sham.

If the deal is implemented Canadians will not be able to rush over to the United States on January 1, 1989, and bring back anything they want free of duty. They cannot do this in spite of the suggestions raised by the Government that this will be possible. Instead, what they will buy will still be subject to federal and provincial sales taxes. Customs duties will still be payable if the goods are not manufactured largely in the United States. I am not sure that people realize that many of the consumer goods, the clothing, the appliances that they would like to buy when they see them on sale in the United States are in fact not manufactured in that country. Again, I say that this trade deal is a gigantic sham when it comes to consumer benefits.

What about jobs? The Government originally claimed there would be substantial economic benefits, that large numbers of jobs would result from its trade deal with the United States. Its own Economic Council is showing how wrong these claims are. Before the deal was concluded, the Council predicted 350,000 net new jobs would be created if a deal were entered into. After it looked at the deal that was actually negotiated, the Council revised its estimates sharply downward. It said the elimination of tariffs would create only 76,000 net new jobs over 10 years. Then it said that, if one could assume a three-fold increase in productivity—and it did not say exactly how and why Canada would achieve this—the number of jobs created by the deal would be 250,000. This is quite a reduction from the 350,000 originally estimated, and it amounts to only 25,000 net new jobs a year over 10 years.

• (1640)

This is within the normal margin of error for economic forecasting. Therefore, this degree of net new job creation is very small and could easily happen as a result of the operation of normal domestic fiscal and monetary policy without having the trade deal of the Government and the Prime Minister (Mr. Mulroney) in place.

If the benefits of the deal are so slight, can it be said that at least the cost of it for Canadians is not high? Unfortunately, this is not the case. The price for Canadians far outweighs any benefits. In brief, that price is a severe limitation on the right of Canadians to make decisions about and policies for the direction of their country through their governments, both federal and provincial.

The policy areas covered by this deal include energy, investment, regional development, industrial policy, agriculture, financial services, and cultural industries.

Let us look at what this deal means, if it goes through, when it comes to energy. If the deal is constitutionally valid, a province would no longer be able to offer a preferential price for its energy to encourage industrial development in that province. The federal Government will no longer be able to ensure that, in times of world energy shortage or crisis, Canada is supplied first, that Canada's needs are taken care of first with its own energy. Instead, under the Government's trade deal, the United States will be entitled to the same proportional share it received from Canada before there was such an energy crisis.

When it comes to investment the deal further reduces, and in some ways wipes out forever, the ability of the federal Government to screen or review American takeovers and to set performance requirements as a condition of their acceptance.

The Government claims over and over that cultural industries are exempt from the deal. It says that is what is stated in clause 2005. However, the very next subclause of 2005 makes clear that if the United States does not like any new Canadian cultural policies or programs it can retaliate against those programs or against some other sector in Canada. Some exemption! It is a meaningless exemption, no matter what the words of the deal say.

The Government makes the same claim of exemption from the deal for our social programs: medicare, pensions, and unemployment insurance. How can we be sure of this when the deal leaves open for seven years of negotiation the definition of subsidy. The United States may yet force on Canada a definition of subsidy that includes and puts at risk these crucial and important social programs for Canadians.

The Government promised Canadians that the Auto Pact would not be touched by any trade deal with the United States. It said over and over during the negotiations that the Auto Pact was not on the table. Now that the deal is public, Canadians should ask whether the Government told them the truth. Canadians can judge for themselves. Even though the Minister for International Trade (Mr. Crosbie) has not read the deal, Canadians can do so. They will see that there is a whole chapter in the text of the agreement on the Auto Pact and the auto sector. The Auto Pact has worked well for Canada and the United States. It has brought about a tremendous expansion of production of cars and parts both in Canada and in the United States, and a tremendous increase of jobs in our country, and in our neighbour's country as well.

There are some 150,000 direct jobs in the Canadian auto industry, and many more indirect jobs in related sectors. Contrary to what the Government claimed, the Auto Pact is not a free trade agreement. It is an agreement that manages our trade in cars and parts with the United States and provided safeguards to ensure production of cars and parts and, therefore, jobs in Canada. It says if a North American automobile company did not provide at least 60 per cent Canadian content on cars and parts sold here, full duties would have to be paid on all imports that those companies bring in from the United States.

This deal will eliminate the duties the Government used in the past to enforce compliance with the content safeguards. In fact, it changes those safeguards from a Canadian content rule to only a 50 per cent North American content rule. This means that the North American auto companies still under the Auto Pact would not have to manufacture one car or one auto part in Canada in order to sell their products duty free in this country. This deal rips the guts out of the Auto Pact. It puts at grave risk tens of thousands of jobs that directly and indirectly depend upon the Canadian auto industry. It is a real sell-out of Canada's interest when it comes to the auto industry, a foundation of our economy.

When the Conservative trade deal is fully examined it is clear that its costs, its price for Canadians, far exceed any possible benefit for our country. As a deal it is simply not a good deal for Canada. What we have here is a massive giveaway of Canada's sovereignty and independence. No wonder we call Bill C-130 nothing more than "the sale of Canada Act".

The Prime Minister recognized what this type of deal with the United States would mean when he said, while campaigning for the leadership of his Party in 1983, that the kind of arrangement with the United States contemplated by this deal was an intrusion into our sovereignty, and he would have none of it now or at any other time. Canadians will ask why did he go back on his word in this important matter with so little for Canadians in return.

In effect, this deal brings about a massive change in our Constitution, not by the process provided for in that Constitution, but by an agreement with another country. It is an intrusion into the jurisdiction of the provinces. Most serious of all, it takes away from present and future generations of Canadians many of the rights that they now have to decide through their Governments what kind of country they want.

There is a better alternative to this deal, the Liberal alternative set out in documents we have published. I do not have time to go into that alternative in detail, but I do wish to say that it is to expand trade, lower trade barriers with the United States and with the world through negotiations, not only with the United States, but at the same time with many countries in the world using the GATT system. Under the GATT system it is not only Canada and one other country, the United States, 10 times Canada's size, in which much of Canada's economy is controlled. In the GATT we are joined by many other countries to balance the size, the impact, and economic clout of the United States.

Surely we should seek out the markets of the world as well as the markets of the United States and not lock ourselves, as this deal would do, into a new form of continental protectionism. We should have enough confidence in ourselves to reject this continental protectionism and reach out to the world. Surely this approach is better than what the Government's deal is all about. It is not about trade or tariffs, it is not just a trade deal, it is really about our sovereignty and independence. It is about our future. It is about the economic integration of Canada with the United States. If that happens we also face the eventual cultural, social, and political integration of our country with the United States.

Expressing concern about this does not mean any lack of friendship or regard for the United States. On the contrary, it simply means that we believe there is something that we have built here as Canadians that is worth preserving, and much for us yet to do in this country. Basically this agreement binds future generations of Canadians and their Governments to the current Conservative Government's narrow ideological view of Canada. Surely this is contrary to the fundamental principles of democracy. It should be open to future generations to decide what approach to take to energy, regional development, investment, or social policy. They should be able to say what the balance should be between the operation of market forces and the role of governments in the unfolding of their lives, and not have their rights to do this fixed and limited forever by this Conservative trade deal.

• (1650)

Let future generations of Canadians decide on the values that they consider important, for example, whether they want the American approach to medical care in which a Doctor checks your wallet before he checks your pulse.

I say by way of conclusion that because this agreement is such a sell-out of—

An Hon. Member: He didn't find your pulse.

Mr. Gray (Windsor West):—our sovereignty and independence, of our economic well-being, even this government should have the courage and the faith in Canada not to proceed with it at all. Certainly it should not do so unless it first has a full and clear majority mandate through an election, something I am convinced that when an election comes—and I hope it is soon—it will not get.

This deal, and therefore Bill C-130, is contrary to the best interests of Canada and its people.

I call on the House to defeat this Bill and to defeat this Conservative Government's trade deal in the interests of the future of this country and its people.

The Acting Speaker (Mr. Paproski): Questions or comments. The Hon. Parliamentary Secretary to the Minister for International Trade.

Mr. McDermid: Thank you, Mr. Speaker. I listened to my hon. friend's speech. I did not hear him thank the Parliamentary Secretary for allowing him to get in an earlier slot to speak tonight so that he would not have to stay this evening. I understand that he wanted to get all his speech in.

I welcomed his remarks because it shows that he has not read the agreement. or if he has read the agreement, he does not understand it. The nonsense that he is passing around that the Government does not retain any rights any more to control its destiny, or Canada's destiny, is just totally, totally wrong. The free trade agreement does not do that to Canada, as he would suggest. We have a wide range of powers. General taxation policy, fiscal, monetary policy, regional development incentives, all these policies remain intact. They like to say that they are not going to remain intact. Nonsense. They are going to remain intact.

The Hon. Member knows that. He is a very intelligent man. He has been here a long time. He knows that 80 per cent of our trade with the United States today is duty-free. We are talking about the last 20 per cent. He knows full well that services covered under this agreement are under negotiation at the GATT as well. He talked about relying on GATT. He said we should rely on GATT. Well, we are negotiating at GATT. We are playing a very meaningful role, especially the leadership being provided by this Government.

The agricultural community problems that we are experiencing are global problems. It is Canada that is leading the charge at the General Agreement on Tariffs and Trade. I had lunch with Willy De Clercq, the Chief Administrator at the GATT. Do you know what he said? He said that this is a marvellous agreement. Do you know what the GATT partners were doing? They were watching this negotiation very, very carefully. They said that if the two largest trading partners in the world could not reach an agreement, then how in heaven's name did they ever think they would reach an agreement at GATT? That is exactly what they said. The partners were very pleased to see what happened in the free trade agreement. They are using that. It was a hopeful sign that negotiations would carry on in GATT in a very positive way.

My hon. friend from Windsor West is nodding his head. I talked to the people from GATT. I know he hasn't. I know

what they are saying. They are very pleased with this agreement.

The other point that the Liberals and the New Democratic Party failed to mention is that the free trade agreement was negotiated under the GATT rules, and that GATT rules still pertain to trade. I listened to the Hon. Member for Hamilton Mountain (Ms. Dewar). She said, these rules are just for us now, that we won't have any GATT rules any more.

The Acting Speaker (Mr. Paproski): The Hon. Member is commenting on somebody else's speech. I wish he would direct his comment and his question to the Hon. Member for Windsor West.

Mr. McDermid: Thank you, Mr. Speaker. I was getting heckled over here. I was answering that. I apologize, and I apologize to the House. In any event, I want to ask the Hon. Member for Windsor West (Mr. Gray), first of all why he disagrees with negotiating a free trade agreement with the United States, why he would put all his eggs in the GATT basket, why he would bring in a policy, which the Liberals have done, which is 10 years old. It is just going back to the same old stuff.

When the Liberals started their diversification of trade for Canada, we were at $17 billion in trade with the United States, and when they finished governing this country, thank God, in 1984, we were doing $80 billion of trade from Canada with the United States, after their diversification program.

What makes him think that this 10-year-old policy that the Liberals are resurrecting, or trying to resurrect, is going to do the job?

Mr. Gray (Windsor West): Mr. Speaker, in reply I am tempted to say that if trade went from $17 billion to $80 billion under this 10-year-old policy, I rest my case. I would like to take a few more minutes to deal with my hon. friend's comments. If we are doing so well, I repeat, under the existing policy, why do we need this deal?

Mr. McDermid: To do better. We want to get better.

Mr. Gray (Windsor West): How can we do better than a move in 10 years from $17 billion to $80 billion? When, as my hon. friend says—

An Hon. Member: You were in office. The U.S.-Canadian trade—

Mr. Gray (Windsor West): There are tariffs to be removed. Those tariffs came off in the past under the GATT negotiations, without the tremendous price we are paying. We are giving up our right to make our own energy policy, our own investment policy. We gave up our right in many other areas. My hon. friend says that the Government has many powers. I didn't say all the powers are gone.

Mr. McDermid: You sure made it sound like it.

Mr. Gray (Windsor West): But look at Article 2011, the nullification and impairment clause, which says to the Americans, "If there is anything you don't like about Canadian policy that isn't mentioned in this agreement, you can hit us about it. Set up a panel and if—"

Mr. McDermid: And vice versa.

Mr. Gray (Windsor West): "If the Canadians don't agree, you can hit back at us".

Mr. McDermid: And vice versa.

Mr. Gray (Windsor West): My hon. friend wants to know what is wrong with having a comprehensive trade agreement with the United States. We are dealing with a fundamental imbalance, with a country 10 times the size of ours, where much of our economy is controlled.

Mr. McDermid: Here we go. Inferiority complex.

Mr. Gray (Windsor West): The dynamics are wrong. This is proved by the weakness of the agreement. No, it is not a matter of weakness. If my hon. friend does not have enough brains to know that if you are a light-heavyweight you don't get into the ring alone with a heavyweight, but you can join together with others.

Mr. McDermid: Inferiority complex.

Mr. Gray (Windsor West): He says, lock ourselves into a system of continental protectionism.

Mr. McDermid: Nonsense.

An Hon. Member: He should be over on the NDP side.

Mr. Gray (Windsor West): The issue is not tariffs. This is not simply a deal to remove tariffs. If that was the case, we would be having a very different discussion.

This agreement is the broadest agreement of its kind between our two countries. It touches much more than the removal of tariffs. If this was only for the removal of tariffs, you would have the tariff schedules attached to a one line agreement and a one line bill. This deal calls for the integration of our economy with the United States in matters of energy, investment, financial services.

Mr. McDermid: No.

Mr. Gray (Windsor West): This is what the Americans say. That is why they signed it. That is what this deal says. If my hon. friend does not understand this, then they are the ones who ought to spend more time reading the deal. No wonder the Minister for External Trade does not want to read the deal. If he read it, even with his interest in becoming closer to the United States, he would shrink back from it in horror. The facts are clear. This deal is not simply about tariffs, it is about the integration of our country with the United States. It is the limitation of our sovereignty and our independence. It is about

the limitation of the ability of Canadian Governments on behalf of the Canadian people to make the kinds of decisions that they have made in the past.

Mr. McDermid: That is silly.

Mr. Epp (Provencher): You know that is not true.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated.

• (1700)

[*Translation*]

It being 5 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS--BILLS

[*English*]

HERITAGE RAILWAY STATION PROTECTION ACT

MEASURE TO ENACT

The House resumed from Tuesday, May 24, consideration of the motion of Mr. Taylor that Bill C-205, an Act to protect heritage railway stations, be read the second time and referred to a legislative committee.

The Acting Speaker (Mr. Paproski): When Bill C-205 was last before the House, the Hon. Member for Sarnia—Lambton (Mr. James) had the floor. As he is not in the House, we will continue debate with the Hon. Member for Capilano (Mrs. Collins).

Mrs. Mary Collins (Capilano): Mr. Speaker, it is with a great deal of pleasure that I will take a few minutes to address Bill C-205, an Act to protect heritage railway stations. The object of this Bill is self-evident and laudable, the preservation of Canada's heritage railway stations. I would like to compliment the Hon. Member for Bow River (Mr. Taylor) for his unceasing efforts to preserve Canada's heritage and, in particular, his initiatives aimed at saving Canada's heritage railway stations. These stations are close to the heart of most Canadians and I am sure that all Members of the House, no matter what their political stripe, support the intent of Bill C-205.

The Hon. Member for Bow River has certainly done more than his share to awaken Canadians to the value of threatened heritage railway stations. Regardless of the ultimate fate of Bill C-205—I certainly hope it passes—by raising consciousness on this issue the Member has made it easier for concerned citizens to organize and take effective steps necessary to save their heritage railway stations. He has helped people to care about these stations and as more and more of them are saved because of his initiative, the thanks we owe him can only grow larger in the future.

To return to the Bill, its purpose is to provide effective mechanisms that would allow concerned citizens to make timely objections to the alteration of railway stations of historical or cultural value. That is a very worthy intent of the Bill and I wholeheartedly accept the principle of it. Bill C-205 is similar to Bill C-211, a Private Member's Bill which in 1985 was introduced by the Hon. Member for Bow River. Heritage railway stations are close to the hearts of many Canadians, including Members of Parliament who have often spoken movingly of the need for their preservation. When such stations are destroyed it is a loss for all Canadians, too many of whom have seen their local railway stations disappear. It would be difficult to underestimate the importance of the contribution that railways have made to the Canadian heritage. In all of Canadian history, in all the ways that Canadians have left a mark on the continent, nothing rivals the importance of the construction of our railways.

In Canada, the railways fulfilled a unique role not only because they brought our country into existence but also because they helped shape our fundamental character. Because of Canada's vast size, geography, dependence upon trade and twin needs for settlement and political identity, efficient modes of transportation have been of vital importance to us. Railways have been the very backbone of our nation. Pierre Berton, although we do not always agree with him, was certainly correct from both a psychological as well as a realistic point of view when he called Canada's railways our "national dream".

Our railways' heritage is the legacy of our national dream, and in large measure it is inextricably bound up with our railway stations themselves. These stations were points of departure and arrival for thousands of families as they travelled on odysseys of settlement across our enormous country. They saw the farewells of tens of thousands of Canadian troops who went off to fight in two world wars, and they were the welcoming sight that greeted the boys when they returned to their home towns.

These stations range from humble structures in tiny hamlets to grand edifices like Montreal's, Windsor's or Toronto's union stations. They have been the scenes of millions of journeys undertaken by Canadians of all walks of life and they loom large in the memories of millions of Canadians. The distress of Canadians when these stations are lost or destroyed is completely understandable and Canadians are familiar with the fights that have gone on when sometimes there has been an effort to destroy a railway station. The undying efforts of the Hon. Member for Bow River to preserve our heritage railway stations are to be heartily applauded. Canada has already lost far too many of these stations.

However, there are encouraging signs that at last we are beginning to do better. The Historic Sites and Monuments Board of Canada knows how important it is to recognize the heritage value of our railway stations. Twenty-four stations have already been declared on the advice of the board to be of national historical or architectural significance. These are the stations that would be afforded protection under Bill C-205.

The Board first recommended for commemoration stations which express the development of our various railway lines. This is in keeping with the board's mandate to preserve heritage locations of truly national significance.

For example, the stations at Levis, Quebec and Pictou, Nova Scotia represent the Intercontinental Railway Line. The Canadian Pacific Railway is represented by stations in McAdam, New Brunswick and Kensington, Prince Edward Island and at Rothesay, New Brunswick. Miami, Manitoba, commemorates the heritage of the Canadian Northern Line. The fact that these stations and others, such as Union Station in Toronto, have been recognized to be of national significance by no means precludes other stations from consideration in the future. The Historic Sites and Monuments Board receives submissions more or less continually and judges each proposed railway station on its merits in terms of national historic and/or architectural significance. Our early railway stations are an irreplaceable part of our heritage. Bill C-205 makes this point very clearly and I think that all Members of this House would agree with that sentiment.

The best way to save our heritage railway stations is to encourage co-operation among those parties having a stake in their future. We all have a role to play. This Government is working hard to see to it that Canada's heritage railway stations will be preserved in an appropriate and effective manner. At present the mandate for looking after them is divided and uncertain. The Bill before the House does us a service in reminding us of this fact. The Ministries of Transport and Environment, our railways, CN, CP and VIA, and non-governmental heritage organizations are all involved in this issue. We have certainly heard from the heritage organizations with respect to this Bill. In fact, The Heritage Canada Foundation has recently written about the importance of supporting this Bill and indicates that these buildings will not survive for future generations through good intentions alone. Legislation is the only fair and practical means to ensure that these buildings are protected and cared for.

I think it is appropriate that the House of Commons owes the Hon. Member for Bow River a debt of gratitude for introducing Bill C-205, an Act which has the commendable intent of protecting Canada's heritage railway stations. I, and I am sure other Members of the House, strongly support and recommend that Bill C-205 be referred to the appropriate committee for detailed study and then railway stations across our country so important to our lives will be commemorated. They represent a valuable part of our common history and I hope we will have the support to see this Bill come into fruition.

Mr. Les Benjamin (Regina West): Mr. Speaker, as you might have expected I rise on this occasion. I want to begin by complimenting the Hon. Member for Bow River (Mr. Taylor) on his Bill. It is something that he and many others as well as myself have been working on for a number of years. I want to quote from a letter that I got this very morning from The Heritage Canada Foundation:

> One of the most important Bills relating to heritage preservation in Canada is now before Parliament. Bill C-205, an Act to protect heritage railway stations—

• (1710)

The letter goes on to say:

> Mr. Gordon Taylor (Bow River) has performed a highly commendable service in sponsoring Bill C-205. There is no question that the protection of heritage railway structures in Canada is long overdue.

It is signed by Jacques Dalibard, Executive Director of the Heritage Canada Foundation.

I am only too happy to add my personal support and the support of my caucus to the Bill of the Hon. Member for Bow River. Over these many years of his experience, and my own, we have fought long and hard to preserve these buildings not just as museums but for practical usage. We want to use the buildings as well as recognize their heritage, history and architecture, as the Hon. Member who just spoke mentioned.

Over the last 10 to 15 years, many dozens of railway stations and other historical objects of some significance have been demolished. We recall the instance of the CPR and the famous railway station near downtown Toronto which was demolished. The Railway Transport Committee of the CTC, six or seven years ago, after it received complaints and found out that the railway had simply moved in bulldozers and levelled the station, ordered the CPR to rebuild and restore it to its original state. I must confess that I have not looked into the situation in the last three or four years, so I do not know if the CPR has done that or not. The letter from The Heritage Canada Foundation mentioned these tragedies, and that was a tragedy. I am not sure if it has been corrected or not.

I think my hon. friend's Bill is timely, in fact overdue, and deserves passage in this House by six o'clock today. I want to say on behalf of my Party that we would agree to that, rather than send this to committee, have it go to Committee of the Whole and be given third reading between now and six o'clock.

I want to bring a particular matter to the attention of the House. My colleague from Bow River, who also sits on the Transport Committee, and other colleagues have had to suffer through this from me on more than one occasion. I want to cite a specific example of a building that the local heritage people in Regina have declared a heritage building, the Union Station in downtown Regina.

Since 1970, and that is quite awhile, I have been trying to get all the parties involved, all the actors in the piece, to agree to establish it as a heritage railway station that would not just sit there as a museum needing upkeep but as one that would have practical usage for many more years to come. That station was one of the early examples of the two competing railways having a Union Station and there is a lot of history there. All during the First World War, the 1920s, the 1930s and the Second World War, right up until the time of VIA

Rail, it was maintained and operated. It had a nice restaurant and one or two shops, and it was kept clean. People by the thousands used it every day.

I and many others in my city and in other places have tried to get that station established as a heritage railway station that would also be a multimodal transportation centre. Greyhound Bus Lines, the Saskatchewan provincial bus company, initially the CPR and subsequently VIA Rail, the City of Regina, the Department of Transport, the Canadian Transport Commission, the Province of Saskatchewan and the Government of Canada were involved. The Chamber of Commerce, the Regina Labour Council, the senior citizens' association and the downtown businessmen's association all agreed that this is something we must do. On two or three occasions, the city council unanimously passed a resolution in favour of doing it. It made alterations to the design of the big shopping complex in downtown Regina, the Cornwall Centre, in order to accommodate this multimodal transportation centre with pedestrian crossings, underpasses, the location of Saskatchewan Drive, whatever was required.

It took until February of 1982 before anything happened. Before I say anything more, I want to tell my colleagues opposite, the Hon. Member for Bow River and my friend, the Minister of National Health and Welfare (Mr. Epp), that I and others from all political persuasions have deliberately and actively kept this issue totally non-political and non-partisan, and it still took until 1982.

I am just as annoyed at the former NDP Government of Saskatchewan as I am at the present Conservative Government of Saskatchewan. In February of 1982, an agreement was finally signed. We got all the actors in the piece together. They signed an agreement to make that building a multimodal transportation centre as well as a heritage building. To be quite honest, blunt and frank, I think the NDP Government goofed all during the 1970s about getting that done. I fault that Government just as much as any other.

Then we lost the election of April, 1982. In June of 1982, the present provincial Government cancelled the bloody agreement. It was incredible. There was unanimity from all Parties, all business, labour, senior citizens and transportation organizations. This is the kind of tragedy to which The Heritage Canada Foundation refers in its most complimentary letter to the Hon. Member for Bow River.

May I put in a plea, Mr. Speaker? I will beg, grovel, snivel, whatever is required. Would the Hon. Member for Bow River and my good friend, the Minister of National Health and Welfare, and other Members, particularly those from the Prairies, make representations to the Premier of Saskatchewan? I met with the premier. I met with the former Minister of Highways and Transportation of Saskatchewan. I tried everything I could, and I did not throw out any NDP dogma or ideology. I was careful not to do that.

For some crazy reason, maybe because I promoted it too much, maybe they got a mental block, that if it was the NDP promoting something good, it was no good. I do not know. I want to make that plea. I hope the House will pass this Bill quickly in all stages by six o'clock.

• (1720)

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, like my Hon. colleague, I received a letter from Heritage Canada, urging me to take part in this debate, and that is one reason why I welcome this opportunity, because I have been very well served by this agency in the past. I also think the Hon. Member for Bow River (Mr. Taylor) made an excellent suggestion, and that is why I decided to speak out in public about my interest in protecting heritage railway stations.

This Bill therefore deserves our attention, and I think the Hon. Member is to be commended, but on the other hand, the proposed legislation should be examined very carefully.

Mr. Speaker, I think all Members will agree that in addition to being a reflection of our past, our old railway stations are often representative of an architectural style that is typical of North America. They bear testimony to the expansion of our country and are a heritage that cannot be replaced. The federal Government has hardly any mechanisms for protecting historic buildings other than those that come directly under its jurisdiction, such as federal buildings.

There are hundreds of railway stations in Canada that can be preserved. In fact, there are several in my riding, and this year, the card I send to all my constituents shows a magnificent example, the station in Huntingdon. There are other stations as well, including the stations in Beauharnois, Valleyfield and Bellerive, that ought to be preserved. There are stations that the wrecker's ball has already destroyed such as Ville de Léry and Ormstown.

Mr. Speaker, the historical role of these stations should not be forgotten, and in fact, they are very much a part of the memories of many Canadians. At a time when railway tracks are disappearing, they are the last vestige of the conquest and settlement of this country. They represent important milestones in the buildings of our railways.

Mr. Speaker, they were the focal point for the departure and arrival of thousands of families on their travels across this vast country they had come to settle. These stations have always brought back memories for those who go back to the places they came from. I imagine many of us in this House have felt the same way. They are part of our national dream.

Many Canadians feel that without historic buildings, a nation loses its sense of history. This heritage must be transmitted from one generation to the next, so that the way of life of a previous generation, how it communicated and how it travelled, and in this case we are talking about the railways, can be understood, and in fact that generation now has a chance to preserve these buildings.

However, when we hear that despite the joint efforts of municipalities and members of the community, some stations were destroyed, that is a sure sign something must be done to protect them. Earlier, the Hon. Member mentioned a number of cases in his own province, hence the need for measures of the kind proposed by the Hon. Member for Bow River.

In 1976, the Historic Sites and Monuments Board recommended declaring some twenty stations as being of national historic significance. The Minister at the time accepted the Board's recommendation, and in some cases commemorative plaques were put in place. In Quebec, for instance, commemorative plaques were installed at the stations in Lévis, Saint-Jean-d'Iberville, Acton Vale, Berthier and at Windsor Station in Montreal. However, this measure was far from adequate, considering the desired goal. In fact, when the Historic Sites and Monuments Board submits recommendations for having certain buildings declared of historical value, this does not put any obligations or constraints on private or public owners. I could mention some examples. In my own riding, in the Municipality of Havelock where a commemorative plaque was installed, a decision was made to preserve the monument that had been so honoured.

The growing awareness of our heritage in recent years shows the good will of all concerned. There are several examples, Mr. Speaker, including Acton Vale. I will make an aside here, because during our caucus meeting to be held in Saint-Hyacinthe this summer, the whole Quebec caucus will take the train from Saint-Hyacinthe to Acton Vale, the very train promised by the Prime Minister in his election campaign, and we will go to this historic station on August 19. So it was possible to preserve this abandoned station in Acton Vale and for it to become a source of pride for the whole community.

If ordinary citizens like the people of Acton Vale can get together to preserve their national heritage, is there any reason why Parliament cannot find an appropriate way to encourage the public in its efforts and to speed up the conservation process considerably? We firmly believe, Mr. Speaker, that a law protecting heritage railway stations is feasible, although complex, and that Bill C-205 is going in the right direction.

The Hon. Member for Bow River (Mr. Taylor) was right to present this Bill. Its purpose is to prevent any change that would decrease the value of these stations. It provides that the status of a station may only be changed with the express permission of the Governor in Council, the opinion of the Historic Sites and Monuments Board of Canada and the joint recommendation of the Departments of Environment and Transport.

This Bill seems to fill the gap. It would require the railways to ask for specific authorization before demolishing or altering a station. The Governor in Council would have to issue an appropriate decree in each case on the recommendation of both the Minister of the Environment and the Minister of Transport and after public hearings by the Historic Sites and Monuments Board of Canada.

Mr. Speaker, I think that the best way to protect heritage railway stations is to encourage cooperation between the railways and people interested in saving these stations. I know that the federal Government is now looking at other options that could be considered for protecting our heritage railway stations.

Mr. Speaker, I would again like to thank the Hon. Member for Bow River for this initiative to protect heritage railway stations in Canada. We are pleased with this initiative and we congratulate the Hon. Member.

We hope that this Bill will be submitted to the appropriate committee so that it can receive all the attention it deserves and be thoroughly considered.

[*English*]

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I want to join with my colleagues and commend the Hon. Member for Bow River (Mr. Taylor) on this initiative. For a country that was built to a large extent on its railways, this Bill is particularly important in that it provides us with an opportunity to do what we can to ensure that these critical facilities in the form of heritage railway stations remain in place. So many have been obliterated from the historical and cultural landscape of Canada over the past number of years, I think it is appropriate that we take this step today.

Since we have all made statements in support of this legislation today, there is no question that the House is in favour. Therefore, it makes nothing but good sense that we show leadership, and I wonder if you would care to seek unanimous consent to not only pass it at second reading today but to go into Committee of the Whole and deal with it in its entirety. On behalf of my colleagues in the NDP I offer that co-operation to this first-class initiative. In this way we can demonstrate clear leadership in supporting not only the principle of the Bill but its substance in an effort to preserve heritage railway stations across Canada.

The Acting Speaker (Mr. Paproski): Is there such agreement?

Mr. McDermid: Mr. Speaker, on a point of order. It was my understanding that at approximately 5.30 this debate would be interrupted for a visit to the other place to conduct some business. I believe that there was agreement among the Parties that we would recess after that until six o'clock. If that is not the understanding of my colleague, the House Leader of the New Democratic Party, I would like to hear what he has to say.

• (1730)

Mr. Riis: Mr. Speaker, that was in fact the understanding that we had as we progressed through Private Members' Hour. However, while listening to the very thoughtful debate from all sides of the House it occurred to me that, although we will be interrupted eventually for a few moments as we make the trek over to the other place, we could return relatively quickly. This

is not the kind of Bill which will require an awful lot of debate in clause-by-clause consideration. As a matter of fact, it may not result in any further debate.

I would like to suggest that, if time permits before six o'clock, we return to the House of Commons from the other place and move expeditiously through clause-by-clause examination of this Bill and wrap up third reading of it. We can actually show some strong leadership on this heritage issue.

Mr. McDermid: Mr. Speaker, we consider this to be a very important Bill. It is an excellent Bill introduced by my colleague, the Member for Bow River (Mr. Taylor) and we want a legislative committee to study it.

Mr. Benjamin: What for? There is unanimous agreement on it.

Mr. McDermid: The Hon. Member for Regina West (Mr. Benjamin) wants to ram things through when it is in his interest.

Mr. Benjamin: We're being helpful.

Mr. McDermid: No, you're not being helpful at all. We want this referred to a legislative committee.

The Acting Speaker (Mr. Paproski): There is, therefore, no agreement.

* * *

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Paproski): I have the honour to inform the House that a message has been received from the Senate informing the House that the Senate has passed Bill C-138, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending the 31st of March, 1989.

Also a message has been received from the Senate informing this House that the Senate has passed, without amendment, the following Bills: C-51, an Act to prohibit the advertising and promotion and respecting the labelling and monitoring of tobacco products; Bill C-135, an Act to amend the Customs Tariff (code 9956); and Bill C-204, an Act to regulate smoking in the federal workplace and on common carriers and to amend the Hazardous Products Act in relation to cigarette advertising.

THE ROYAL ASSENT

[*English*]

The Acting Speaker (Mr. Paproski): I have the honour to inform the House that a communication has been received as follows:

Rideau Hall

June 28, 1988

Sir,

I have the honour to inform you that the Honourable Gerald Eric Le Dain, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 28th day of June, 1988, at 5.25 p.m., for the purpose of giving the Royal Assent to certain Bills.

Yours sincerely,
Anthony P. Smyth
Deputy Secretary, Policy and Program

Mr. McDermid: Might I suggest, Sir, that the House recess until the Gentleman Usher of the Black Rod arrives here at the House. We will then take care of our business in the other place and come back, probably by six o'clock, to return to the Orders of the Day.

PRIVATE MEMBERS' BUSINESS—BILLS

[*English*]

HERITAGE RAILWAY STATION ACT

MEASURE TO ENACT

The Acting Speaker (Mr. Paproski): Before we proceed, may I put the question on Private Members' Business?

Mr. Benjamin: Mr. Speaker, I rise on a point of order. If my hon. friend had not risen to his feet we could have dealt with this Bill in all stages by now. All he is doing is procrastinating. The Government requests our co-operation and when we give our co-operation, it does not want it. This Bill could have been given third reading by now.

Mr. Taylor: Mr. Speaker, this Bill has already gone through second reading and has been sent to a committee, from which it has not returned. In my view it was sent to the wrong committee, the Committee on Fisheries and Oceans. It has already had tremendous examination. I would certainly like to see it pass. I am receiving letters from all across the country asking that it be passed. I am very much in favour of it going ahead today if at all possible.

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Mr. Taylor moved that Bill C-205, an Act to protect Heritage Railway Stations, be read the second time and referred to a legislative committee.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and referred to a legislative committee.

Mr. Benjamin: Mr. Speaker, I rise on a further point of order. Would it be in order for me to ask again for unanimous consent for the Bill to go to Committee of the Whole now rather than the legislative committee? If so, I request that unanimous consent.

Mr. McDermid: No. Mr. Speaker, I rise on the same point of order. We have been asked that the Bill be directed to a legislative committee for proper examination. We have passed that motion in the House and I would like that to stand. I am not prepared to give unanimous consent.

THE ROYAL ASSENT

[*English*]

A motion was delivered by the Gentleman Usher of the Black Rod as follows:

> Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate Chamber.

• (1740)

And being returned:

The Acting Speaker (Mr. Paproski): I have the honour to inform the House that when the House went up to the Senate Chamber the Deputy Governor General was pleased to give, in Her Majesty's name, the Royal Assent to the following Bills:

> Bill C-74, an Act respecting the protection of the environment and of human life and health—Chapter 22.
>
> Bill C-115, an Act to amend the Indian Act (designated lands)—Chapter 23.
>
> Bill C-51, an Act to prohibit the advertising and promotion and respecting the labelling and monitoring of tobacco products—Chapter 20.
>
> Bill C-204, an Act to regulate smoking in the federal workplace and on common carriers and to amend the Hazardous Products Act in relation to cigarette advertising—Chapter 21.
>
> Bill C-135, an Act to amend the Customs Tariff (code 9956)—Chapter 24.
>
> Bill C-138, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending the 31st March, 1989—Chapter 25.

Mr. McDermid: Mr. Speaker, this has been a rather historic day. I think the Hon. Member for Broadview—Greenwood (Ms. McDonald) should be congratulated.

Some Hon. Members: Hear, hear!

Mr. McDermid: No matter what an individual feels about the piece of legislation, whether opposing or supporting it, she did a tremendous job in getting her Private Members' Bill through. It was a great piece of work and I want to congratulate her on behalf of the Government.

As well, there has been agreement with our colleagues that we have a brief recess until six o'clock, at which time we will resume the free trade debate on Bill C-130.

SITTING SUSPENDED

The Acting Speaker (Mr. Paproski): Is it agreed to suspend the sitting until six o'clock?

Some Hon. Members: Agreed.

At 5.51 p.m. the sitting of the House was suspended.

SITTING RESUMED

The House resumed at 6 p.m.

GOVERNMENT ORDERS

[*English*]

CANADA-UNITED STATES FREE TRADE AGREEMENT IMPLEMENTATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Crosbie that Bill C-130, an Act to implement the free trade agreement between Canada and the United States of America, be read the second time and referred to a legislative committee; and the amendments of Mr. Axworthy (p. 16661), and of Mr. Langdon (p. 16673).

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, it is with great pride and with no small degree of personal satisfaction that I take part in this historic debate on the Canada-U.S. Free Trade Agreement, an important agreement which opens a new chapter in the story of our magnificent and beloved country.

But there is one factor without which this agreement would not have been possible, one factor without which there would be no tariff reductions, no dispute settlement mechanism, no economies of scale, no new markets, no consumer savings—none of it. We have a free trade agreement today because our Prime Minister (Mr. Mulroney) and this Minister of Communications and this Government promised one thing—that Canada's right to determine its own culture would be respected in every degree.

That determination was reflected in an article in *The New York Times* of October 7, 1987, which stated: "one obstacle in the trade talks which the Americans could not break—Canada's insistence on protecting cultural industries, especially film, television and publishing".

Somewhat later Clayton Yeutter, America's chief trade representative, told the U.S. Congress in March of this year that the issue is "enormously sensitive to our Canadian friends—a cultural exemption was essential if we were to reach an agreement." What Mr. Yeutter said is true. The cultural exemption was a critical element. It was the one component by which an agreement could be reached, and without which an agreement was not possible.

To truly understand the significance of the cultural exemption and why it was beyond compromise we must first understand the nature of Canada's culture itself. There is no question that here in Canada we do and must look at our cultural products in a different light from that of our neighbours to the south.

[*Translation*]

Because our cultural reality is the choice instrument of the non-equivocal affirmation of Canada's own identity and sovereign character.

Mr. Speaker, the roots of our cultural reality go back as far and are just as deeply anchored in time as the history of our country itself.

Centuries and perhaps milleniums ago, even before the arrival of Europeans, native people had a way of life highlighted by a deep spirituality expressed through a thousand ceremonies and rites which enriched and sustained their communities. This spirituality was passed on from generation to generation right until present days.

Then came the French who settled in Acadia first before moving on to Quebec. With them they brought a new culture—the culture of the France of Kings, of cardinals, of Versailles.

Daring and adventurous, they were determined to fashion the savage nature into a new France, and our country continues to benefit from their work.

Of course they came to till the soil and trade in furs, but they did bring with them the cultural baggage of Molière, Voltaire and many others.

Eventually the English drove in the first stakes of the new imperialism which was to circle the globe. Of course they came with the Celts, and their very rich culture.

Each of these elements sank its roots ever deeper. Each people carried into the new land the expressions and rites which were its very own.

[*English*]

In time, others would arrive: north Europeans, east Europeans, Chinese and Japanese, Mediterraneans, and later so many people from so many countries around the world that Canada would be called the first multicultural society. Indeed, we have become a multicultural society. Today we celebrate the unending richness and the diversity which that has brought us, all the many cultures which have settled in and remained part of this land.

They have given us, all of them, great strength. They have made us uniquely what we are. Our culture is exciting precisely because it is constantly growing and developing as new strands are being woven into the nation's fabric.

But there has been vulnerability. Living next to the greatest cultural producer in the world has not been easy, especially when technology has made that culture instantly diffusible to the great majority of our citizens. I can tell Hon. Members of the House that it has not been easy to explain to our neighbours why we Canadians so often feel threatened by their cultural dominance, and why it has become so essential to us to take measures to ensure that our own culture is not eroded by their influence.

They cannot understand that we should feel threatened because they themselves have never felt threatened. To them culture is a commodity, it is bought and used or not used. It is switched on, or it is switched off. But what would Americans feel if they went out to their cinemas and found their films shown on only 3 per cent of their movie screens? Or how would they act if instead of television programs set in their own country, written, directed and acted by their own creative talents, all they ever saw were dramas and commodities about other cultures, other realities?

It is this cultural integrity, this cultural right that every nation has to protect and to encourage the development of its own words and images that we stressed over and over again throughout the free trade negotiations.

[*Translation*]

As I see it, the obstacles to understanding began to disappear only when the Prime Minister set our cultural concerns within the context of their ties with America's national security. That is how important our cultural reality is, so much so that we were quite prepared to withdraw from the free trade agreement had it been impossible to obtain the necessary safeguards in that respect. At long last the American negotiators realized that—else we would not be debating the issue today.

• (1810)

[*English*]

But what we have achieved in hard bargaining with the Americans we have not achieved through reason with Members opposite. As I have said in this Chamber on many occasions, I find it irresponsible of the opposition Parties to distort continually the question of the cultural exemption in the free trade agreement. That protection is there and they know it. It is comprehensive. As Article 2012 states clearly and without ambiguity, the cultural industries exempted from the agreement include publishing, including electronic publishing; film and video; audio and video music recording; broadcasting and cable. The exemption is equally unambiguous in its application. It extends to the production, distribution, sales, and exhibition activities in these industries.

Yet, what do we hear from Members opposite? Every opportunity they have they try to scare the Canadian public that Canada has lost its cultural identity. They are on very shaky ground, because even they have to admit that Canadian content rules in broadcasting have been maintained, as have simultaneous signal substitutions and Bill C-58; the structure and programs of our cultural institutions such as the CBC and

the Canada Council; the Baie Comeau Book Publishing policy; and special support programs for the sound recording industry.

Not only have all those important programs and structures been maintained, but we have gone on to create new programs and improve established ones, contrary to the beliefs, and perhaps contrary to the wishes of opposition Parties.

Since the free trade agreement was tabled in the House of Commons last December, cultural initiatives have been taken in many fields. In the past several weeks alone, the CBC has received the go ahead for a new English language broadcasting centre in Toronto. It has received a commitment of $65 million for start-up costs once the centre is built. It has received additional allocations which will contribute to an increase in this year's budget for the CBC of some $53 million. Our just announced broadcasting policy and legislation will strengthen the CBC so that it can fulfil its mandate as the primary vehicle for Canadian cultural expression. For the first time the CBC's journalistic and artistic freedoms will be enshrined in law. The legislation and $250 million in support programs over the next four years are aimed specifically at meeting the Government's goals of more and better Canadian programming.

The film distribution program that I announced recently, the legislation for which has now entered this House, commits $85 million to a fund to help establish independent Canadian film distributors, and a further $115 million to the feature film programs of both Telefilm Canada and the National Film Board.

We have increased the Public Lending Right Program for authors this year by $800,000, and Canada Council grants by $8 million, all since the free trade agreement was tabled in the House.

Let us not forget postal subsidies. This program was due to be phased out over a ten-year period, not because of free trade, I may say, but because of the ruinous spending of our predecessors in office which brought us to the brink of bankruptcy. But because my colleague, the Minister of Finance (Mr. Wilson) has wrought an economic miracle in this country and has cut the annual deficit almost in half in terms of our gross national product, I was able to persuade him not only to continue the program of postal subsidies, but to establish it on a sound footing and to commit over $1 billion to it over the next five-year period.

Some Hon. Members: Hear, hear!

Miss MacDonald: That will give Canadian publishers the certainty that they had not had in the past, and a greater opportunity to plan and strengthen their own development. Again, this has happened since the free trade agreement was concluded.

In the area of book publishing, not only does the agreement reaffirm the Baie Comeau policy, it actually strengthens it. In this day and age when the world-wide trend is toward international mergers in the publishing industry, Canada has affirmed that it will move decisively to establish Canadian control of the industry here in Canada. Under the free trade agreement, when divestiture of foreign-owned publishing concerns is required and no Canadian publisher can be found, the federal Government itself will step in and purchase at fair market price.

This is hardly abandonment of or retreat from the principles of cultural protection, as the Members opposite would have the people and the creative talents of Canada believe. On the contrary, it is one more step in the many that this Government has taken to make our cultural independence stronger and more expressive than ever.

The sound recording program, Bill C-60, amendments to the Copyright Act, the Book Publishing Development Program and Baie Comeau, a feature film fund, film distribution legislation, and now the broadcasting legislation, are milestones in our cultural development, and it is this Government that has taken them all. We will continue to take them, just as we will continue to take measures to strengthen our trading relationship, because both are in the interests of Canada.

I have said it many times, other Hon. Members have said it, distinguished Canadian academics and analysts have said it, but it bears repeating one more time: the past 50 years or so when Canada and our neighbour to the south have consistently reduced the barriers to trade between our two countries, is precisely the time during which we have so greatly furthered and strengthened the cultural sovereignty that we so cherish in this country.

Today the cultural sector generates in excess of $10 billion in our economy every year and employs more than 300,000 Canadians. But our culture goes beyond this. It is everywhere in our land, expressed with enthusiasm in a down-home square dance no less than a concert in Roy Thomson Hall, in a street performance in Montreal before a dozen people, or before millions at the Olympics.

Let us think about the Olympics for a moment. What did make it such a very special event that hundreds of thousands of Canadians and visitors will remember all of their lives? The sporting events and the medals, of course. But even more, I suspect, they will remember the participation of an entire community in sharing its values, its treasures, and its joys with the world. This is the essence of our culture— participation, sharing, be it our individual heritage or our common legacy as one country. Through it, we have come to offer the world many of today's most accomplished artists and creative aspects: writers like Robertson Davies, Mavis Gallant, Antonine Maillet, and the late Gabrielle Roy; singers such as K. D. Lang, Céline Dion and Daniel Lavoie; Maureen Forester, Liona Boyd, the Montreal Symphony, the Winnipeg Ballet, the Cirque du Soleil, the Stratford Festival. They are no longer solely Canadian names. They have achieved a renown that transcends borders. But none of them forget or want to forget that this is indeed home, that the talents that

the world has come to appreciate began here, grew here, and developed here.

Free trade will not take these people away. Success might. Because Canadians can produce and create work that is unique, that is important not only to our culture but to the world's. The free trade agreement, Mr. Speaker, is the opportunity for our businesses and our industries, and the Canadian men and women in them, to prove that they can produce and compete no less successfully, and provide the growing and strengthening economy, which can only serve to reinforce our cultural commitments to Canada's great future cultural development.

• (1820)

The cultural exemption that we fought so hard for, and won, gives us that opportunity, Mr. Speaker. Because of it, we can move forward with confidence and with hope to the challenges ahead. That is why the people of Canada will support us in this great undertaking, and the Government, which has had the courage, the conviction and the vision to introduce it.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): Questions or comments. The Hon. Member for Essex Windsor.

Mr. Steven W. Langdon (Essex—Windsor): Thank you, Mr. Speaker.

An Hon. Member: Here comes the cry baby.

Mr. Langdon: I have to say—

Miss MacDonald: Congratulate me.

Mr. Langdon: —to one of my favourite Ministers, that was a magnificent effort to defend the indefensible.

Some Hon. Members: Oh, oh!

An Hon. Member: Speaking of acting—

Mr. Langdon: I want to ask the Minister if she truly believes that the exemption which was promised, not just by herself but by the Prime Minister (Mr. Mulroney), with respect to cultural policy, if that promise was kept, why is it that within the trade agreement there is, first, a change which shifts our former policy with respect to retransmission rights on cable television?

An Hon. Member: No, it doesn't.

Mr. Langdon: Second, why is there a change with respect to what used to be the case in Bill C-58, the printing-in-Canada clause? Why is it that in fact, in my office, representatives of the printing industry in Canada have told me that they expect to lose 3,000 jobs because of this change in cultural policy which the trade deal has put into effect?

Also, why is it that the recording industry has been in touch with us—

An Hon. Member: That is the Americans.

Mr. Langdon: —and said that the elimination of tariffs is going to be a significant blow, not just to themselves as entities here in Canada—they can survive that—but to the capacity to use some of their extra profits for the benefit of young and new Canadian recording artists. Fourth, why is it, if the Baie Comeau agreement, of which the Minister has spoken so glowingly—

Miss MacDonald: Eloquently.

Mr. Langdon: I said glowingly. That was close.

An Hon. Member: And accurately.

Mr. Langdon: Why, if that is the case, is there still outstanding the case of Gulf and Western, which this Government has not yet successfully resolved? Finally, Mr. Speaker—

An Hon. Member: Come on. Give her a chance.

Mr. Langdon: Finally, the most important of all the cultural features which the Minister did not touch on, the notwithstanding clause, which says that notwithstanding some of the clauses which the Minister referred to, it will be possible for the United States to take commercial action against us for any cultural initiative in the future which we undertake to preserve and protect, the distinctiveness of Canada. Why was that clause put into the agreement if culture was supposed to be exempt?

Miss MacDonald: Mr. Speaker, I am so very pleased that the Hon. Member raised those questions so that I am able to straighten him out from the kind of tortured path that he finds himself in. We will take these points one by one. If I miss any, please feel free to come back to me.

Mr. Langdon: Thank you.

Miss MacDonald: First of all—

Mr. Langdon: Subject to the Speaker.

Miss MacDonald: —retransmission rights, which are addressed in the free trade agreement. Back in 1985, we had a subcommittee of this House, of this Parliament, which looked at the whole question of copyright. One of the recommendations that all-Party subcommittee made was that we should address properly retransmission rights that had not been dealt with before. It was there in the recommendation to this House. It was a decision that had been taken before the free trade agreement was negotiated, but it was honoured in that agreement when we had already informed the United States that that would be done. That was done with the sanction of this House.

An Hon. Member: Number one.

Miss MacDonald: Second, Bill C-58 and the changes to the printing industry. I was here when Bill C-58 was passed in this House, and I voted for it, I want you to know. It addresses a certain number of aspects of our film and publishing industry and of our television industry. All of those things have been maintained.

The one thing we have not agreed to, is that printing *per se* is a cultural industry. It is not. Typesetting is not a cultural industry. It is not part of the creative talent that goes into writing, that goes into publishing. It is an industry.

The Hon. Member might want to do something about it, but I can tell him that Canadian publishers, who may seek to find better prices for themselves, better economic benefits for themselves by having print done elsewhere, will search that out, as will Americans wanting to have their materials printed here in this country. So we see that for the first time printing is taken out from the cultural industries, where it should not have been, and it is now going to be placed in a position where it is competitive. We believe that our printing firms are competitive.

Third, the recording industry and tariffs—

An Hon. Member: It is two out of three.

Miss MacDonald: Let me deal with the recording industry and tariffs and support for our recording industry. The reduction in tariffs on the recording industry was begun in the Budget of 1982, and has been carried on continuously ever since, and I never heard the Member raise it once prior to the last couple of months. Not once has he raised it when it was going—and I can tell him that that decision to phase out the tariff was taken quite some years ago. But it is on 5 per cent of the recordings in this country which are aligned with American companies. We happen to be interested in the 95 per cent that are recorded here.

Because of that, we have introduced a special support program of $25 million over this five-year period, to help Canadian artists, beginning artists, to get on record and be able to promote their works. It is succeeding. You can come to my boardroom and see the 14 records that are mounted on my wall, gold and platinum records, that have come about as a result of support that we put into place for those sound recording artists.

Some Hon. Members: Hear, hear!

Miss MacDonald: Then there is the book publishing policy. We have retained the book publishing policy and we have moved on it in the Ginn case. The final negotiations for that are under way. We have already indicated to the House and to the Member that this is being carried out through the auspices of CDIC. He might not want the Government to be purchasing companies that should be divested here in Canada, but we believe that this is the route to go and then we will resell them to Canadian companies. We are dealing with the Gulf and Western issue.

• (1830)

Finally I come to the notwithstanding clause about which the Member wants some explanation. This shows me more than anything else that in reading the free trade agreement he has not understood it, so I will explain it to him, Mr. Speaker. If there is an exemption in place, then the cultural industries and our cultural products are outside of the agreement. That means they operate under the present trade remedy laws that are in effect in Canada or in effect in the United States. Under the present trade remedy laws the United States could retaliate against any Canadian cultural move to any amount. The Americans could take any move against us whatsoever. This limits them for the first time to the equivalent of any move that we take in this country. That is an advance from where we are at the present time. The Member might want to go back to allowing them to take any move, any move of any dollar amount whatsoever against us. We do not believe that is the way they should operate.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate. The Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie)

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I will begin by saying with respect to the debate on culture, that regardless on which side of the debate one is on, in the exchange that just took place between the Hon. Member for Essex—Windsor (Mr. Langdon) and the Hon. Member for Kingston and the Islands (Miss MacDonald)—and I am on the side of the Member for Essex—Windsor—

Mr. Epp (Provencher): No kidding.

Some Hon. Members: Oh, oh!

Mr. Blaikie: —it goes without saying, or perhaps it needs to be said, that culture is more than the arts. Culture is more than entertainment. Culture is more than films. Culture is also how we arrange our lives together socially and politically. I am sure people of Mennonite extraction would want to say that part of their culture is how they have arranged to have certain goods in common over the years, or whatever the case may be. So how we organize our life together is part of our culture. What I say, whether Hon. Members across the way disagree or agree with me, is that our culture is threatened by this agreement. I hope the Minister will hear me out and then pass judgment on my argument. I do believe a lot of things which are distinctive to the Canadian community, if you like, are at risk in this agreement, and I hope to be able to make that case.

I want to start by cutting up the debate into three parts. One, where this agreement deserves the definition of free trade as it has been traditionally understood; two, where it is something less than free trade as it has been traditionally understood; and three, where it is a great deal more than free trade as it has been traditionally understood.

I start with where the agreement deserves the definition of free trade. What has free trade traditionally meant? It has

meant the absence of tariffs, the absence of duties and other financial barriers to trade levied by a particular Government on goods coming from another country. In that respect this agreement over the next 10 years does provide for the elimination of those tariffs which now remain between Canada and the United States. In that respect it deserves the definition of free trade. But what is not often taken into consideration is that right now some 78 per cent to 80 per cent of our trade with the United States is tariff-free already. It is quite misleading to create the impression that somehow there is a great tariff wall between Canada and the United States, because this tariff wall has been coming down ever since 1945, and has been eliminated to the degree that 80 per cent of our trade is now tariff-free. So we are talking about eliminating the remaining 20 per cent, only 5 per cent of which is significant.

When people are considering what we may have negotiated away, they need to consider that we negotiated that away in order to achieve the elimination of that remaining 20 per cent of tariffs in so far as we are talking in any pure sense about free trade. It is also the case, of course, that having said that 80 per cent of our trade with the United States is tariff-free, that 80 per cent of our total trade is with the United States. We are also talking about the potential for an increased dependency on the United States. You would think that any self-respecting country would be worried if some 80 per cent of its trade were with one other country. But we have a Government here that does not think that is enough; it thinks the dependence that we have on the United States ought to be increased. That is the sense, and it is a very limited sense, in which this agreement deserves the name of a free trade agreement.

Speaking of the extent to which it is fair to describe this as less than a free trade agreement, you have to notice that the bottom line which the Prime Minister (Mr. Mulroney) laid out when he entered into these negotiations which he called secure access, unimpeded access, to the American market, has not been achieved. To that extent it does not even achieve the goals of free trade because all the U.S. trade remedy laws, the power to countervail et cetera, which the U.S. possessed before the signing of this agreement, the Americans still possess. All that we have achieved is the setting up of a bi-national panel to judge, when Americans take action against us, whether or not American law has been applied properly, not whether it is a fair law in the first place but whether it has been applied properly.

According to the Government, this is an improvement over the existing situation. That is at least arguable, but it is not secure access to American markets. It may in fact turn out to be just as much of a hassle as the existing system, because in the final text of the agreement there is another level of appeal, which could take a long time. One of the complaints about the existing system was that it took such a long time and that it became a form of harassment. That same ability to harass Canadian exporters exists in the agreement which the Government signed. That is the sense in which this agreement is less than free trade, that secure access to American markets was not achieved.

Many times in this House when we stood up and asked the then Minister of trade about American actions that were taken against Canadian exports, as in softwood, shakes and shingles, potash, et cetera, she said the purpose of the free trade agreement was so that these things could not happen to us. This is a bit of a chicken and egg situation. She said that if we had the free trade agreement this would not happen, but the Opposition held another view. We held the view that these American actions could not be separated from the negotiation context that we were in and that these were actions taken by the Americans to make Canada more desperate for reaching a deal with our neighbours to the south, and those actions succeeded. It is obvious the Government was desperate for an agreement in the final hours of the negotiations. It is obvious, when you look at the things the Government gave up and put on the table which it said it never would. That is the sense in which it is less than a free trade agreement. The Minister, when she used to tell us that the object of the negotiations was to get rid of these laws, has failed because these laws exist and will continue to exist.

The third way of looking at this agreement is where it is more than free trade. This is where you enter into a realm of political dishonesty that I find the most disturbing about this agreement. It is misleading in the extreme to describe this as a free trade agreement only. Included in this free trade agreement are arrangements between Canada and the United States which settle questions that have always been political questions in their own right, questions that have been separate political debates and have never been part of the debate on free trade, whether that debate was in 1948, 1911, 1891 or whenever the case may be. In this agreement is an attempt by the Progressive Conservative Party of Canada to enshrine in this particular agreement, at least for a generation, its particular side of those separate political debates that have gone on for years.

• (1840)

What am I talking about? I am talking about foreign investment. Investment never had anything to do with free trade before. It was a separate matter altogether, and there have been lively debates in Canada over the years about whether or not to regulate foreign investment and how much to regulate it. The Liberals brought in the Foreign Investment Review Agency. The NDP did not think it was strong enough. The Conservatives thought it was a communist conspiracy.

After 1984, the Conservatives brought in their own version of FIRA, Investment Canada. However, what we see in this agreement is the Conservative Party calling that debate to an end, saying we will put our policies beyond the reach of future Parliaments and beyond the reach of future Governments, we will enshrine in this free trade agreement our view of what the rules should be with respect to foreign investment for a

generation. I think that is wrong. I think that anyone who had any respect for Parliament and for the political process would think that that was wrong, regardless of his or her view on foreign investment. That is what I mean when I say that this agreement is more than about free trade.

How else is it more than about free trade? It is more than about free trade when it comes to energy. We know that it was only in the closing days of the negotiations that it even became known, and some Premiers claim they never knew at all, that energy was part of the package. What do we see enshrined in the free trade agreement? We see the Progressive Conservative view of how Canada's energy and natural resources ought to be managed.

There is nothing wrong with the Progressive Conservatives having their view of how our resources ought to be managed. I do not happen to agree with it, but what I find even more offensive is their attempt to put their particular approach to energy development beyond the reach of future Governments and beyond the reach of future Parliaments by enshrining it in this free trade agreement. They did it in such a way that there could never again be a National Energy Program.

I know that a lot of people did not like the National Energy Program. We in the NDP did not think it was great either. We voted against it. However, this agreement will make it impossible for any future Government to have any kind of national energy policy. I think it is vindictive and short-sighted in the extreme for the Progressive Conservative Party of Canada to live out its reaction to the Liberal National Energy Program of the early 1980s by writing into an agreement arrangements whereby no National Energy Program could ever be designed again, good or bad.

When former Premier Lougheed of Alberta came before the committee, we asked him directly if he realized that this meant that energy policy would be made in Washington, by the market-place or by OPEC and never again in Ottawa. He said yes, exactly, and that is why he likes this agreement. That is why we do not like it. We do not like not only the substance but the attempt by the Progressive Conservative Party to enshrine its particular view of how energy policy should be developed forever in this agreement.

The same is true with respect to services. Free trade in services was never part of the debate. The Government is fond of quoting the Macdonald Commission because Mr. Macdonald is a Liberal. They like to throw that back in the face of the Liberals who are genuinely divided about the free trade agreement. Lots of prominent Liberals are in favour of it, including former Liberal Minister of Trade, Gerry Regan, who came before the committee in Nova Scotia and went on and on about the benefits of the agreement. We know that the Liberals are schizoid on this issue.

The Macdonald Commission, however, did not recommend free trade in services. It did not even study the matter. Yet the Minister for International Trade (Mr. Crosbie) has the gall to quote the Macdonald Commission report as if it were a considered recommendation of what the Government is now instigating when it plainly is not, particularly when it comes to trade in financial services.

Another thing the Conservatives plan to win indirectly through this agreement what they could never win directly before, and I am sorry that the Minister of National Health and Welfare (Mr. Epp) is not here to hear this, is their position on social programs and medicare. The claim by the Opposition and others that our social programs are at risk in this agreement has been an object of some derision by the Government. One of the reasons the Government is able to get away with this is that people do not know that in this agreement, there is an arrangement by which over the next five to seven years, Canada and the United States will negotiate what constitutes a subsidy, what constitutes an unfair trade practice and what constitutes a competitive advantage. Our claim is that in those negotiations, we will find that things which are now said to be not on the table will be on the table. Medicare will be one of those things, and I will just cite an example from the committee hearings.

In Halifax, we heard from the President of National Sea Products, Mr. Gordon Cummings. He said that he did not have any worries about free trade. He was quite confident. He had plants in New Hampshire, I believe, and in Nova Scotia. He had done studies and found that the plant in Nova Scotia was marginally more productive than the one in New Hampshire.

I asked him what made the one plant more productive than the other, and he said that it was the fact that in Nova Scotia, he does not have to pay health care insurance for his employees, but in New Hampshire he does. I said to myself, should that not cause a little light to come on somewhere, should that not cause someone who really wants to be open to the facts to see that if, even by business peoples' own admission, things like health care insurance are part of what is calculated when talking about competitive advantage, those kinds of things will be on the table when we get down to that five to seven-year negotiation process?

Either the Americans will want our health care system changed in order that there will not be what might be argued to be a subsidy, or it could work the other way. Some Canadian firms could claim that they are being overly taxed in order to pay for a universal health care system. It does not matter which way it comes, because the point I am trying to make is that these things will be on the table. That is why it is so fundamentally misleading for the Government to say that they are not on the table. They are on the table and it does not really bother the Government. Why? Because government Members over here are not 100 per cent behind the universal health care system we have anyway.

Many of these people were around 20 years ago when medicare was fought. I am not talking about hospitalization. Hospitalization was brought in by Diefenbaker after some of the groundwork had been laid by the Liberals, but with respect

to medicare, we remember only too well that it was Progressive Conservative provincial Governments that dragged their feet, particularly the Government of Ontario which did not want to have anything to do with medicare. In my own province, it was put off for a year by a man who is now a prominent member of the Conservative Party in the Senate, Senator Roblin.

Let us consider the political realities. The fact is that the Conservative Party of Canada would like to see medicare silently, gradually eroded so that private health insurance could make its way back in and various other things could be privatized. However, they do not have the guts to do that directly because they know that if they did, they would be booted out of the country so fast, it would make their heads spin.

What do government Members do? They enter into a free trade agreement whereby these kinds of things will come to be negotiated over the years. Perhaps the Americans will decide that, in the interests of harmonization, they will have a health care system like us. If that is the way I turn out to be wrong, I will be glad for all the Americans who do not have health care insurance now. I will be glad that they have a different health care insurance system, period. Unless that happens, our system will come under pressure to change. That is what I mean when I say that our social programs are at risk. That is what I mean when I refer to social programs, foreign investment, energy, financial services and regional development.

• (1850)

We know that regional development programs will come to be judged in light of how they affect the free trade agreement. We know that the Conservatives have, over the years, made a political career out of being critical of intervention in the market-place on behalf of regional development such as the Liberals instituted from time to time supported by the NDP.

What we have here is an attempt by the Progressive Conservative Party to break a tension in Canadian political debate which has existed for more than 50 years since the creation of the CCF. We have had debate over public sector and private sector, universal programs, and about managing and using our energy resources. This debate has led to a better country, compromise, a mixed economy, and made us different. This creative tension will be broken now and forever by a Government which, by virtue of this agreement, is trying to enshrine its view of the world for a long time to come.

I think that is wrong. I think other Governments and other Parliaments and Canadians in the future are going to come to rue this day when they find out they will not be able to get out of this treaty. Yes, there is an escape clause, but once we have entered the agreement, if God forbid we do and the Conservatives win the next election, how will we get out of it? At the end of that five to seven-year period, when we find out we are not getting a fair shake with respect to the negotiations, the North American economy will have already been rationalized, and unless the Americans want out, we will not get out. It is as simple as that.

We asked a question of some Congressman when we were at the Canada-U.S. meetings in May. Sam Gibbons, who I am sure you have met on occasion, when he was asked what if Canada wanted to get out of this agreement, said, "We already have an economic basket case to the south of us. We would sure hate to have an economic basket case to the north of us". You do not need to read between the lines very much to see as being the threat to Canada if we act in ways that the Americans do not see in their interests, once having entered this agreement. That is the strait-jacket the Government proposes to put us in.

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

Mr. McDermid: Mr. Speaker, the Hon. Member and my father have one thing in common, they are both United Church Ministers. However, my father never told a whopper like we just heard. Never.

The Hon. Member is a great industrialist and he started talking about an industrialist who has a plant in the U.S. where he has to pay the medicare cost for his employees, but not here. One of the things the Hon. Member neglected to say was that taxes are higher in Canada to pay for social services than they are in the U.S. Neither of those are mentioned in the agreement. The Hon. Member knows full well that social services are not going to be eroded.

I recommend that he read an article in the June 27 *Toronto Star*, not a paper known to be supportive of the free trade agreement. It was written by Anthony Westell, and I do not think anyone would label him a friend of the Government.

Mr. Langdon: He is a very strong free trader.

Mr. McDermid: He is a free trader? Isn't that interesting?

The article concerns social services and trade. One of the things he says is that there is direct evidence from other countries that social expenditures are not a cost on economic efficiency and competitiveness. In a 1985 study the Organization for Economic Co-operation and Development, a club of modern industrial countries, compared national expenditures on education, health, pensions, income maintenance and welfare. A lot of countries widely thought to be more economically successful than Canada turned out to spend a higher proportion of national income on social services, among them West Germany, Sweden, Austria, Italy and Denmark. Canada is low in the table of social spenders, only just ahead of the U.S.

As he explained in his article, social services are not considered a detriment to trade, a subsidy to trade, or anything else. In fact, they sit alone outside trade agreements. This agreement is not unlike those.

The Hon. Member stands here and says these are now going to be treated as subsidies under the free trade agreement. Why has the U.S. federal Government not attacked our social programs as an unfair subsidy? You believe that they think they are unfair subsidies, so why has that Government not brought action against us?

Mr. Blaikie: Mr. Speaker, they have regarded certain Canadian policies over the years with respect to social programs as subsidies. The most recent example is the action they wanted the Canadian Government to take, which it took, concerning the drug patent laws. Americans have also brought actions with respect to our unemployment insurance laws.

Mr. McDermid: One case, and they threw it out. They did not even hear it.

Mr. Blaikie: I ask the Parliamentary Secretary to listen to my argument. These things will come to be talked about. They will come to be on the table. I am not saying we will definitely lose them. However, I think we will, and I am entitled to a different opinion from that held by the Parliamentary Secretary.

Mr. McDermid: You can't base it on anything.

Mr. Blaikie: My point is that it is inescapable that these things will come to be negotiated. Yet they are our business, and there is no reason and it is wrong for them to be negotiated in the first place.

Mr. McDermid: Hear, hear!

Mr. Blaikie: The Hon. Member talked about the fellow in Nova Scotia that I talked about and said that I did not point this out or point that out. I did not point those things out because the guy in Nova Scotia did not point them out. I was quoting him. If he did not mention the taxes, that is not my problem.

The fact of the matter is that both in Vancouver and Halifax we had business people coming before us who said our social programs make us more competitive, which is just the point that Anthony Westell was making. I do not disagree with him on that point. I believe that a good social service network does make a country more efficient and competitive. What I am worried about is that we are entering into a relationship with a country that does not believe that. That country may have the power to impose that view on us, quite unlike the European Economic Community which we are always hearing about as a comparison for the agreement we are about to enter into. Mrs. Thatcher mentioned it the other day. The fact of the matter is, the EEC has a great deal more symmetry between members.

Mr. Epp (Provencher): The U.S. spends almost twice as much as the U.K. on health.

Mr. Blaikie: You also have a consensus on social policy in Europe. You have what I would call almost a social democratic consensus in Europe on social policy. You do not have the difference that exists between Canada and the U.S. with respect to social policy. So I would take Anthony Westell's argument and say, yes, he is right, and that is precisely why we should be worried. We are dealing with a neighbour to the south who has never seen the light with respect to social services.

• (1900)

Mr. Edwards: Mr. Speaker, I appreciate the opportunity to ask the Member for Winnipeg—Birds Hill (Mr. Blaikie) a question about the discussions to which he referred with certain members of the U.S. Congress. He referred in particular to Congressman Sam Gibbons of Florida who is the Chairman of the House Trade Committee.

Does the Hon. Member recall the discussion which took place during that particular meeting with Congressman Gibbons about the alternatives to proceeding with a trade deal, be it this trade deal or some other trade deal? Does the Hon. Member recall Congressman Gibbons who, because of their system, is the one who vets pieces of legislation and determines whether or not they see the light of day, saying that he was currently sitting on 38 pieces of protectionist legislation aimed at Canada and that he would continue to sit on them until the deal was approved by the Parliaments of the two countries? He said he felt that the hounds of hell might somehow be unleashed if the trade deal failed and that in his judgment there is really no alternative to a free trade relationship between our two countries. Could the Hon. Member comment on that?

Mr. Blaikie: I would be delighted to comment, Mr. Speaker, because this is the sum total of the Conservative argument. They always say that people who are against the free trade agreement are operating out of fear. What could be a more fearful stance than to say that if we do not enter into this sweetheart deal with the United States they are going to bully us, they are going to do this to us, and they are going to do that to us? They are probably going to do all those things to us anyway. At least we could have a little dignity on the way instead of selling out our sovereignty and economic independence.

To quote a famous American, we have nothing to fear but fear itself. Well, this deal has its origins in fear, it has its origins in the inability of Canada to make its case to the United States about fair trade practices and the inability of Canada to create an international economic order in which we do not have to be tied to the apron strings of the United States in a new North American trading block. That is what I call fear.

Mr. McDermid: Mr. Speaker, the Hon. Member loves to bash the Americans, and he was at it again tonight. He was talking about health care expenditures and saying that in the United States they do not care about it. To cite some figures, in the United Kingdom, 6.2 per cent of the GNP is spent on

health care. In Canada, 8.6 per cent of our GNP is spent on health care. In the United States, 10.8 per cent of the GNP is spent on health care. Therefore, to say that the Americans do not care about health care and do not spend money on health care is a completely phoney issue. We know that the Hon. Member just loves to bash the Americans, and he is at it again tonight.

Mr. Blaikie: Mr. Speaker, it is wrong for people to say that those who are opposed to the free trade agreement are bashing Americans. I have every bit as much respect for the Americans and their independence as does the Member.

That he cites these figures on health care is amazing. The point of the matter with respect to expenditures on health care is not how much is spent but how it is spent. The point is whether it is spent in the context of a universal health care system or in the context of a privatized health care system which leaves 35 million Americans with no health care coverage at all. The Americans spend 10.8 per cent of their GNP on a fraction of their population. We spend that which we spend on everybody. That is what is at stake in this agreement.

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, I am very happy to join in this debate. Being a man from Atlantic Canada there are reasons of history and dictates of geography and economics which compel me to add a word, not only from a national perspective but also from the point of view of Atlantic Canada and especially Nova Scotia.

In 1984 when we were promoting our platform we were not talking about trade. We were talking about economic renewal and jobs. I think that all Members of this House would agree that our performance has been very satisfactory in that regard. There have, however, arisen certain considerations and influences since that time which have compelled us to take the initiative which we have which leads us to this particular debate today.

They are, first, the Macdonald Royal Commission, which consumed $20 million of taxpayers' funds and involved the most comprehensive review of the economy which has ever been undertaken in Canada. Its message was that this was an opportunity which should be pursued, that we had no alternative in view of world events. It concluded that, in view of the economies of all the world which were now so interdependent one upon the other, Canada should, in any event, pursue discussions with the United States.

Second, it became more apparent that countries were not setting up tariffs and quotas in isolation but were working together in certain trading blocks. Some 82 countries of the world had associated with each other to form 14 different and distinct trading blocks around the world. The only country that does not belong to a trading block is Canada, and Canada is more dependent on trade than any other country in the western world with the exception, perhaps, of West Germany.

Compare our situation to those of the other main countries of the world. Thirty per cent of what we produce is exported abroad. The United States exports only 10 per cent; Japan, 16 per cent; and the United Kingdom, 26 per cent. One third of what we produce is sold abroad, and we do not belong to one of the alliances to which I have referred.

There was of course, in addition, the increasing hostility manifested across the United States against Canada by way of countervail and other trading action which put in peril so many of the goods on which we were dependent. No sector of the Canadian economy was spared. Our fish, our lumber, our hogs, our beef, our berries, and our potash felt the influence of the retaliatory action which was so much in evidence only a year ago and was the subject of question after question from members of the Opposition. They asked when the Government was going to do something to deal with these unilateral impositions, these unfair non-tariff barriers which had been put in place by the United States. They asked when the Government was going to take action to protect Canadian jobs.

Some have estimated that if all the actions of which I have spoken, together with the pieces of legislation which were before the U.S. Congress, came to fruition, hundreds of thousands of Canadian jobs would be put in jeopardy.

The manifestation of the hostility was seen not only in the retaliatory action but in hundreds of pieces of legislation from all parts of the United States in the U.S. Congress and the U.S. Senate. This, of course, dictated that in order to protect our dependency on trade we must take some very quick and overt action.

We on this side of the House did not invent trade legislation. This has been with us forever and a day. In 1854, before Canada was indeed a nation, there was a reciprocity treaty of some 12 years' duration signed on our behalf by the United Kingdom with the United States. The considerations prior to that treaty being executed were very much the same as they are now. They were ten times bigger than we. We were afraid of annexation. Could we compete? All those things we heard in abundance during the past few months and, indeed, more prominently and vigorously during the last few days, were considered. There was the test of time and 12 years later we came out very strong, more independent than we had ever been before, and, indeed, we wanted to continue the experiment. Unfortunately, the War of Independence intervened and the United States withdrew. But the exercise was useful and instructive and it is relevant at this particular time.

• (1910)

The question of trade and whether an accord should be secured with the United States was the subject of debate in the elections of 1876, 1891 and 1911. In 1947, Mackenzie King sent ambassadors down to the United States to secure a free trade agreement. He did not do that with the kind of massive consultation we have had throughout Canada during the past two years. These were public servants entrusted with a

particular mission to try to surreptitiously come to a conclusion with the United States on a trade accord with Canada. It was only at the very last moment that Mackenzie King had a vision that there was a message from afar. Perhaps he took one of those walks in the snow. Whatever it was, he withdrew at the last minute.

In the era of Mr. Trudeau it was considered that an accord with the United States should be entertained because sectoral initiatives were commenced by none other than the Minister of Trade at the time, Gerald Regan. That approach was so successful that Mr. Gerald Regan, a former Premier of Nova Scotia, a former Minister for International Trade, and an avowed and dedicated Liberal and a very fine Nova Scotian, has today commended this trade initiative as being courageous and appropriate and in the best interests not only of Canada, but of Atlantic Canada and Nova Scotia. Do you know why, Mr. Speaker? Our particular province was the fourth largest trading nation in all the world when we joined Confederation, and history is instructive. We are never going to return to those days when Nova Scotia attained that status, but given the opportunity, given the access to the markets in the New England States where there now reside over 100 million people, if we could be guaranteed access to those particular states, we know what that would do for Nova Scotia and the Atlantic provinces. Of course, the example can be carried on to the rest of Canada.

All of us do not pretend to be trade experts. It is very difficult for us to know particularly who is right and who is wrong, so how are the people of Canada going to determine who has the upper hand, who is right and who is leading them astray? Perhaps the people of Canada should go to third parties and find out what they have to say. For instance, all the major associations in Canada which have the ability, the capacity, and the resources to spend the money to analyse this particular trade agreement have done so. They have indicated unequivocally that this trade agreement is in the best interests of Canada and that it would be an act of neglect, a cancer on the future of our children, if we refuse to follow, first, discussion and then consummation of this particular agreement.

The plethora of organizations which favour the agreement speak for themselves, the Canadian Consumers Association, the Canadian Life Insurance Association, the Canadian Meat Council, the Cattlemen's Association, the bankers, the Canadian Federation of Independent Business, the Canadian Manufacturers' Association, the small business of Canada, the Canadian Chambers of Commerce, the Atlantic Provinces Economic Council, the boards of trade, virtually all the Canadian provinces and, certainly, all the provinces in Atlantic Canada. If you were trying to find out, Mr. Speaker, if this particular agreement was in your best interests, would you not be guided by those people who have to make those kinds of investment? Would we not be instructed and encouraged, and would we not pay attention to the advice and direction they have given us in this respect? I would hope so.

Why is it that these particular associations are supportive? This is their trade agreement. They were involved in the SAGIT advisory committees. They instructed Mr. Reisman of the strengths and weaknesses in each one of their sectors, and their strengths and weaknesses are incorporated in the free trade agreement. For example, if one of the industries is particularly weak, then they have 10 years, the maximum amount of time, to adjust. If they are competitive and think they have a lead in the market and want guaranteed access immediately, then so be it. At the commencement of the trade agreement, when it takes effect next year, it is open competition if that is what they want. That should be instructive for those who are having difficulty in coming to a consensus.

I think it important that we view the examples and experience of other nations. I think we should determine what has happened to other countries when they have entered into a similar agreement to what is contemplated in this particular accord. For example, let us take New Zealand and Australia. We have the big country and the little country. We had the fears of absorption, the fears of dominance. This is the most recent example of a trade agreement in world history. It is about five years old. I can tell you that in the time since that pact was signed, New Zealand has more than doubled its exports to Australia because it has specialized in those things in which it has a particular affinity and a capacity. It is manufacturing refrigerators and stoves and appliances. It has dictated its efforts in a very particular direction, specializing, and it has done very well. Australia has done very well also. It has dramtically increased its portion of trade. It is a win-win situation. It is the kind of thing contemplated by all of those associations that support and endorse the agreement about which we are talking at this particular time.

Of course, we have to point to the largest trading agreement in history to date, the EEC. You will recall very well, Mr. Speaker, that in Great Britain there were reservations about the capacity of its labour force. There were questions as to how it would benefit, how it would be prejudiced. It took seven years to secure an agreement for Great Britain. There were reservations in Luxembourg and Italy. There were industries in France and some of the other European countries which worried about their ability to compete. They thought there would be irreversible prejudice. After 20 years of the experiment, I challenge anyone to find one country today which would withdraw from the European economic agreement.

The experiment is so successful that in 1992 they are going to tear down all the barriers so that a worker from Switzerland can walk over the border to Italy, France or Germany and will not have to show any green card, pink card or white card. They will have freedom to move, freedom to work and freedom to invest. The system now in place in the EEC involves much more homogeneity, much more harmonization, than anything contemplated by this agreement.

Has there been any prejudice to sovereignty or culture in that particular experiment? Is the Frenchman any less so today than he was before he entered the accord? The Irish still

have their sagacity. Are the English any less assertive under Margaret Thatcher? We heard her here very recently. Was there an illusion, a perception of any less confidence today as a result of being melded into the European community than there was 20 years ago when England was supposedly independent? Are these examples not instructive?

Let us look at Sweden and the European Economic Community. There are nine million people in Sweden, 350 million in the European community. They have a trade agreement. There are no tariff barriers. Sweden maintains the most exhaustive and comprehensive social programs known in the western world. Yet it carries that on without prejudice, even though it is trading with the great Goliath. Are these examples not instructive?

• (1920)

With respect to the argument on sovereignty, Newfoundland when it entered Confederation had 3 per cent of the Canadian population in 1947. Are Newfoundlanders any less independent or assertive today than they were before? It is illustrative when I tell you, Mr. Speaker, that the Minister for International Trade (Mr. Crosbie) and I went out to dinner not so long ago. We went to a Japanese restaurant. For dinner I ordered sushi. The Minister for International Trade ordered bait. Is that not indicative that Newfoundlanders still retain that capacity for which we love them and which is so peculiar to that rock?

What is involved here is a determination of the future. What we are talking about is the ability to compete.

It is instructive to look at Canada's Olympic hockey team. When we sent members of the team over to world competition about 10 years ago we found that we did not have a monopoly on the international game which we founded. We were internationally embarrassed by the Russians, the Czechs, the Swedes and the Finns. They had been watching us for a long period of time. They had looked at our passing plays. They had looked at our coaching methods. They extracted the very best and put them together. They beat us at our own game.

Last year we sent over three teams in international competition. All three won because we looked in the mirror and found that we were wanting. We got involved in competition. As a result, we raised ourselves to the level to which we were obliged to raise ourselves to. It is no different from industry competing in Atlantic Canada, Ontario or any other place.

I want to say to the high school children of Nova Scotia that they have the opportunity to stay and get a job. What have they been obliged to do? They have been obliged to go to Toronto, Montreal, the West and the United States. There is one high school in Bridgetown, Nova Scotia. Out of 2,400 graduates in the last 10 years 25 have stayed home. There are no opportunities. We now have regional development programs which we use to try to send aid to Atlantic Canada. All Governments of whatever stripe have undergone that experiment. There has been therapeutic and temporary relief, but not enduring jobs and long-term investment in order to keep the children of Atlantic Canada home.

Why cannot a high school student in Atlantic Canada have the opportunity to work in his particular region? Why must he be compelled to go abroad? This particular accord will be the best regional development program that can possibly be sent down the pipe.

One argument that has not been stressed is the economics of trade itself. We have a surplus with the United States in trade alone, but we have a deficit in trade and services. There is an indication that there will be a lessening demand in the United States for our goods. Our deficit in the trade account with the countries of the world is growing. We have a balance of payments problem which is increasing, increasing and increasing.

We can do one of three things. We can lower our standards, devalue the dollar or increase our productivity and our jobs and compete on the open market. I ask the people of Canada if they want to maintain the standard of living to which they are entitled and to which they have become accustomed which will support better social programs, cultural programs and medical programs. The only answer under the circumstances is yes. They want to maintain that which they have. The free trade agreement is the only possible solution.

There is no alternative presented by the Opposition which takes this place and which is so instructive based on history, on all the associations in Canada and by other experiences in the world.

Mr. Langdon: Mr. Speaker, first, I suggest to the Hon. Minister that he should be aware that Switzerland is not part of the European Economic Community.

Second, I think he should look more carefully at Sweden which does not have the kind of comprehensive trade deal with the European Economic Community which we are proposing to enter into with the United States. In fact, Sweden has been very careful to use sectoral approaches. Swedes stress the industrial sector. As a consequence they have been able to build up a base for themselves which has given them not just successful exports to Europe but successful exports throughout the world. That has been the basis of Swedish prosperity and Swedish social programs. The fact that they have a social democratic Government helped a little bit, too.

As for the British, as I suggested the day that Margaret Thatcher was in the House, it took a particular sort of effrontery for a British Prime Minister to praise this deal at the same time that her Government has performance requirements which it imposes on foreign firms. Those require, for instance, that Japanese companies produce 80 per cent from British goods before they are permitted to operate within that country. We will lose the right to put those kinds of considerations into effect as part of this trade deal.

Mr. McDermid: Against the Japanese you mean?

Mr. Langdon: Against the Japanese.

Mr. McDermid: The trade deal does not allow us to do that with the Japanese?

Mr. Langdon: It does not.

Mr. Gormley: You have not read the trade deal.

Mr. Langdon: If the Parliamentary Secretary and the Minister read the trade deal they will find that performance requirements cannot be put in place which would have an effect on trade relations between Canada and the United States. Certainly, performance requirements with respect to Japanese car production in this country would fall directly in that category.

Mr. McDermid: We have already put limits on that.

Mr. Langdon: I have three questions which I would throw at the Minister. The first is this. Does it not make the Minister think, make him pause and consider, that Nova Scotia was, as he said, the fourth largest trading nation in the world when it joined the Canadian Confederation the last time that it adopted free trade as a solution? Ever since then there has been a downward trend relative to the rest of Canada for Nova Scotia. That suggests to me, and I wonder if it does not suggest to the Minister and his constituents, that in fact Nova Scotia will be hurt by this type of second move to free trade just as it was by the first move to free trade.

• (1930)

I would also like to ask the Minister if he is not concerned with the fact that over the next seven years we have to negotiate with the United States an acceptable set of subsidies for both countries. We know that the United States does not support regional development subsidies. In the past it has fought against those subsidies. Therefore, we can expect them, in the seven-year bargaining process, to attempt to get us to get rid of regional subsidies, whether they come directly from Ottawa, or from the Atlantic Canada Opportunities Agency. Does that not worry the Minister?

Finally, does the Minister not realize that, in terms of extra jobs and extra economic expansion over the next two years, we could get at least twice as much growth from a 1 per cent decrease in interest rates as it is predicted that we will get from this trade deal? If that is the case, does the Minister not think that there is another approach that we should be taking?

Mr. McInnes: I would be happy to respond, Mr. Speaker, but I find it difficult when the learned spokesman throws these things in the air. What does the Hon. Member rely on in support of any of the allegations that he makes? At least when I was making representation to the House, at least when all my colleagues were, we were not grabbing at something in the air. These were facts that were based on the studies done by all these independent people.

I recognize that some of the trade agreements that I referred to differ from the one in question, but I suggest that they are instructive. We are talking about trade. We are not talking about the nuances. We are talking about the essence. Trading agreements and the history of trade indicate that liberalization as opposed to protectionism is therapeutic. That is what we are talking about. We are not talking about dotting the "i's" and crossing the "t's". We are talking about the essence of the debate.

Mr. Langdon: It did not help Nova Scotia.

Mr. McInnes: The critic for the NDP comes from Ontario. That province has done very well with the Auto Pact, which can be cancelled with one year's notice. Nova Scotia has to send all its lumber and all its fish unprocessed to the United States where it turns it into something else, adds value, and sends it back to us. Why can't we? Why does the Hon. Member deny the opportunity to Nova Scotians and to Atlantic Canadians to have those jobs? What have you got against us? You have done very well in Ontario. Why can we not have the opportunity?

Mr. Langdon: Mr. Speaker, I rise on a point of order. If I am not incorrect, it is not proper to cast aspersions on the motivations of Members who are speaking in the House. Therefore, to suggest that I have anything against Nova Scotia is absolute rubbish. In fact, what we would like to see is sectoral agreements for Nova Scotia that would give the same prosperity that we have enjoyed in Windsor.

The Acting Speaker (Mr. Paproski): That is not a point of order. It is debate. The Hon. Minister of Public Works has the floor.

Mr. McInnes: Unfortunately, Atlantic Canadian companies, and a good many companies in Canada, are obliged to put plants in the United States and hire people from the United States in order to have a presence there because they are prohibited from doing the processing and adding the value in Canada. We have had too many adverse experiences of that nature in Nova Scotia. We would like to have that investment at home.

When one talks about investment, if I came from Europe or Sweden and wished to invest in North America where most of the world wants to invest, would I come to Canada, or would I come to the United States? Canada is a better place to live, and there would be little disagreement on that in the House. But I would be more disposed to invest in Canada if I knew that I had guaranteed access to the United States, a market of 250 million and not only 5 million people. Surely that has to be one of the most compelling reasons for securing a free trade agreement—

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. I regret that I have to cut the Minister off, but time flies when you are having fun.

The Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) has the floor.

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, in recent months as I have moved about my constituency and about the country, some individuals have asked me why I am opposed to free trade. They have asked me why my Party and my Leader are opposed to free trade. My answer to them is that we are not opposed to free trade in certain contexts. As a matter of fact, the Liberal Party and Liberal Governments for many years have pursued freer trade through multilateral negotiations, and have been very successful.

Under the General Agreement on Tariffs and Trade, and in particular the Kennedy round of negotiations, the Tokyo round of negotiations, and the more recent Uruguay round of negotiations, Liberal Governments have successfully pursued freer trade. They have pursued freer trade to the extent that we now have in Canada, without this proposed trade agreement with the United States, more than 80 per cent of our trade with the United States without tariffs. The remaining 20 per cent has an average tariff of 5 per cent. That is down from the time after the Second World War when the average tariff between Canada and the United States was about 30 per cent.

Under Liberal Governments we have pursued freer trade, and we are not opposed to freer trade in the international context or in the sectoral context. It was a Liberal Government that negotiated the Auto Pact. That is not a free trade agreement, as suggested by the Hon. Minister who just spoke. It is a managed trade agreement which requires the Americans to invest money in Canada, invest in jobs in Canada, and invest in plants in Canada.

We are not opposed to free trade in certain contexts. What we are opposed to is this particular trade agreement that the Prime Minister (Mr. Mulroney) has negotiated with the President of the United States. That is what we are opposed to. We ask Canadians to look closely at that agreement and not be misled by labels.

Unfortunately, in discussing this subject, just as they put the question to me asking why I am against free trade, many Canadians confuse theoretical free trade with this proposed agreement that we have before us. Because they are thinking of the free trade that they studied in university or that they read about in economic text books, they presume that because this agreement has the label of free trade it must correspond to what they are thinking about. Well, Mr. Speaker, it does not. This agreement is not a classical free trade agreement. It does not give total assured access to the United States. It contains many things that have no place at all in a free trade agreement. We are asking people not to discuss theoretical free trade. Let us look together at this very complex and particular agreement.

Today we learned, and it was to the astonishment of most of us, that the Minister who is out selling the agreement admits that he has not even read all of the agreement. To me that is a total abdication of responsibility. The Minister's answer to us is that he has read those parts of the agreement that he thought were important. In other words, he left out those parts that he did not think were important.

If any of us who are lawyers or who are familiar with agreements, and are responsible for giving advice on an agreement, simply picked clauses that today we think are important and left out other clauses, we would soon find out in five or ten years that those very parts that we ignored will come back to haunt us. That was a total abdication of responsibility for a Minister in the Cabinet who is responsible for the Bill. He admits that he did not read all parts of the agreement. It is a total abdication of responsibility on his part. How any Prime Minister can continue to have confidence in a Minister in those circumstances is beyond me.

• (1940)

We are saying to Canadians, let's not discuss this in terms of theoretical free trade but let us look at the terms of the agreement. That is why, last week, it was an insult to this Parliament, in my opinion, for the Prime Minister of Britain to come here and tell us that we should have no fear of this particular agreement because, in Britain, they are part of a Common Market, and the Common Market has not threatened or destroyed their culture, their identity, their sovereignty and their way of life, and consequently, if it hasn't done that to Britain, why should we be concerned about this agreement between Canada and the United States?

Well, obviously, the Prime Minister of Great Britain is not very familiar with the agreement either, nor is she familiar with the context in which the agreement takes place. Let us look at the Common Market. The Common Market is a free trade area between—I think it is about 12 countries, now. There are not two of those countries that speak the same language. There is no country in that grouping that dominates any one of the other countries.

You have a number of what I would call middle power countries, such as Britain, France, Italy, and Germany. You have Spain and Portugal, and the smaller countries like Belgium, Holland and Luxembourg.They are in a situation where they can counterbalance each other in their discussions and in their negotiations, where no one language will dominate. The English language is not going to dominate the German language, the German language is not going to dominate the French language. It is quite different, in the context of this proposed agreement. Here we have a bilateral agreement, a proposed bilateral free trade agreement, which is very different from a multilateral free trade agreement, in which you have one country of 250 million people, the strongest military and economic power in the world, in the agreement with a country of 25 million people, that is Canada.

Two-thirds of Canadians speak the same language as the Americans, where there is already a very frequent flow of

radio, television, media, magazines, back and forth over the border. The context is not the same at all as the Common Market in Britain, and the Prime Minister of England, when she was here, should have known that and should not have preached to us about what was dangerous and what was not dangerous for us. The context is totally different in the Common Market and it cannot be compared to a bilateral trade agreement with one country of 250 million people and another country of 25 million people.

So, we are opposing this particular trade agreement between Canada and the United States. We are not discussing whether free trade in theory is good or bad. We are opposing this agreement and we ask Canadians to look closely at it. When he was discussing the subject just a few minutes ago, the Hon. Minister from Nova Scotia said that Canadians must have a difficult time in following this debate because Liberals and New Democrats get up and oppose the agreement while Conservatives support the agreement. Certain provinces are supporting it and certain provinces are opposing it.

An Hon. Member: Some Liberals are supporting it, too.

Mr. Allmand: He said that therefore the solution for Canadians is that they look at third parties for the answer. I do not think he meant to mislead the House. He went on to say that all those third-party associations which have analysed this agreement have come out in favour of the agreement. That is totally false.

I was a member of the Standing Committee on External Affairs and International Trade that held hearings on the agreement. I would say that 50 per cent of the associations and groups that came before that committee opposed the agreement. They had studied it as much as those who supported it. It is true that the majority of chambers of commerce and manufacturing associations and so on, supported the agreement, but not all, Mr. Speaker. You have in New Brunswick the McCain Industries opposing the agreement; you have the President of the Bank of Nova Scotia opposing the agreement; you have the printing industries opposing the agreement; you have parts of the clothing and textile industries opposing the agreement.

Mr. Speaker, there are groups on both sides of this question, and you cannot simply, unfortunately, rely on chambers of commerce and boards of trade and so on. In this respect, while I am asking Canadians to look at the agreement and not consider this debate or this question in terms of theoretical free trade, I am the first to admit that this is one of the most complex Bills that has ever come before Parliament.

Here we have a Bill which amends 27 pieces of legislation.

An Hon. Member: You haven't read it yet.

Mr. Allmand: When you sit down and try to understand it and you put the elements of the agreement here, the free trade agreement that was finally arrived at in December there, the Bill here, and all the other laws and legislation on the great table in front of you and try to follow it, it is a difficult matter. I admit it is a difficult matter. I am not the Minister responsible. I am not paid, like the Minister for International Trade, to be responsible for the deal. He has not even read it. He has not read it totally through. Because it is so complex, that is why I object to the process that we are going through. The Minister of the Government has said that we will have five days to debate this Bill. Here we have, as I said, a very complex Bill which—

An Hon. Member: On second reading.

Mr. Allmand: I believe that one of the purposes of debate in Parliament is not simply to debate the issue with each other, but I believe that one of its purposes is, by the debate which goes on here, that we inform Canadians about the issues so that they can then take steps themselves to look into the matters that we are discussing. They will not be able to do that if we rush through this in a five-day debate, when, as the Minister admits—and I admit too—this is a complex matter that is not easy to grasp. If we are really going to see the consequences of this deal, it will require some time. It is unwarranted that the Government should try to rush this through so quickly.

Now, why are we opposing this particular deal? I think, in looking at the accord, the proposed free trade agreement, we have to ask, what did we as Canadians get out of it and what have we given up? What did we get and what did we give?

Well, it is true, one of the things we got is the elimination of all tariffs between Canada and the United States over a 10-year period that will start next January 1. But, as I pointed out already, over 80 per cent of our trade is now without any tariffs. So all we are talking about in that 10-year period is the removal of tariffs on the remaining 20 per cent, which tariffs have already been reduced to around an average of 5 per cent. So that is what we will get.

Unfortunately, however, that will not assure us access to the United States market, because the greatest barrier for Canadian business to the United States market in recent years has been countervail and anti-dumping. Now, this is what the Government attempted to deal with in the first place, but it was not successful. Let me illustrate By the way, Mr. Speaker, the cases that are well known to Canadians as providing barriers to Canadian trade in the United States are exactly those, the cases of softwood lumber, shakes and shingles, fish, potash, steel and so on.

Since 1979, Americans have launched 300 countervail cases against Canadian business, and in 70 per cent of those 300 cases, injury was found by the American trade tribunals. This means that the Canadian goods going into the United States, subject to those countervail complaints, had to pay an additional duty because the American tribunal found against them.

In addition, those Canadian businesses that were subjected to the countervail harassment had to engage lawyers and accountants, and it took in many cases, as we were told before

the committee, up to one or two years to fight those cases in the United States. As I said, in 70 per cent of the cases Canadians lost.

• (1950)

What we are getting out of the deal is the elimination of tariffs over a 10-year period, but we are not getting rid of countervail and anti-dumping. What did we give up to get this elimination of tariffs on the remaining 20 per cent of our goods and services when we were moving in that direction anyway, Mr. Speaker? We gave the Americans unrestricted access to Canada's energy supplies, something that has no place at all in a trade agreement. That is what the elements of the trade agreement say. It says the United States will be assured of non-discriminatory access to Canadian energy supplies.

Second, we left our agriculture unprotected. Everyone knows that agriculture in Canada is subject to a short growing season, a harsh winter, and the costs of a northern climate, yet Canadian farmers are obliged to compete with farmers in California, Arizona and the southern states where they can grow several crops in a year and do not have to face those costs and conditions.

We have removed our right to impose conditions on investment from the United States. All American companies will be treated as nationals. American firms will be treated exactly the same as Canadian firms. It is true that Canadians firms in the United States were being treated like American firms in the United States will be treated like American firms. The point is that there are approximately 10 times Auto Pact. I would argue that it limits our options in trading with other countries. We gave up all those things in order to get a reduction in tariffs on 20 per cent of our goods and services which we were going to get anyway through the multilateral process, GATT, the Uruguay round and the consequent rounds. What is also interesting is that this Government went to the United States seeking this agreement when we already had a $20 billion trade surplus with the United States. We have a $20 billion trade surplus and yet we go to the U.S. seeking a comprehensive trade agreement. In whose interest is it? We are already selling more to the Americans than they are selling to us. Of course the Americans jump at the agreement and start throwing these conditions at us which I have just described: access to energy, agriculture, putting their financial institutions on the same basis as ours internationally and so on, but we give up these things to get very minimal returns.

This is what we gave up and this is what we have. In the beginning the Government was arguing that the free trade agreement was the Government's way of fulfilling its commitment to Canadians to provides jobs, jobs and jobs.

Mr. Horner: We have already done that.

Mr. Allmand: There were many reports on how many jobs the agreement would give us. Some said we would lose jobs. Some said we would gain jobs. The most recent report from the Economic Council said that in all of Canada there will be a gain on average of 25,000 jobs per year for a 10 year period.

Mr. McDermid: Not bad.

Mr. Allmand: That is very minimal if we consider the record of Canada over the last 10 or 15 years in job creation.

Mr. Gormley: You guys put us down the tubes.

Mr. Allmand: These guys on the other side like to pretend that they are doing a great job with unemployment, yet when the Gallup poll came out last week what did Canadians say was their greatest concern? They said unemployment. Fifty per cent in the Maritimes who said that and 27 per cent said it nationally.

Mr. McDermid: It was 90 per cent when you were in power.

Mr. Allmand: Unfortunately the programs have resulted in a great growth in employment in Ontario where there is a Liberal Government but very little across the country, in Atlantic Canada, Québec and in British Columbia.

Mr. McDermid: The poll was 90 per cent when you Liberals were in power.

Mr. Allmand: I have touched a very sensitive nerve on the other side.

Mr. Horner: The Liberals cannot even decide on Sunday shopping in Ontario.

Mr. Allmand: With respect to this deal, we had the argument put by the Minister when he was speaking that it will encourage foreigners to invest in Canada so they can have access to the American market. Let us see what a prominent West German banker said about that at a conference in December on the trade deal in Montreal. He said that a Canadian-U.S. free trade deal would discourage European investment in Canada—

Mr. McDermid: Nonsense.

Mr. Allmand: And a former chief of world-wide loans for the Dresden Bank said that without a free trade deal Europeans are almost forced to invest in Canada to reach the Canadian market, but free trade will allow them to serve Canada from plants in the United States. "I know that is not a friendly argument but it seems to be the truth. If large European firms are given the option of locating a manufacturing plant in either Canada or the United States, they will almost by definition choose the United States", he said "because of such factors as transportation costs, taxation rates, market size and labour laws".

I will close on that note. Why would many Canadian firms stay in Canada when they can go to the United States closer to larger markets and still have total access to the Canadian market? That is what several prominent Canadian businessmen said to us, such as McCain's in New Brunswick—

Mr. McDermid: The biggest Grit in New Brunswick.

Mr. Allmand: —such as the President of Quaker Oats and several others who have looked closely at the deal.

Mr. McDermid: All Grits.

Mr. Allmand: This is a bad deal and I encourage Canadians to look closer and not confuse it with theoretical free trade.

An Hon. Member: Donald Macdonald is the only smart Liberal you have.

Mr. McDermid: Mr. Speaker, there was so much in that speech that was wrong it is difficult to get to it all.

I will start with this nonsense that the Liberals are spreading around the country that we have only five days to debate this Bill. That is what they are telling everybody. First, on second reading we will, with extended hours, have about two weeks, 10 days of debate. Then the Bill goes to committee where witnesses appear and where the Bill can be examined clause by clause. The Bill will be in committee for a few weeks and then it will come back to the House for report stage and third reading. This nonsense about telling Canadians there are only five days of debate on the Bill is totally wrong. The Hon. Member should not be saying those things.

Second, the Liberals say we should have been exempted from the American trade laws. That is what the Liberal Leader goes around the country saying. What he does not say and never has is whether he was prepared to exempt the Americans from Canadian trade law. The answer is, of course, no.

That is not what we were negotiating at all. The Hon. Member is spreading something around the country that is absolutely wrong.

Third, the Member said the safeguards were taken out of the Auto Pact. That is not true. The safeguards for Canadian content are still there. There is still a provision for maintaining that 60 per cent Canadian content for those companies in the Auto Pact. We have gone a step further. We have said that the non-Auto Pact companies must, if they want duty-free access, have 50 per cent North American content if they want to get rid of their 9.2 per cent tariff. That is a true North American content—parts and labour. It does not take into consideration all the other things.

One final point, the Hon. Member kind of ridicules the point that we will have 25,000 new jobs created because of this deal over and above the normal job creation capacity in Canada.

Mr. Horner: Each year for 10 years.

Mr. McDermid: Here are where the jobs will be created. On the Prairies 50,900 new jobs; in Atlantic Canada 17,700 new jobs; in British Columbia 28,900 new jobs; in Quebec, the province the Member represents, 58,100 new jobs; and in Ontario where I come from there will be 94,900 new jobs. Those are jobs over and above the job creation capacity that we have seen in this country, and the Hon. Member ridicules that. He thinks it is terrible that the Maritimes should get 17,000 new jobs because of the free trade agreement. How can the Member stand there and tell those falsehoods to Canadians when he knows full well that the agreement will be of benefit to his province, to my province and to all of Canada?

Mr. Allmand: Mr. Speaker, I do not know whether the remarks of the Hon. Member were parliamentary. He accuses me of falsehoods. I think Canadians will make a judgment on that. I stand by everything I said.

With respect to the questions he asked me, I will try to deal with them. All I know is that when the debate started, the Minister for International Trade (Mr. Crosbie) proposed that we have five days of debate on second reading.

Mr. McDermid: On second reading. You did not say that.

• (2000)

Mr. Allmand: I think that is totally unacceptable. If the Government is changing its point of view and we will have more than five days, that is great. I can remember very well that when the Conservative Party was the Opposition, we took six months to debate Bills of less importance than this.

I can recall very well the debate on the Bill that changed the Crow's Nest Pass rates and the debate on the bill on the National Energy Program. The Conservatives rang the bells night and day for 10 days and then stormed the Chair. If the Government is moderating its position and we will have a reasonable debate, that is fine and that is a change that is welcome.

I did not argue that we should have an exemption from U.S. trade laws. I said that when this Government started the negotiations with the United States, that was one of its objectives. The Government was not able to get that.

It is true, I agree with the Hon. Member that if they give it up, of course we have to give it up too. However, the point is that we in this Party do not believe that it is possible to have a bilateral comprehensive free trade agreement with the United States that is fair for Canada. We think we can negotiate sectoral agreements with the United States, we can negotiate the lowering of tariffs on both sides, we can approach negotiations with the United States in a multilateral forum with allies around the table with us against the United States. However, we do not think that we can get a fair deal for Canada in a comprehensive bilateral deal with the United States.

We are not against joining a trading arrangement, but we do not want a one-on-one, comprehensive trading arrangement with the United States because, with their 10-to-1 odds, we will lose.

Mr. McDermid: Come on, tell Ben Johnson that.

Mr. Allmand: Two hundred and fifty million Americans to 25 million.

Mr. Horner: That's 10 to one.

Mr. Allmand: They are howling over there. I sat here all day listening to their speeches. Obviously they are upset by these kinds of arguments.

Our population is 25 million, the United States' is 250 million. This is an arrangement that is completely and totally different from the Common Market and the Auto Pact. It does not compare and they know it.

The Hon. Member says that there is nothing in this arrangement which weakens the safeguards in the Auto Pact. We say that there is. Not only that but a lot of experts who deal with the Auto Pact say that there is as well.

Mr. McDermid: Who, Bob White?

Mr. Allmand: Yes, Bob White. Bob White knows more about the Auto Pact than anyone sitting over on that side. By the way, the Hon. Minister for International Trade (Mr. Crosbie) admitted in Montreal yesterday that not only had he not read all of the free trade deal with the United States but he said he had never read the Auto Pact. I doubt that any of these people have. I know that our people from Windsor and from the automobile areas have, and they believe along with Bob White that this deal does weaken the safeguards.

The final question was with respect to jobs. By the way, the job creation to which he referred was job creation over a 10-year period, not over a one-year period. He mentioned jobs to be created in the West and in Québec, but the key thing is what kind of jobs.

The Economic Council report which is the basis of this discussion admits that jobs will be lost in the manufacturing and industrial sectors to be replaced by jobs in the service sectors. It says that most of the jobs to be created by the free trade agreement will be service jobs. This means that permanent, well paying industrial jobs will be replaced for the most part by low paying, non-unionized part-time jobs, and there is no comparison between the two of them. Canadians know that and that is why Canadians say that their biggest concern is still unemployment. This Government has not dealt with that concern.

Mr. Schellenberg: Mr. Speaker, I realize that time is short. I have two brief questions for the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand).

The Hon. Member began his speech with the phoney Liberal argument that we keep on hearing about focusing on world trade, not just dealing with sectoral trade with the United States. Our Party believes that indeed, the free trade agreement with the U.S. is a good beginning. It is not exclusive. It does not shut out other countries. Indeed, it will grow into world trade agreements.

If the Liberals believe that world trade is that important, first, what kind of signal is the Hon. Member's leader sending to the leaders of other nations on this planet when he states that the agreement will be torn up? We do live in a very small global community. What kind of signal are other world leaders to take from that?

Second, if the Liberal Party is so concerned about trading with the world, why did it react the way it did when a world leader, the Prime Minister of Great Britain, spoke to this Chamber about world trade? Liberal Members should have been listening to that speech to find out more about what she and her country, the European Community and other nations around the world, not just the U.S., had to say about what they saw working in the world trade environment.

Mr. Allmand: Mr. Speaker, we have said that we favour lowering trade barriers through the international multilateral context, i.e., through GATT and various rounds. The Uruguay Round is now under way and Liberal Governments have been successful in doing that. Even the Government admits that there are no tariffs now between the United States and Canada on over 80 per cent of trade. That was accomplished through that multilateral negotiation. In addition, we believe in sectoral approaches to trade with the United States. We do not agree with the comprehensive bilateral trade agreement such as was negotiated by the Government.

When we say that we will tear up the agreement, we mean that we will terminate the agreement when we come to power. We will have to terminate it within the law, but we will do that. I do not see why that sends a negative signal to the rest of the world. We are saying that we as the Government of a sovereign country do not believe that this is a good agreement for Canada. Our leader has said that while we will tear up this agreement with the United States, we will not terminate our friendly relations with the United States. As a matter of fact, we will continue to pursue, as we always have as a Liberal Government, action to lower trade barriers between Canada and the United States, but in the right context, not in the one used by this Government.

The Hon. Member also said that we should have listened to the Prime Minister of the United Kingdom when she was here the other day. What was wrong with the remarks of the Prime Minister of the United Kingdom was that she pretended to tell us what is good for us as Canadians. She should have known that she was speaking to a Parliament that was deeply divided on these questions and that she was the guest not of the Government of Canada but of the Parliament of Canada. She made a very critical error when she tried to compare this proposed trade agreement between Canada and the United States with the Common Market. I dealt with that at great length in my remarks.

As I said, there is no comparison between the 12 member Common Market with all the countries speaking different languages and with no dominant nation and a bilateral arrangement between Canada and the United States with the

United States dominating in economic and other powers and with the language between Canada and the United States being for the most part English. That is a very different type of relationship.

We had nothing to learn from the Prime Minister of the United Kingdom and she told us nothing of value. It is obvious that she and her Conservative friends, Ronald Reagan and Brian Mulroney, decided to get together to sell us this bag of bones which they call a good trade agreement.

Mrs. Mary Collins (Capilano): Mr. Speaker, it is certainly a privilege to be able to participate in this debate. In fact, it is something I have really been looking forward to ever since September 26, several years ago, when the Prime Minister (Mr. Mulroney) announced that we would start to enter into negotiations to see if we could have a free trade agreement with the United States.

This agreement really talks about the future. I would like to spend the few minutes that I have this evening talking about that future under free trade in British Columbia. British Columbia looks forward to this trade agreement with a great deal of optimism. It is a reflection of the sense of self-confidence that I think most mature British Columbians have.

• (2010)

I want to start by sharing with my colleagues an interesting example of how young people in my riding have approached the debate on the free trade agreement. They recognize this agreement was really made for them. It will obviously have an impact on the kind of future they will enjoy. At Handsworth Secondary School in North Vancouver, in my constituency, a very enlightened teacher, Jim Adams, brought together a group of 15 students who formed the Capilano Free Trade Group. This was last October.

Since that time they have spent hundreds of hours studying and discussing the free trade agreement, as well as meeting with people. I of course had the opportunity to meet with them several times. They attended seminars. They met with Mel Hurtig. They met with the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) from the opposition benches. They met with Simon Reisman when he was in Vancouver for a considerable period of time. They presented a brief to the parliamentary committee when we were there discussing the agreement last fall.

They also undertook a survey, a terrific learning experience, and visited 600 households with a quite detailed questionnaire, to determine people's attitudes to and knowledge of the free trade agreement. Finally, they put it all together in a report and it was finished just last month. Fortunately the Prime Minister was in Vancouver at that time and I had the opportunity of having him presented with the report by the students who had written it. That was certainly the highlight of an exciting time.

Here is a group of 16 and 17-year olds who spent all this time on this project and I thought it would be interesting to share with you some of their thoughts. Certainly it instils in me a great sense of confidence when our young people are so thoughtful.

They started off looking, of course, at the free trade agreement in particular and its impact on British Columbia, their home province, and B.C. industries. It is quite an extensive report and I quote:

> It has been stated that the FTA will create both winners and losers, and B.C. industries are no exception. The number of winners, however, should far exceed those adversely affected by the deal. This is due to the fact that much of B.C. industry is resource-based, and these commodities will find their demand increasing with the opening of the U.S. market.

They went on and talked about the energy sector. During this debate and during Question Period over the last little while we have heard much about the energy component of the agreement. If we listen to the Opposition, it sounds as though there is some requirement to suddenly export all our energy to the U.S. This group of young people looked at the agreement and here are their comments about the energy sector:

> The energy sector of British Columbia should gain much from the FTA. This province's non-renewable resources, such as coal and natural gas, will not be jeopardized. In times of shortage, export restrictions can be imposed, thereby protecting our resources. However, a portion of this commodity is still accessible to the U.S.
>
> A certain portion of B.C.'s supply is available, discriminatory pricing will be dropped on renewable energy forms. No longer can B.C. sell Hydro-Electric power at a higher rate than it charges Canadian consumers. There is much reason for optimism in B.C.'s energy sector, particularly in the export of Hydro-Electric power. The development of super conductors can only increase the potential in this field for B.C.
>
> A fear expressed by some British Columbians is that through the implementation of the FTA, B.C. will become part of a continental energy policy. The FTA does not force either party to buy or sell energy, which should ensure we will not be drawn into such a program.

They go on and look at some areas like the wine industry where adjustments will obviously be required. They then do their assessment of the 600 households. I found that particularly interesting since they are constituents of mine. The majority, 65 per cent, felt that the economy will benefit from free trade. They expect no change in food prices. I think that is probably erroneous. We will see some reduction in some food prices. Some 65 per cent of the people surveyed feel an election is necessary and more than 65 per cent said they would vote for free trade in the event of an election. I think that is pretty typical of Canadians right across this country.

Then they talk about the politics of free trade. I think we all should listen to the words of these young people. They said:

> The issue of Free Trade has become a complex process of speculation. The Canadian public is being presented with two drastically contrasting points of view. It is difficult for the average citizen to determine the realistic implications of Free Trade as long as these two contradictions exist. This economic issue has become the object of politics and is being manipulated in the interests of gaining public favour.
>
> Two visions are appearing: one for the Government and the other from FTA opposers. A citizen's opinion on this issue is simply becoming a question of who to believe. Attitude towards free trade are being clouded by directly opposite

"facts". The public must recognize that many of the positions on this deal are based on pure speculation.

It is our feeling that many emotional issues have been raised unnecessarily in regard to Free Trade. Many special interest groups are appealing to deep-set Canadian fears about sovereignty and American domination.

Free Trade has not been given the opportunity to be evaluated as an economic issue. It is being exploited by politicians in order to further personal goals. The results of our upcoming election will be greatly influenced by Canada's attitude about the FTA. So little is known about it that the election may be a reflection of Canadian fears.

I certainly hope not. In their conclusion we have again an interesting perspective on Canada:

Canada has often looked to a stronger nation for guidance. As a colony, it followed the British Empire. As an independent nation, it has lived in an American shadow. The Canadian attitude frequently reflects a feeling of inferiority. Many Canadians underrate their abilities in the global economy. This outlook is damaging to our confidence and patriotism.

Canada is in an ideal position for the future. It has a wealth of under-developed potential in all aspects of the economy. In the growing competitiveness of the world market, insecurities can hinder a nation's ability to progress. Similarly in Free Trade, Canada's inferiority complex may become a threat to the deal's success. Our society must recognize that we are contributing to the FTA as an equal, if not greater, level than the U.S.

I would say these young people have the situation pretty well addressed. In fact, the kinds of comments they make about fear and emotionalism are reflected in the speeches we heard today and we hear on public platforms from the opposition Parties, the Liberals and the NDP, who are trying to inflame those emotions. However, I am sure Hon. Members will agree that we have here young people who are able to see through that kind of false emotionalism. They have a sense of confidence about themselves and this country, which is what this free trade agreement is all about. It is based on and built on a growing sense of Canada's confidence in being able to compete both with the U.S. and around the world.

Mr. Schellenberg: Point of order, Mr. Speaker. We have heard a great deal of talk over the past few days about the need for debate on this issue. I wonder if the Speaker could determine why there are no opposition Members here to listen to the debate this evening?

Mr. Crosbie: Neither Liberal nor NDP.

The Acting Speaker (Mr. Edwards): I regret that is not a point of order.

Mrs. Collins: Mr. Speaker, I thank my colleague for bringing forward a very interesting observation. Perhaps they are not interested in what young people in British Columbia think about the free trade agreement.

• (2020)

We negotiated this agreement with a vision of a bigger and bolder Canadian attitude, a Canada of the 21st century. The Opposition, on the other hand, is mired in the past. Their politics is based on what Canada was in the late sixties, not what it is today. To use a phrase of one of our own great philosophers, Marshall McLuhan, they live in a rear-view mirror.

As a British Columbian I am particularly proud of the opportunities which this agreement provides for my province. All sorts of studies have been done. We have heard quite a bit about the report of the Economic Council of Canada which, as we have just heard, forecasts 28,900 new jobs in British Columbia as a result of free trade. We all know that the agreement itself does not create the jobs but creates the opportunity for individual business people to create those jobs as a result of new activities. In percentage terms the council concludes that employment growth in British Columbia will be 1.8 per cent.

Recently the Province of British Columbia did its own review of the agreement. Some of the material used was drawn from another report done by the Canada West Foundation which studied the implications of the free trade agreement on all the western provinces. That report concluded as well that the implications for B.C. were extremely positive. It indicated that the sectors directly benefiting from the free trade agreement account for 18 per cent of output compared to only 2.4 per cent of industries which might be adversely affected by the free trade agreement. That is pretty good news.

That has been broken down by regions within the province. In Vancouver and on Vancouver Island the positive effect will be with respect to 14 per cent of our industrial activity. It is very interesting to note that the highest percentage is in Prince Rupert, an area where there has been higher than ordinary levels of unemployment. The report indicates that 28 per cent of the economic activity in that area will be positively impacted by the free trade agreement.

The conclusion of the report of the Province of B.C., which has just come out, is that B.C.'s gross domestic product, in other words the value of goods and services produced by the province, is expected to increase by about 2.5 per cent, the highest in Canada. This is one time when B.C. is going to get more than its share, but that is okay, we will take it. That is very good news indeed. As the Premier said, this will mean more jobs, better jobs and more secure jobs. That is what we want for ourselves and our future.

I would like to take a few minutes to go through some of the particular areas of the British Columbia economy and how the free trade agreement will impact upon them. Forestry is, of course, our major industry in British Columbia. This study indicates:

The British Columbia forestry industry views the Agreement as a vital means of maintaining and expanding exports to U.S. markets. Most areas of the forest industry are confident about their ability to compete with the Americans. The elimination of tariffs will result in increased opportunities for the expansion of existing product lines and the development of new lines.

It is not only the Government or I saying this. Listen to what citizens involved in these fields have to say. John Howard, senior vice-president, law and corporate affairs at MacMillan Bloedel said:

> The removal of tariffs is a tremendous incentive to us to produce value-added products.

If there is one thing which we in British Columbia have really wanted to get going it is adding value to our forest products. We are not just exporting lumber, we are making windows, door sashes, and other wood products. With the elimination of value-added there will be these new opportunities.

Many of my colleagues know Mike Apsey, president of the Council of Forest Industries in British Columbia. With regard to the free trade agreement he said:

> Our lumber industry has been significantly more efficient than our competitors in the U.S. Their efforts to restrict our access have resulted in actions that effectively penalize us for being "too" efficient. Under a Free Trade Agreement, both countries would agree to test the limits of their comparative advantages. This should work to our industry's and this province's benefit if this Agreement is approved.

Therefore, the forest industry will benefit.

With regard to the energy sector, I have already shared the views of the students from Handsworth. Bob Kadlec, president and CEO of Inland Natural Gas, a good constituent of mine says:

> With the elimination of tariffs on natural gas, Canadian producers will be on an equal footing with their American competitors. The overwhelming Canadian advantage in the reserves-to-production ratio will automatically draw U.S. buyers of energy to Canada. More important, we will be viewed as a secure source of natural gas, which will translate into firm, long-term contracts.

Mining is a major industry in the Province of British Columbia. British Columbia has indicated that the free trade agreement will generate a positive environment for investment growth and for exploration activity. Tom Waterland, president and CEO of the Mining Association of British Columbia, says:

> The principles of freer trade in goods and services, enshrined in the Free Trade Agreement, provide a sound basis for improving trade between our two countries and worldwide . . . Specifically, the removal of tariffs, the temporary entry for business people, the removal of any discrimination between U.S. and Canadian suppliers of service, the investment provisions, and the disputes resolution mechanism, all provide potential tangible benefits to the mining industry of British Columbia.

In British Columbia we are trying to get a number of new manufacturing areas going including electronics, subsea, and aerospace. We recognize that there will be new opportunities created in all of these areas as a result of the free trade agreement. It will help the people involved in those fields as well.

Printing is an interesting area. I had thought that the printers may have problems with the free trade agreement. That is not true in British Columbia. In general printers in British Columbia are looking forward to operating under the agreement or are unconcerned. One interesting positive example is that the U.S. prohibition on the importation of lottery tickets will be removed providing an important market for British Columbia printers. That is something of which I am sure many of my colleagues were not even aware.

This report goes on and on. It talks about agriculture and fisheries and points out all of the advantages and some of the areas in which adjustments will be required. I would like to complete this sketchy review by referring to services. We know that, for the first time, in the Canada-U.S. free trade agreement services have been provided for. This is something which people have been tiptoeing around at the international level under GATT. This agreement is going to provide a prototype for the whole world. We in British Columbia view that as being extremely positive.

Mr. George McGough, president and CEO of Prudential-Bache Securities Canada Ltd. said:

> Prudential-Bache Securities Canada Ltd. believes that the future is bright for both Canada and the United States. The symbiosis and competition that have developed over the years between these two neighbors will be enhanced by Free Trade.

Jennie Ambrose of the Institute of Management Consultants said:

> We feel very strongly that free trade will benefit our profession in British Columbia. It will open the border for our members to compete in the increased market in Washington, Oregon and California, and we certainly believe we can compete.

That is the attitude we have in British Columbia. The Association of Consulting Engineers of Canada, a very important group said:

> The Association strongly supports and welcomes the bilateral agreement reached, as it removes serious impediments to the movement of business persons/professionals working in an already highly integrated business and scientific context. This will be reinforced with the application of national treatment and right of establishment principles.

In all those fields there is the potential of investment. We heard some opposition Members pooh poohing that idea. I can tell you, Mr. Speaker, I have talked to people in British Columbia who are already planning and waiting for the final legislation to go through to bring in investment in some very interesting fields. One I heard of recently is in clothing manufacturing. These people are going to be producing clothing in British Columbia for export to the United States. We have had a number of examples of other investment moneys coming in from Asia and Europe. We all know, of course, that British Columbia is a wonderful place to locate. We have highly skilled people and a wonderful climate, and we are really looking forward to some of that kind of potential being developed in British Columbia.

• (2030)

The time has gone far too fast. I have many different areas I want to talk about such as the wonderful opportunities this agreement will provide to women. However, I will have to conclude by saying that something that has bothered me throughout this debate is that one of my fellow Members of Parliament from British Columbia, the Right Hon. Leader of the Opposition (Mr. Turner), has said he is going to tear up the free trade agreement. I really find that hard to understand. How can he really have the best interests of British Columbia at heart? I would hope that he feels he represents British

Columbia. I would like to ask him to think about British Columbians and the future of British Columbia and how important this free trade agreement is to us as a province. It is important to my children and the children of my constituents because of the opportunities that it will create for them all.

This agreement provides a vision for the future, a vision of confidence, a vision I hope my colleagues understand. It is certainly understood by the students at Handsworth School.

Mr. Schellenberg: Mr. Speaker, I would like to compliment my colleague from British Columbia on her excellent speech on free trade. In fact, she convinced me of its many benefits for our home province. I noticed that when she began there were no Members from the Liberal or New Democratic Parties here. We now have a couple and I am sure she has convinced them as well of the benefits of the free trade pact.

The Hon. Member touched briefly on the benefits to the fishing industry. Indeed, from any American fisherman you talk to or from any American fishing journal you read, you find out they feel their Government, the U.S. Government, has sold out their industry to the Canadians. So, obviously, it is of benefit to Canadian fishermen. It is no longer a matter of simply exporting raw fish, but getting into packaged fish products which are so popular with the yuppie market in that U.S. market of 250 million persons.

I would like to ask the Hon. Member about the forest industry. In the brief time we have been here, over the past three or four years, we have seen several countervailing duties imposed by the Americans on B.C. forest products in particular. We know how that has hurt us. Can the Hon. Member tell this House what the free trade agreement will mean to the B.C. forest industry. Will it prevent this kind of measure by the Americans in future? Will it have any effect on the countervailing duties we have experienced by a very protectionist American industry over the past few years?

Mrs. Collins: Mr. Speaker, I certainly appreciate the comments of my colleague from Nanaimo—Alberni. I know of his strong interests in the issues of British Columbia, and the fishing *i*ndustry and forest industries which he so well represents.

Certainly one of the real problems the forest industry faced, and I mentioned this in my speech, is the fact that the Americans brought forward these actions against shakes and shingles and then against softwood lumber. That really was because we in British Columbia had become more competitive. We had large investments in new plants during the 1980s, after the recession. There were very forward looking people in the forest industry. Obviously, some of our friends south of the border did not really like that. They tried to find some way of saying these things were unfair and were successful. One of the important aspects of the free trade agreement, and I talked to my constituents about this, is to provide secure access to American markets to get rid of those activities coming out of left field. That is where the dispute settling mechanism is going to be so important.

Something that has never before been provided for in such an agreement is a fair mechanism. There will be representatives from both countries who will be able to rule on whether or not a certain activity is unjustified or unfair trade or anti-dumping. We will not be subject to the political whims of the Americans. I think one of the biggest concerns was that there was this tide of protectionism that had been rising up in the United States because of its trade deficit. They were trying to blame others for it and we were kind of close by and got hit in that crossfire, I think, unfairly.

With the free trade agreement, we will have a fair way in which to assess those kinds of disputes. That is not to say there will not be disputes. I am sure that between any trading partners there could be times when an industry either on our side of the border or on the American side might try something that was unfair. We would still have our laws in place to deal with those things but they would be subject to the final ruling of the independent dispute settling mechanism.

Of course, as my colleague well knows, part of the free trade agreement provides that during the next five to seven years, both sides will be sitting down to discuss and try to determine if they can come to an agreement as to what subsidies are all about. That is important as well. However, because we were not able to get a final agreement on that during this part of the agreement, we have what I think is perhaps even more important, that is, the independent dispute settling mechanism. Certainly, for the forest industry in British Columbia that is very important.

The agreement excludes the softwood lumber memorandum from its provisions because that was in place previously. As we all know the 15 per cent export tax in British Columbia has already been done away with because the Province of British Columbia has put in place a new regime to deal with how it charges for timber. Of course, it is not too long before the tax on shakes and shingles will be done away with. So we would hope in the future we will not be subject to those kinds of intrusions.

Mr. McDermid: Mr. Speaker, I would like to, first, congratulate the Hon. Member on a very fine speech. I would also ask her if she knew that those people in the United States who are familiar with trade law say that if the dispute settlement mechanism had been in place when the softwood lumber case was heard, a different result would have occurred? In fact, what we are talking about in the free trade agreement is not the law itself but the way the law is applied, that the rule of lobbies seemed to take precedence in the United States as opposed to the rule of law. I wonder if the Hon. Member had heard that and could she tell us if the dispute settlement mechanism finds favour in her province as a way of settling these trade disputes that we have with our largest trading partner?

• (2040)

Mrs. Collins: Mr. Speaker, it certainly has been said many times by people in the forest industry that had this agreement been in place we would not have had the problem. We would not have been hit by that 15 per cent export tax. It might have been something else, but it would not have been at that level. In fact, in the report I have been quoting from so generously this evening, which was published by the Government of British Columbia, it states, and for the edification of my colleagues I will read it:

> Although U.S. trade remedy statutes were unchanged from a previous decision that ruled in Canada's favour, political pressures influenced the manner in which they were interpreted by the U.S. Department of Commerce, and the legal conclusions did change. Had the dispute settlement mechanism envisioned in the FTA already been in place, the softwood lumber case would probably not have evolved as it did. Under such a mechanism, Canada would have had the opportunity to present its case before an impartial binational trade dispute tribunal, where the interpretation of trade laws would be consistent.

The one thing that we want to ensure is that there is consistency in the interpretation. I agree with my colleague on that point.

Mr. Les Benjamin (Regina West): Mr. Speaker, I am happy to take part in the debate on this legislation. May I say at the outset, as has been said before over many months, the issue is not free trade, the issue is this particular agreement.

Mr. Langdon: Mr. Speaker, I rise on a point of order. I would like to clarify that the Hon. Member started his speech at 8.41 p.m. and that he has 20 minutes.

The Acting Speaker (Mr. Paproski): Is there any problem with that? The Hon. Member has 20 minutes, plus 10 minutes for questions and comments.

Mr. Langdon: Thank you, Mr. Speaker.

Mr. Benjamin: As I was saying, Mr. Speaker, the issue is not free trade, the issue is this particular deal and the terms in it. Free trade, like motherhood, is supported by everybody. Everybody has always supported free trade, at least since the end of the Second World War.

I want to say at the outset that for 30 years, starting around 1950-51, Canada and the United States, and Canada and a number of other countries, either bilaterally or under the GATT negotiated a continuous reduction in tariffs and duties on commodity after commodity. When we arrived at the beginning of negotiations and discussions with respect to this particular deal, as has been said by Members from all sides, some 80 per cent of our trade with the United States was free of tariffs, duties, et cetera. That is to say that there are no tariffs on 80 per cent of the products traded between our two countries. We arrived at that point through countless hours, days, weeks and months of discussion and negotiation, through mutual agreement both bilaterally and under the GATT. During that whole process and up and to this date the United States maintained and imposed its authority and its powers to impose countervails, embargoes or limits on quantities of commodities moving across our border.

In order to make the remaining 20 per cent of our total trade free of tariffs and duties, the Government decided that rather than take another five or ten years to complete bilateral agreements, commodity by commodity, and to eliminate remaining tariffs and duties, it would try to do it all in one fell swoop.

Mr. Schellenberg: Over 10 years.

Mr. Benjamin: This agreement takes effect next January 1, if and when it passes this House, and if and when this Government is returned to power. In order for the Government to get to that last 20 per cent, it proceeded to make all kinds of concessions, something which it did not need to do. If it was that good a deal for the United States as well as for Canada, then why did the Government have to give away the store?

The Government should have learned from history that even when we had an agreement with the United States on a host of commodities that from time to time the Americans would impose countervails, special duties, embargoes or even at the odd point in time shut the border down completely. That was done when we had an agreement, when there were no duties and no tariffs on particular commodities. I do not know whether a brick wall has to fall on the Minister and his colleagues before that lesson sinks in. That was true with respect to products such as salt, fresh fish, hogs, hog carcasses, lumber products and even raspberries. It is about time that we gave this Government and its confrères across the border the raspberry.

However, in case after case the United States exercised its constitutional right within its own borders to limit imports, reimpose duties or even total embargoes. Even with this Canada-U.S. deal the U.S. administration, the United States Senate and House of Representatives, as well as individual states, will continue to retain their constitutional authority to continue to implement whenever they see fit a countervail, a tariff, a restriction or quota on imports from Canada even to the point of a total embargo. We have been through this before when we had agreements with the Americans.

I think of a classic case as it affected Manitoba, Saskatchewan and a small part of Alberta. I refer to the importation of hogs from Canada into the United States. There was free trade. There were no tariffs. It was done by agreement. The United States administration did not object. The U.S. Senate and the House of Representatives did not object. However, six individual states embargoed completely the importation of hogs and hog carcasses from Manitoba and Saskatchewan. We had a deal. We had an agreement. However, under the American Constitution individual states have the constitutional authority to do this no matter what. In fact, they used the excuse that it was for medical reasons with respect to the contents of the feed that we were giving those hogs.

The House needs to be reminded, and in particular my colleagues opposite, that in order to get the fast-track approval from the U.S. Congress President Reagan wrote Senator Packwood, I believe it was, who is Chairman of the appropriate U.S. Senate committee. In the course of his requesting a fast-track agreement for the concluding of a free trade deal with Canada, the United States President gave his assurance that no matter what the agreement stated, the U.S. Senate and the House of Representatives under the Constitution of the United States would continue to retain their constitutional authority no matter what the free trade deal said. Nothing has changed and nothing will have changed if, as, and when this is passed; if, as, or when this is implemented.

• (2050)

Mr. Schellenberg: There is the dispute settlement mechanism.

Mr. Benjamin: I am glad my colleague mentioned the dispute settlement mechanism. I know this Minister and his predecessors laboured long, as did Mr. Reisman, and all the other officials to get an effective, enforceable dispute settlement mechanism.

Mr. Gormley: And they got it.

Mr. Benjamin: We did not get it. The mechanism, the number of bodies on it, even if there are equal numbers in the United States and Canada, can only report, they cannot enforce. They can rule and report that there has been a violation by one country or another, or by one company or another in one country or another. But they can only decide and they can only report. They have no authority whatsoever to require or to enforce.

Mr. McDermid: Who said so?

Mr. Benjamin: Show me somewhere where they can enforce the dispute settlement mechanism.

Mr. McDermid: Read the agreement, Les.

Mr. Benjamin: I challenge you to tell me and show me where the dispute mechanism gives them the authority to enforce.

We have had this occur to us many times. I am not condemning the United States. It is not about to give up its constitutional authorities at whatever level of government. But I did not ask, don't expect, or want Canada to do that either. We have learned from bitter experience in a host of commodities on numerous occasions that sometimes when one level of government in a country gives its word, it turns out that its word is no good because another level of government refuses to live up to it. We have been through that with our friends to the south before.

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

Mr. Benjamin: You do not have a point of order. The Hon. Member can interrupt me when it comes to questions and comments.

The Acting Speaker (Mr. Paproski): On a point of order, the Hon. Parliamentary Secretary to the Minister of International Trade (Mr. McDermid).

Mr. McDermid: The Hon. Member challenged me to show him where in the agreement it stated that it shall be binding. I would like the Hon. Member to look at page 275 of the agreement under Article 1904, paragraph 9, which states:

> The decision of a panel under this Article shall be binding on the Parties with respect to the particular matter between the Parties that is before the panel.

The Acting Speaker (Mr. Paproski): The Hon. Member for Regina West (Mr. Benjamin).

Mr. Benjamin: My hon. friend has just proven my point. It states that it "shall be binding". Binding upon whom?

Mr. McDermid: Both parties.

Mr. Benjamin: We have checked with some pretty astute legal minds—

Mr. Gormley: Shirley Carr, Bob White? Who else?

An Hon. Member: You guys don't have astute legal minds, come on!

The Acting Speaker (Mr. Paproski): This has been a very exciting debate today. I do want to listen to the wisdom of the Hon. Member for Regina West. The Hon. Member for Regina West.

Mr. Benjamin: My hon. friends opposite were not listening. President Reagan's letter to the U.S. Congress before this fracas even started assured them that the Congress of the United States, the Senate, and the House of Representatives shall retain their constitutional authority to do as they have done before on many other treaties.

Mr. McDermid: You don't trust them, Les?

Mr. Benjamin: You are darned right I do not. We have been a dozen times bitten and we are 24 times shy.

It states in the agreement that it "shall be binding". There is nothing that states that it will be enforced. There is nothing that states the U.S. Senate or the House of Representatives cannot overrule that provision. The fact of the matter is that they can and they will. The acute naiveté of my hon. friends opposite, if they think that, all of a sudden, overnight, the Americans, with the tens of billions of dollars of trade deficits that they have, will hold still for Canada to take an even larger share of their markets, then these people are dreaming in Technicolor.

Another thing that is conveniently overlooked when talking about subsidies is that nobody will say what is a subsidy either on this side of the border or the other, but the United States has many definitions of what is a subsidy. It told us in no uncertain terms a long time ago that unemployment insurance for fishermen was a form of subsidy.

Mr. McDermid: No.

Mr. Benjamin: They made that point very clear several years ago.

Mr. McDermid: Didn't even hear a case.

Mr. Benjamin: If my hon. friend would keep his mouth shut and ears open, he would get the point. They have made it clear that they do not like our regional development programs. They have made it clear that they do not like our regional transportation subsidy programs. They have made it clear that they do not even like the one introduced recently by the New Democratic Government in the Yukon. When they talk about subsidies, and they talk about a level playing field, and when my friends opposite talk about free market forces, free access, and guaranteed access, they seem to forget that the other guy has got the ball on our ten-yard line on that level playing field.

Let me illustrate. There are some 11 states in the southern United States that are called right-to-work states. They have no unions, or very few, if any, and no minimum wage. We have a marvellous poultry producer in Saskatchewan at Wynyard who produces and sells the best roasting and frying chickens anyone could want anywhere.

Mr. Epp (Provencher): What about the ones in Manitoba?

• (2100)

Mr. Benjamin: I will be fair to my hon. friend. They are as good as the ones in Manitoba. He has been selling them to supermarkets in Regina and Saskatoon. Some went into Brandon and Winnipeg, also, Calgary, Edmonton. He has a really good, efficient operation.

An Hon. Member: That is all the NDP speaks about, this guy—

Mr. Benjamin: He pays more than the minimum wage. In the Super Value store in Regina, where his roasting chickens are on sale, lo and behold, back last March there were some other chickens there for sale. Where are they from? From Georgia.

An Hon. Member: That is a long way to fly. That is a long flight.

Mr. Benjamin: Wynyard is 200 miles from Regina. Georgia is at least 2,000 miles. What do they pay in Georgia? No better, and usually less than $1.65 an hour.

An Hon. Member: How many guys do you have working on the chicken ranch?

Mr. Benjamin: That is not free enterprise, it is not fair enterprise, it is not fair competition. What this Tory Government expects Canadians to do is to take less than they presently have.

An Hon. Member: The quotas are still on the chickens.

Mr. Benjamin: The other little item that they conveniently forget is that the several dozen U.S. multinational corporations which manufacture just south of the Rio Grande River, on the border of the U.S. and Mexico, they pay Mexicans 65 cents an hour.

An Hon. Member: Shame!

Mr. Benjamin: Good old free enterprise, good old competition. The American Government classifies those products, General Electric automotive parts, electronics, as made in the U.S. of A.

An Hon. Member: Covered in the agreement.

Mr. Benjamin: They will come under this agreement. I will be glad to buy—

An Hon. Member: Read the agreement.

Mr. Benjamin: I will be glad to buy my hon. friends a keg of nails if that does not turn out to be true.

The Acting Speaker (Mr. Paproski): I would hope the Hon. Member is within the debate so we can get to questions and comments.

Mr. Benjamin: Yes, Mr. Speaker. Surely this appeal by this Government to mediocrity in order to get bigger bucks for some multinational corporations is not going to satisfy most average Canadians, and is not going to satisfy Canadian-owned and Canadian-located manufacturers and processors in Canada who do not have, under this agreement, and will not have, what is called a level playing field. They will continue to operate at the whim of the U.S. Congress. They will continue to operate against unfair competition in terms of wages, working conditions and social programs under this deal. We want no part of it.

The Acting Speaker (Mr. Paproski): Questions or comments. The Hon. Member from the Battlefords—Meadow Lake (Mr. Gormley).

Mr. Gormley: Mr. Speaker, I have a brief question to ask the Member. As a Saskatchewan Member as well, I listened with a great deal of interest to his comments on the agreement. There are two very interesting emerging themes in NDP speeches around Canada on the subject. I have heard them in Saskatchewan. When I debated this issue with Saskatchewan NDP people, they continued to deal with it. One is a rather specious point which has already been debunked by the Parliamentary Secretary. The second is the question of third country production, and this famous strip along Mexico which

allegedly pays people 65 cents an hour. This is clearly, to those people who have read the agreement, both covered in the agreement and simply not something that is of issue in this particular free trade or bilateral trade agreement.

The NDP Members of Parliament in Saskatchewan challenged government Members of Parliament to debates on free trade. Those of us who have done a lot of work on free trade and are conversant with the agreement and have read the important parts of the agreement said, let's have a debate. The NDP MPs did not want a debate any more. This was an MP who was sabre-rattling and asking for debates.

I would like, by way of question, to ask him specifically about this question of the 65-cent-an-hour-in-Mexico arrangement that he has spoken of. Has he not read the free trade agreement? Has he not referred specifically to the annex that deals with third country production? It is in the agreement. I would like to ask him, why has he not read this part of the agreement when concerned Canadians already have?

Mr. Benjamin: Mr. Speaker, I invite my hon. friend—since we do not have all the precise U.S. legislation yet, and neither does the Government—to look at the report to the President of the House Ways and Means Committee and the Senate Finance Committee, which worked with the Administration and which has the U.S. Administration's support. Under Article—pay attention. My hon. friend should pay attention. He asked a question.

Mr. Gormley: I am listening in rapture. I always have.

Mr. Benjamin: Keep your ears open and your lips from flapping. Under Article 103—

An Hon. Member: You have the public in stitches.

Mr. Benjamin: Under Article 103, the extent of obligations clause states that each party will ensure compliance with the deal at provincial,state and local levels. The U.S. intends to "provide that in the event of a conflict between a U.S. statute and a provision of the free trade arrangement, U.S. law shall prevail". When the Americans deem that products processed or manufactured on the U.S.-Mexican border, on the Mexican side, are deemed to be made in the United States of America, under Article 103, U.S. statutes will prevail. Now, can it be any plainer than that?

The Acting Speaker (Mr. Paproski): A very quick supplementary.

Mr. Gormley: What a tired litany of nonsense. When this man talks about U.S. law prevailing, is he trying to tell the House that Canada somehow forfeits some of our sovereignty by signing this agreement? Canadian law will prevail, as American will prevail, and the question about this alleged paying of 65 cents an hour to Mexicans has absolutely nothing to do with American law. It is covered specifically in the agreement with respect to third country entry of goods. This Member has not addressed my question. I can only conclude that he has not even read any part of the agreement, and that is regrettable.

An Hon. Member: He doesn't even know what section it is.

Mr. Benjamin: Whether it is a third country or the U.S.A., with their $1.65 wages for producing poultry, the U.S. law will prevail.

An Hon. Member: You still have quotas on poultry.

Mr. Benjamin: In other words, the U.S. has made it clear that they intend to support a certain supremacy of United States statutes. In the Canadian legislation, this bill asserts the subordination of Canadian law. When I look at the gutless wonders opposite I see that when it comes to standing up for Canada, they will continue to subordinate this country and subordinate our laws to the wishes of their big brother to the south.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Before I call upon the next gentleman, the Hon. Member for Bonavista—Trinity—Conception (Mr. Johnson), I would like to advise the House that, under Standing Order 55(2), debates will be 10 minutes without any questions or comments. The Hon. Member for Bonavista—Trinity—Conception.

Mr. Morrissey Johnson (Bonavista—Trinity—Conception): Thank you, Mr. Speaker. I am pleased to take this opportunity tonight to speak about the free trade agreement, and more especially, its effect on Newfoundland and the Newfoundland fishing industry.

Some Hon. Members: Hear, hear!

Mr. Johnson: You are no doubt aware, earlier this year the Economic Council of Canada published its report on the free trade agreement. Having studied the agreement in detail, including the fine print, they came to a definite conclusion. This deal is good for Canada and for every region of this country. In fact, the Economic Council believes that the Atlantic provinces and the Prairies stand to gain the most from this free trade agreement as far as jobs are concerned.

• (2110)

The Economic Council is not the only organization which believes the free trade agreement is good for the country. Other independent research organizations, such as the Conference Board and the Canada West Foundation, have said that we will have greater economic growth and thousands more jobs as a result of the free trade agreement. Furthermore, all the major business associations in this country, the Canadian Chamber of Commerce, the Canadian Manufacturers' Association, and the Canadian Federation of Independent Business, which represents tens of thousands of small businesses across Canada, want the free trade agreement implemented. They want it implemented because they know this

agreement offers to Canadians the potential to move forward with a powerful and vibrant economic infrastructure.

For Atlantic Canadians this deal will establish innovative rules for trade in services which, Mr. Speaker, are the fastest growing component of international trade. Of particular importance to Newfoundland are benefits that consumers can expect as a result of the agreement.

A technical impact study published by the Department of Consumer and Corporate Affairs listed a number of potential benefits which will arise when the agreement is fully implemented. According to the study, the cost of living of low-income Canadians will decrease by 3 per cent and that of middle and high-income Canadians by 2 per cent. The typical middle income family will pay $8,000 less to establish and furnish a home, and increased competition will improve the price, quality and variety of consumer products. No matter what we do in life, all of us are consumers. We will all benefit from the free trade agreement.

Another benefit, which few people talk about, is related to the tax we pay on imports from the United States. Every year we pay over $2 billion worth of tariffs on U.S. products. Removing those tariffs is the same as giving ourselves a $2 billion tax break.

Now, what does the agreement mean for the economy of the Atlantic provinces and Newfoundland in particular? Well, fish, agriculture, forest products, energy and minerals drive the economy of Atlantic Canada. Some 75,000 people work in these sectors. Their jobs depend heavily on exports. In fact, in 1986, Newfoundland exported over $1 billion worth of commodities, more than half of which went to the United States. In Newfoundland, the fishery employs 26,500 fishermen and 10,620 plant workers. In 1986, as a province, we exported $422 million worth of seafood products to the United States. This is the equivalent of 76 per cent of all seafood production in the province.

In recent years we all know that U.S. trade actions have threatened these exports. This has caused long and costly court procedures. However, the free trade agreement negotiations have resulted in a dispute settlement mechanism which will mean that Canadians will now get a fair hearing over future trading disputes with the United States. Regardless of what opposition Members say this binding dispute settlement mechanism is an important feature of the agreement.

I wish time permitted me to explain the finer details of this mechanism. I can say that the two Governments, the U.S. Government and the Canadian Government, are committed to curtailing the type of regulations which have hurt the industry so painfully in the past. Several attempts have been made by the Opposition to suggest that many of our social programs involving the fishing industry were affected by the agreement. This simply demonstrates the desperation of critics of the agreement. Their only hope is to mislead the Canadian public about some of the most important programs that this country values. The free trade agreement quite simply does not affect social programs in this country. The Americans recognize that social programs are not countervailable. In fact, in the past when the Americans attempted such an action, they lost their case. Our social programs were never on the table and they will not be in the future.

Some Hon. Members: Hear, hear!

Mr. Johnson: These universal programs are important to all Canadians and they are important to our Government.

The fishing industry is absolutely vital to the economy of Atlantic Canada. That is why the Government paid such attention to their concerns. What is good for the fisheries industry is good for Newfoundland. Through the free trade agreement the fishing industry has gained enhanced access to the U.S. market. This assured access will lead to increased investor confidence for entrepreneurs. This confidence will encourage further processing of fish products in a region which is attempting to reduce its dependence on primary production of goods.

Another plus for the industry will be the elimination of tariffs on all fishery products. Most products will be tariff-free in five years. In simple language, as a result of the agreement and because of the elimination of tariffs, Canadian fish products will be sold cheaper in the United States, which will mean an increase in sales and, therefore, an increase in jobs at home.

Finally, Mr. Speaker, key elements in the free trade agreement ensure that the East Coast fish processing industry and the jobs it provides will be protected.

Mr. Robichaud: That is a lot of bull.

Some Hon. Members: Oh, oh!

Mr. Johnson: The Canada-U.S. Free Trade Agreement will benefit fishermen as well as processors. A fisherman's economic viability depends on resource availability, the quality of the raw material and good financial returns for catches. As processors secure an increased share of the American market, raw material from fishermen will be in greater demand. This greater demand, in turn, will mean increased returns for fish landings.

Not only the Newfoundland fishing industry benefits from this agreement, other industries, such as mining and forestry, will also have the opportunity to export to a larger and more secure American market.

This agreement speaks to many of the concerns of Newfoundland's citizens. It effectively responds to the economic needs of industry in the province while keeping in mind the vital regional expansion and social programs that uniquely serve the province so effectively. Already the Canadian and American economies are highly integrated. There is a natural north-south flow of trade that takes advantage of proximity, similar business practices, common language, time zones and

climate. The free trade agreement simply expands and enhances an already highly productive partnership.

An era of increasing prosperity is opening up to us. Our challenge is to capitalize on the free trade agreement and realize the full potential of our exciting future.

The Acting Speaker (Mr. Paproski): Questions or comments? The Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan) on debate.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, first I would like to congratulate the Hon. Member for Renfrew—Nipissing-Pembroke (Mr. Hopkins) and his wife who are celebrating their thirty-third wedding anniversary.

Some Hon. Members: Hear, hear!

Mr. MacLellan: We have heard a great deal from the Government on the supposed benefits of this trade agreement with the United States. It is just pure, unadulterated mishmash which the Government is trying to have the Canadian people believe. We have heard one aspect with respect to the subsidies. In this agreement we are not going to have a definition of what a subsidy is for perhaps seven years. We will not know what a subsidy is. Yet, if subsidies are countervailable, Canadians should know what a subsidy is. How will we be able to plan our commerce over the next seven years if we do not know that what we are doing is within or outside the free trade agreement? How will we be able to plan the future of the energy sector if we do not know what a subsidy is? How will the Alberta Government, for instance, be able to determine whether a royalty is lawful under the free trade agreement or unlawful under the free trade agreement? If a royalty is a subsidy, then it may not be allowed under the free trade agreement. What about ethane sales at the rate it is sold in Alberta? Will that be allowed under the free trade agreement?

• (2120)

What about regional expansion programs? What about economic assistance to the regions that are not as economically sound as other areas? Will assistance to these areas that are undergoing regional economic difficulty at this time be a subsidy under the free trade agreement and thereby be disallowed? Will we be helping the regions that are going through economic difficulties by telling them that the funding they are receiving now will prohibit them from trading in the United States? Is that the way we will help areas like Atlantic Canada and northern Ontario?

This is going to be a double-cross on the regions of Canada, the regions that need economic assistance. This Government has led the regions to believe that they will be helped by this trade agreement with the United States. What about energy? The Government is saying that what this is doing for Canada is wonderful. What it is doing is giving away our energy for a bag of coloured beans, our energy on which this country has become so dependent.

The agreement says that in the event of a shortage of energy, the amount we have sold to the United States over the previous three years will be the percentage of energy that we will sell to the United States at the time of energy shortage. If, over the previous three years, we sold 40 per cent of our oil to the United States, then in a time of shortage, we would have to sell to the United States 40 per cent of our oil. Forty per cent is the situation at the present time, but that does not mean that the shortage will happen tomorrow. The shortage may not happen for seven years.

Suppose a shortage happens in seven years and the multinational companies in the United States tell their Canadian subsidiaries to buy oil from Canada for sale in the United States. The amount of oil that could be sold in the United States could be 60 per cent or more. In a time of shortage, we would be obligated to sell 60 per cent or more of our oil to the United States.

Mr. Crosbie: That is absolutely wrong.

Mr. McDermid: We don't have to sell one drop of oil.

Mr. MacLellan: That is not wrong. It is absolutely correct.

Mr. McDermid: No, we don't.

Mr. MacLellan: Yes, they do. They are subsidiaries of American parents. That is, if there are any Canadian subsidiaries left, because under the free trade agreement, why would they need Canadian subsidiaries operating in Canada? If they can sell into the Canadian market without any subsidiaries, why have subsidiaries in Canada? We will see a closing of Canadian subsidiaries, or what we call Canadian subsidiaries at this time will be merely marketing agencies, causing tremendous cut-backs in employment.

What about our agreement with the International Energy Agency? Under the present agreement with the International Energy Agency, in times of oil shortages, we have to cut back our use of oil by 7 per cent and give it to designated countries that are short of oil. If those countries that are short of oil as designated by the International Energy Agency do not include the United States, then we will have to give 7 per cent of our energy to other countries and we will have to split with the United States the remaining 93 per cent. Presumably, we will have to give as much as or maybe more than 60 per cent of our oil to the United States.

The people of Canada are not being told exactly what they are being asked to give away under the free trade agreement.

Mr. McDermid: Total nonsense. I will debate the energy thing with you any time. You are totally wrong.

Mr. MacLellan: Over a year ago, the Prime Minister (Mr. Mulroney), in Caroline, Alberta, said what a terrible thing the Federal Energy Regulatory Commission did in not allowing Canadian sellers of natural gas to pass along their transportation charges to the buyers in the United States. He said what a

horrible thing that was and that he would correct it, bring it up at the Venice summit and tell the United States that this just was not fair and was extra-territoriality. What happened? We saw the first draft of the free trade agreement in October and nothing happened. The Federal Energy Regulatory Commission agencies in the United States have all the power they had before. We did see the National Energy Board completely gutted, completely emasculated by this free trade agreement. The National Energy Board is nothing more than a monitoring agency.

Mr. McDermid: You haven't even read the agreement.

Mr. MacLellan: Yes, that's exactly what is in the agreement.

Mr. McDermid: You haven't read it though.

Mr. MacLellan: Yes, I have. You didn't make it easy.

Mr. McDermid: You can't even keep a straight face and say that, come on.

Mr. Gauthier: More than you can say for your own Minister.

Mr. MacLellan: The Government did not make it easy.

Mr. McDermid: I've read it twice.

The Acting Speaker (Mr. Paproski): We have had a great day so far. There has been a lot of good debate. The Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan) still has a couple of minutes left.

Mr. MacLellan: Mr. Speaker, the Government did everything it could so that people could not read the agreement. The agreement was not available. Do you know what was available, Mr. Speaker? It was a pamphlet printed by the Secretary of State for External Affairs (Mr. Clark), not the agreement that was signed. We got a document of government issue. Canadians have not read the agreement. The Government did not provide the actual agreement to Canadians. All we got was the government issue.

Mr. McDermid: Come on into my office, I've got hundreds of them. I'll be happy to give you one.

Mr. MacLellan: Why not distribute them?

Mr. McDermid: They come into my office every day and get them.

Mr. MacLellan: Yeah, sure they do. The Government is completely oblivious to the needs of Canadians. It has gotten together with big business and said: "Look what you guys are going to get under free trade". Of course, big business wanted free trade and the Government gave it to them. All we hear now is: "Isn't it wonderful, isn't it going to be great". The Government is telling the Canadian people that this is in their interest. It is not in their interest because the Canadian people have had a mixed economy for the last 30 years, and that has been beneficial to the Canadian public. The Government is trading it for a free trade economy, which will be devastating to this country. We will lose regional industrial incentives—

Mr. McDermid: Oh, crocodile tears.

Mr. MacLellan: Oh, crocodile tears. I am telling you, you will be able to sail your dinghy in the tears of your constituents in five-years' time. You wait until the people realize what they are giving away.

Mr. McDermid: My constituents are going to grab it and run with it.

Mr. MacLellan: You watch, Mr. Parliamentary Secretary, what they will do when they find out what they are going to be giving away. This is a country of 800 one-industry towns. These one-industry towns will be closing because the Government is not protecting the uniqueness of Canada. The Government wants to centralize everything, small towns, small communities, fishing villages, mining communities. They will just be thrown up into the air.

Mr. McDermid: Where are they going to go?

Mr. MacLellan: To land wherever they want under this free trade agreement. That is what will happen.

The Acting Speaker (Mr. Paproski): I regret that the Hon. Member's time has expired.

• (2130)

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): I do not know whether there is a full moon out there tonight, but I think there is. The Hon. Member for Cape Breton Highlands—Canso (Mr. O'Neil) has the floor.

Some Hon. Members: Hear, hear!

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, I think it is quite appropriate that emotion should be followed by reason.

Some Hon. Members: More!

Mr. O'Neil: Which of course explains my order of appearance in the debate this evening.

The Acting Speaker (Mr. Paproski): I would like to know what the Hon. Member is saying, but it would be nice—

Mr. Rossi: Mr. Speaker, when our Member spoke we wanted to know what he was saying and that big blabbermouth over there would not let us.

Some Hon. Members: Oh, oh!

Mr. Rossi: I will not let him speak. He is going to throw me out.

Mr. McDermid: Get out your handcuffs, Clouseau.

Mr. Rossi: Stupid McDermid, that is what they call you.

The Acting Speaker (Mr. Paproski): Now I know there is a full moon. The Hon. Member for Cape Breton Highlands—Canso has the floor.

Mr. Rossi: No, he will not have the floor.

Mr. O'Neil: Mr. Speaker, I regret—

Mr. Rossi: Keep on blabbering, blabbermouth.

Mr. O'Neil: —that I upset the Hon. Member so much. I think it is regrettable that he does not have a thicker skin and is unable to endure the truth in this debate with greater poise. The fact is that the free trade agreement is good for Nova Scotia.

Some Hon. Members: Hear, hear!

Mr. O'Neil: That is why I speak with a loud voice in this Chamber in support of the interests of Nova Scotia and this agreement. If that Hon. Member from central Canada, who is so loyal to the principles of the Liberal Party, so he says—

Mr. Rossi: Take advantage because you will not be back.

Mr. O'Neil: —can stand here today so adamantly and strongly against the interests of my constituents in Nova Scotia—

Mr. Rossi: You won't be back.

Mr. O'Neil: —I cannot help him. I thought a man with his experience would be able to endure the debate a bit better.

Mr. Crosbie: The hairless Inspector Clouseau.

Mr. Rossi: I was ready for you.

Mr. O'Neil: I am going to tell the Hon. Member why this agreement is so good for Nova Scotia. It is good for Nova Scotia because it is good for the fishing industry, the forest industry, the Christmas tree industry, and it protects our right and opportunity to put in place—

Mr. Keeper: Point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): I would like to hear the Hon. Member for Winnipeg North Centre (Mr. Keeper) on a point of order.

Mr. Keeper: Mr. Speaker, I was just hoping we could have some quiet so we could hear the Hon. Member.

Some Hon. Members: Hear, hear!

Mr. O'Neil: Mr. Speaker, I would like to thank the Hon. Member for asking his colleagues and members of the Liberal Party to allow me to address the House.

Mr. Rossi: And the Tories.

Mr. O'Neil: I said this agreement is good for the fishing industry. Of course, that means it is good for the people I represent. I want to tell my friends from other parts of this country who know nothing about the fishing industry in Atlantic Canada why this is important to the industry.

A very simple example is that certain fish products entering the United States are now hit with a tariff. That tariff increases the cost of Canadian fish products on the Boston market. As a result of this agreement, that tariff will be lifted. That means our fish will be more competitive on the U.S. market. We do not have the U.S. fish market cornered. We have to compete. Fish enters the U.S. from other countries, particularly Scandinavian countries. This gives us a competitive edge in that market.

The forest industry is also very important in Nova Scotia. That is why this agreement is supported by Stora Forest Industries, the biggest forest industry company in Cape Breton and eastern Nova Scotia. The president of that company said that clearly this agreement is in the interests of that large pulp and paper manufacturer. He said that because of the security it gives to that industry. He said that at present we essentially have free trade in the products they manufacture. He went on to say that the dispute settling mechanism gives an element of security to the industry against protectionism, which has over the last number of years resulted from political pressures in the U.S., and it has hurt many Canadian industries, including the forestry sector. It is good for the fishing industry, the forestry sector, and that is why spokespersons from both those sectors of the Nova Scotia economy have strongly supported this initiative.

You heard earlier tonight about what this agreement does or does not do to Canada's regional development initiatives and its flexibility with respect to creating better employment opportunities in the regions. Let me say first that this agreement in itself is a regional development initiative. It is good for the regions. It means that Nova Scotia can more fully develop the opportunities presented to build on the north-south trading link so that we can develop stronger economic ties with the eastern U.S. There will not be the same strong pressures for an east-west trading pattern in this country. We will have the freedom and flexibility to go south with our products as we did before Confederation.

More specifically, this agreement in no way forecloses an opportunity or prohibits Canada from helping industries in the regions. There is absolutely nothing in this agreement that runs counter to Canada's regional development policies. Think about that for a moment. Do we as a Government believe there is? Obviously not because in the midst of the negotiations, as we moved towards conclusion of the agreement, we announced

the establishment of the Atlantic Canada Opportunities Agency, the richest regional development incentive package ever for Atlantic Canada. It is working. There are companies receiving offers of assistance to locate and expand in Atlantic Canada long after this agreement was signed.

Where, then, is the prohibition to regional development? We have seen the western diversification fund established, again a strong regional development initiative which took place following a commitment to the free trade agreement with the U.S.

The facts are very clear, the practices are very clear, and they speak for themselves. There is nothing in this agreement that prohibits or in any way detracts from our ability to build in the regions. When the case is made that it somehow does do that, that case must be challenged, and I do so tonight. My constituents know full well that companies are being given offers of assistance and are accepting them and progress is being made in our regions.

What about the ordinary Canadian on the street, in the grocery store, buying a car, how does this help him in a very personal way other than through the economic sector? It helps him because it means lower consumer prices in many sectors. It will result in the elimination of tariffs on imported products. Many Canadians, including many of those who sit in this Chamber, buy products from the U.S. Many of those products carry tariffs. That of course is passed on to the consumer. Therefore, we save on that end.

We also save as consumers because components brought in to the country will not carry a tariff. When a manufacturer pays less for a component, that will in turn be reflected in the price of the end product. This agreement also enhances the industry in Canada. It will make it more competitive and competition invariably results in lower consumer prices.

• (2140)

I know that time is short but I do want to urge all Members to support speedy passage of this legislation which implements the agreement because the agreement is in the interests of my constituents, all Nova Scotians, and all ordinary Canadians. That is why the ordinary men and women in this country support this agreement and want to see it passed. They look forward to a stronger and more prosperous future in Canada as we take our full place in the world economy as a global trading partner.

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I would like to point out, in opening my remarks on this trade agreement tonight, that the Government is promoting something by a name other than that which it really bears. On the cover it says "The Canada-U.S. Free Trade Agreement" and inside it says "The Canada-U.S. Trade Agreement". That, surely, is the first key to what is happening here. That is bearing a false witness to the people of Canada.

When the Government says it has a free trade agreement with the United States, that has no more meaning or substance than "Avon Calling". It is a mere marketing slogan combining two words which we all view favourably; "free", because we all know how we depend on freedom and we all support it; and "trade", which we understand as being largely connected to our prosperity. When the Government talks of this as a free trade agreement it denies the reality and uses a mere marketing slogan to sell an agreement for which it has no mandate, had no mandate, and never will have any mandate.

When we recall 1983 and the leadership contest of the Progressive Conservative Party, who do we see standing proud and tall for free trade? John Gamble and Peter Pocklington, and where are they now in political terms?

Some Hon. Members: What about John Crosbie?

Mr. Parry: I'm talking about the serious contenders, of course. The other prominent front-bench members of the Cabinet spoke out against free trade. That is on the record and you can check it in *Maclean's*, Mr. Speaker.

I think that any Canadian viewing this agreement should judge it by the contents, not by the title, particularly when the title on the cover is not the title to which our partners in the agreement, the Americans, agreed.

The Government information continues to mislead. Let us look at some of the major factors in this agreement on which the Government is trying to sell it. Let us look at tariffs. I was sad to hear the Hon. Member for Bonavista—Trinity—Conception (Mr. Johnson) repeating the misconceived idea that somehow the Canadian people are going to save $2 billion. The $2 billion will, of course, have to be replaced in some way. The Tories would do it by cut-backs, the Liberals by bank borrowing, and we as the Government would do it by an intelligent combination of that and increased taxes on the corporations which have been getting away so well under the present Government.

Similar are the energy provisions. When the government Party was the Opposition, it rang the bells for 16 days because it objected to an omnibus energy Bill. The Conservative replacement is to put everyone in North America on an even basis so that there can be no Canadian exploration programs, there can be no Canadian ownership programs, and there can be no Canadian conservation programs without, of course, the threat of American countervail.

Free trade in services is perhaps a little more hopeful. However, look at the way in which the service sector is organized. Look at the power of franchising which is directed from the United States. Look at the way in which that agreement can be ruled to eventually level down Canada's professional standards and eliminate provincial control over those professional standards. Certainly, there will be winners, but there will also be losers.

That brings me to the investment provisions. The Government should realize that in the time that it will take Canadians to go from owning one-half of 1 per cent of the American economy to owning 3 per cent of the American economy the American multinationals can go from the 40 per cent of Canada's economy they already own to owning 100 per cent.

It is in that context that these specific protections which the Government so naively believes that it has negotiated begin to take on the air of false shields and mere illusory protection because, if those same protections can be mentioned in a countervail action in the United States, they are going to end up, under American law, considered as countervailable programs. The Hon. Member for Cape Breton—Highlands—Canso (Mr. O'Neil) talked about the fishing industry and ignored the example of the Prince Edward Island fishery and the 58 separate Canadian government programs which were deemed by the U.S. Free Trade Commission to be countervailable.

So it is with trade laws too. Each country will be able to continue to pass its trade laws. The record indicates that trade laws in the United States are far more restrictive, far more Draconian, and give far more power to the American Government than do Canada's trade laws. We have only had one single countervail duty ever imposed on United States exports to this country in all the history of our trade law whereas applications go before the trade commission in the United States almost on a monthly basis.

Turning to the disputes mechanism, what a paper tiger, what a toothless mechanism it is to protect Canada. It will only be able to rule on whether or not the law of the United States has been fairly applied.

Mr. Reagan and Mr. Yeutter knew what they were talking about and they are honest. Mr. Reagan said that it is a new economic constitution for North America, and he is right. Mr. Yeutter said that the Canadians do not know what they signed, and he is right.

With regard to the negotiating process of this deal, our team was four times as large as the American team. Don't you think they knew who was hot to get this deal? Don't you think they saw us coming? Don't you think they sucked us in? Don't they have a tradition of being great Yankee traders, and didn't they see the rube coming down the sidewalk ready to deal generously with them?

That four-to-one disparity in the negotiating team size should have given this whole game away to the Government in the first place. That is one size disparity. Let us look at another, our capacity to monitor the underground network of protectionist activities that goes on in every economy, even between towns in Canada in selecting contractors for rewiring jobs on government-owned houses.

The American economy, 12 times the size of ours, is going to have 144 times the capacity to monitor economic events in Canada and look out for hidden protectionism for those non-tariff barriers which are, of course, so much more effective.

In this agreement we are not talking about free trade, and even less, is it fair trade. We are talking about the harmonization of Canada's social and economic systems to the American way and the American world view, in the same way as Hawaii was brought into the United States by means of a free trade agreement. Comparisons made by the British Prime Minister with the European Economic Community are false and meaningless because, of the four partners in the original agreement, counting Benelux as one have less than 15 per cent of total production and none more than 35 per cent. In the Canada-U.S. context the figures are 92 per cent and 8 per cent respectively.

The Government has said that this is a "historic agreement, but it is not prepared to let it become a "historic debate in this House of Commons. It is prepared, instead, to apply time limitations and closure. It is prepared to link up Canada's economy as in the famous metaphor, of the mouse that lies down with the elephant.

There will be modest gains but there will not be gains in the hinterlands. If there are job gains, they will be in the major centres which will get larger to the eventual detriment of their own citizenry. Aboriginal people know where they are going under this agreement, and it is nowhere. The people in the resource communities, the small, remote, far-flung villages and towns which have helped to build this economy are not going to see any gains.

If the Government were truly interested in promoting economic development in Canada it would be going for a lower interest rate policy which would democratize and spread that economic development across the country rather than concentrating it in the few major centres as this trade agreement will do if indeed it produces any gains in employment for Canada at all.

• (2150)

The Acting Speaker (Mr. Paproski): Debate. The Hon. Member for York West (Mr. Marchi).

Mr. Sergio Marchi (York West): Mr. Speaker, it gives me great pleasure to rise. in the approximately 10 minutes accorded to me before we end another parliamentary day in this Chamber, to speak on the so-called trade agreement with President Reagan and the Prime Minister (Mr. Mulroney).

Not only is the substance and content of this trade package offensive, but I think Canadians have an inkling that even if they, unlike our Minister who has not read the complete version of the trade agreement, did not have that booklet, they would have an inkling of what is in it by the very road that has been charted by this Government with respect to getting Canada into a trade agreement. It has been a process that is completely offensive to the integrity and sovereignty of this country. It is offensive to the citizenry of this country who have not been able to participate. They have not given the

Government a mandate to change the course of our future in terms of trading alliances in the international community.

I think I can spend time on the substance, as have some of my colleagues so very ably, but I would also like to call attention to the so-called democratic institution and way of life that we as parliamentarians in this Chamber advocate one day after the next, and what we advocate when we go back to our constituencies. Where is the mandate of this Government to tie us into this free trade arrangement with the United States? In the last general election neither political Party really debated or campaigned on the question of a free trade alliance with the United States. The Prime Minister's own position when he was running for the Conservative Leadership of his Party was very much against entering into a free trade alliance with the United States.

There has been no national debate which has allowed the issues, concerns, visions and dreams of individual Canadians to percolate and somehow in partnership, in concert between the Government and the population, try to forge together on a very important course.

We are not talking about a trivial issue. We are not talking about a piece of legislation that can be changed overnight or a piece of legislation that does not affect the fabric of our country. We are not talking about a piece of legislation that does not alter our way of life, the definition of our country. That is why the absence of any genuine process is all the more offensive. It is all the more offensive to the substance and individual lots of Canadians from one coast to the next. This is their country as well. It is not a *carte blanche* that the Government can simply wield around, negotiating very important sectors of our country with the United States. The U.S. has been after our financial institutions, and it has them. It has been after our energy and natural resources, and it got them. It wanted to make branch plant mentality the way of life in this country, and now it is that much closer.

Canadians are at the very least concerned that if this is the Government's philosophy, if it is the Government's direction and vision of the country, that is fine, but at least it should have the political courage and integrity to place that vision before the nation, before the people, and allow them, in partnership with candidates from one coast to the other, in a 60 day campaign, to decide the fate of our country. They should decide together the type of trading alliances we will enter into.

Mr. Langdon: Mr. Speaker, I apologize for interrupting the Hon. Member's speech, but it appears to me there is no quorum in the House at the moment.

The Acting Speaker (Mr. Paproski): I do see a quorum. The Hon. Member for York West.

Mr. Marchi: I thank the Member for drawing more Members in to listen to my words of wisdom. I was speaking of the ignorance and perhaps political politeness in the sense of a democratic country in consulting one's people about the future of their country.

The Tories in the last four years, based on their statements, on their policies and their record, have tried to rewrite history. That is wrong, but that is not as dangerous as trying to alter drastically in a very negative way the future course of our country. The Conservative Member from Cape Breton Highlands—Canso ended his speech by saying: "What do average Canadians think?" He talked about average Canadians on the streets, in the supermarkets and in the factories. One very interesting study was done back in February of this year. Average Canadians were asked a wide array of interesting questions. Not only were the questions interesting but the answers provided an insight into what average Canadians are thinking.

To a question that asked: "Which country will benefit the most from this agreement", only 10 per cent said, Canada. Sixty one per cent said, the United States of America. To the question: "Was the Canadian Government tough enough in the negotiations or did it give away too much?", only 23 per cent said it was firm enough, 57 per cent said it gave too much away. To the question: "What effects do you think this free trade agreement will have on jobs in your province?", 40 per cent said more jobs lost, only 25 per cent said more jobs created. To the question: "Do you think free trade will reduce Canada's cultural sovereignty?", 46 per cent said it will reduce it, 9 per cent said it will increase it. To the question: "Do you think free trade will reduce Canada's political sovereignty?", 46 per cent said it will reduce it, and 8 per cent said it will increase it. To the question: "Will Canada lose any of its sovereignty or independence as a nation under the deal?", 56 per cent said yes, 42 per cent said no. To the question: "Do you think U.S. corporate ownership and control in Canada will increase?", 64 per cent said increase, and only 6 per cent said decrease. To the question: "Is this free trade package a good thing or bad?", 41 per cent said good, and 12 per cent said bad.

Perhaps the most interesting question was: "Should an election be called over the free trade issue?", 62 per cent said yes, and 33 per cent said it is not necessary. To the question: "Who do you have the least trust in of any of the three Leaders?", at the top of the poll was your Right Hon. Prime Minister from Baie Comeau. That is very interesting.

The Member of Parliament from Nova Scotia wanted to know what average Canadians think. Those are some of the insights. One can read what Canadians think by looking into the eyes of the individual factory worker, by looking into the heart of some of those individuals out there in the resource sector. One can ask the female garment worker what she thinks. One can ask the people who are going to be displaced. They will give honest answers. That would be the insights. That is what Canadians are thinking about, and those Members opposite will find that out in the fall election.

The Acting Speaker (Mr. Paproski): It being ten o'clock p.m., pursuant to Order made Monday, June 20, 1988, this House stands adjourned until tomorrow at two o'clock p.m. pursuant to Standing Order 3(1).

The House adjourned at 10 p.m.

HOUSE OF COMMONS

Wednesday, June 29, 1988

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

ELECTIONS

GOVERNMENT'S LARGESS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, the residents in my riding watched the election campaign of the Secretary of State (Mr. Bouchard) with a great deal of interest, and now they can't wait for a general election, and it is easy to see why. They figure that the Government will do what it did in Lac-Saint-Jean and make their riding a present of $164 million, a riding that for the past four years or so has seen its Government grants cut, time after time.

What kind of manna will rain from the Tory sky, all in the spirit of justice and equity, on Mount Royal and on this country's 281 other ridings? One wonders, especially now that the Minister of Finance is doing everything he can to reduce the deficit. When you think about it, my constituents may be disappointed, because the Government seems to restrict its largesse to friends and school chums who want a seat in the House to defend strictly provincial interests.

Unfortunately, the new Member for Lac-Saint-Jean is part of that group, and I wonder, as I welcome him to the House if he would appreciate being wished a Happy Canada Day as well!

* * *

• (1405)

[*English*]

SPORTS

SCHEDULED HOCKEY GAMES BETWEEN SOVIET AND NHL TEAMS

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, in the midst of the spy embrouillage comes some good news in Canadian-Soviet relations. It is announced that two top Soviet hockey teams, Central Red Army and Dynamo Riga, will play 14 team games against NHL teams during the next season. Games are scheduled with Vancouver, Edmonton, Calgary, and Quebec.

Perhaps the Secretary of State for External Affairs (Mr. Clark) can assure us that the NHL is free from Soviet infiltration and no spooks loiter in our dressing-rooms spying out top secret Canadian hockey strategy.

* * *

ENVIRONMENTAL AFFAIRS

PROPOSED SASKATCHEWAN DAM—EFFECT ON MANITOBA WATER RESOURCES

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, considerable concern has been expressed about the proposed Rafferty-Alameda dam project in Saskatchewan and the negative impact it will have on the environment of Saskatchewan and North Dakota. Virtually ignored in this debate is the impact this project will have on Manitoba.

The Souris River, which the Government of Saskatchewan proposes to dam, flows southward into North Dakota and then northward again into Manitoba. Damming the Souris River will have a negative impact on any jurisdiction downstream, including Manitoba. The quantity and quality of water flowing into Manitoba will be reduced and the leaching of heavy metals and mercury contamination could become a serious problem in that part of the Souris flowing into Manitoba.

The Rafferty-Alameda project is not a simple arrangement between Saskatchewan and North Dakota. The Souris River crosses the international boundary not once but twice, and the Rafferty-Alameda project will affect not one but two provincial jurisdictions. Despite this fact, no international treaty exists between all the parties affected, especially Manitoba. I call upon the Government to exercise its international responsibility on behalf of the people of Manitoba and refer this complex issue to the International Joint Commission for detailed consideration and negotiation.

S.O. 21

ABORTION

SUPREME COURT CASE—GOVERNMENT FUNDING SOUGHT BY WOMEN'S ORGANIZATIONS

Mr. Jim Jepson (London East): Mr. Speaker, as most Canadians know, Parliament is faced with the difficult challenge of rewriting Canada's abortion laws in light of the Supreme Court overturning Section 251 of the Criminal Code. There is also an important trial in the Supreme Court this fall, namely, the Joesph Borowski case, which would, in essence, give legal status and protection under the Charter to the unborn child.

The LEAF organization, which is the legal arm of the Advisory Council on the Status of Women, has applied for government funds to pay their legal fees because LEAF has interventionist status at the Borowski trial. This funding is in addition to what LEAF already gets from the Government currently. REAL women also have interventionist status, and are applying for government assistance as well.

• (1410)

I urge the Minister responsible for the status of women and the Minister of Justice (Mr. Hnatyshyn) to give funding to REAL women in fairness as the Government does not provide any funding to REAL women presently.

Under the Department's own guidelines, funding is not to go to any group involved with either side of the abortion issue. But in lieu of LEAF's previous funding this stipulation obviously has been disregarded.

* * *

[*Translation*]

NATIVE PEOPLES

EMPLOYMENT—REQUEST THAT JUSTICE BE PROVIDED FOR WOMEN OF KAHNAWAKE

Mrs. Lucie Pépin (Outremont): Mr. Speaker, almost two weeks ago, attempts by Dolores Montour to create jobs for Mohawk women at Kahnawake were thwarted. It seems there is no room for Native women in the Canadian Jobs Strategy.

The Mulroney Government has neglected to address the specific needs of the women of Kahnawake, a group that is particularly affected by unemployment, and the way certain Tory Members act towards Native people cannot be called nothing less than degrading and racist.

The problem was not with the project itself but with the Natives themselves, Lopez said.

"All they do is take money from the programs, it's always the same, they take money and it's never enough."

He recently suggested all Natives should be sent to Labrador.

Mr. Speaker, Chief Joe Norton of Kahnawake sent a letter to the Prime Minister, asking for an apology so did Keith Penner. Canadians support Mr. Norton. They want social justice for the women of Kahnawake, looking for work. We also demand that Native people be treated with fairness and dignity.

* * *

[*English*]

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—POSITION OF OPPOSITION PARTIES

Mr. Gordon Taylor (Bow River): Mr. Speaker, history repeats itself. In the early forties, after trying in vain to interest central Canada and Europe, the Alberta Government accepted entrepreneurs from the United States who spent millions of dollars drilling dry holes before Leduc came in. That was the beginning of the oil industry in Alberta.

But you should have heard the Liberals and the CCF, now the NDP, rail about the Americans. "They will take over the country". "They will throw out our social programs", et cetera.

Today we are hearing the same predictions from the Liberals and the NDP about free trade. But none of the dire things happened. The Americans worked under Canadian rules, and we lost nothing. We gained an industry and millions of dollars worth of work and employment for hundreds of our people. The same good results can be secured from free trade. So free trade for a greater Canada!

* * *

ADMINISTRATION OF JUSTICE

TREATMENT OF DEMONSTRATORS AT TORONTO ECONOMIC SUMMIT

Mr. Dan Heap (Spadina): Mr. Speaker, on Sunday, June 19, over 140 demonstrators against the Summit Conference as a symbol of international greed and oppression committed civil disobedience. In a disciplined action they crossed over police barriers set up to block thousands of orderly protest marchers on University Avenue.

The police, after behaving very well in public, retaliated against those arrested afterwards by denying them their rights under Section 10(b) of the Charter of Rights and Freedoms, which states that everyone detained has a right to retain and instruct counsel without delay and to be informed of that right.

After several hours in jail the police refused to allow prisoners to phone lawyers, refused to allow lawyers to contact

or interview prisoners, and used systematic tricks and lies to deprive 140 people of their Charter right.

This deliberate and systematic violation of the Charter was planned in consultation with the Solicitor General of Canada (Mr. Kelleher), as he told us, who therefore shares responsibility for deliberate violation of the Charter.

I call on the Prime Minister (Mr. Mulroney) to apologize to Canadians for his Government's part in this violation of the Charter, and to order a public inquiry to determine who was responsible and what disciplinary action is needed to prevent a repetition of this grave government offence.

* * *

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—MINISTER'S POSITION

Mr. John Nunziata (York South—Weston): Mr. Speaker, the Minister for International Trade (Mr. Crosbie) has admitted that he has not read the free trade agreement. What utter shame and incompetence! What utter contempt!

The Prime Minister's chief Minister responsible for the Mulroney-Reagan free trade deal has admitted that he is winging it. He is winging it with the future of our country. In other words, he does not know what he is talking about when he defends the Mulroney-Reagan free trade agreement.

He is faking it, pretending to know that he understands the agreement when in fact he does not. If the Minister responsible for the free trade agreement has not read it, who on the government side has?

Mr. McDermid: I have, twice.

Mr. Nunziata: I suspect that they are all winging it, from the Prime Minister to the Parliamentary Secretary.

How can the Minister promote the deal without having read it? How can Canadians have confidence in their future when the Government is winging it?

The Minister should be renamed the wing-it Minister or, better yet, the wing-nut Minister.

• (1415)

[*Translation*]

HERITAGE

UTILIZATION OF GREEN SPACES OF DOMAINE MAIZERETS

Mr. Marcel R. Tremblay (Québec-Est): Mr. Speaker, I welcome this opportunity today, and it is with great satisfaction that I rise in the House to emphasize the Government's commitment to environmental issues and heritage sites.

Mr. Speaker, on June 16 this year, I announced on behalf of my Government that $328,370 would be made available for the development and appropriate use of the greenspace of the Domaine Maizerets.

This historic heritage site is very valuable parkland and is of specific interest to the people of the Quebec City area. Developing this park, in addition to providing much needed greenspace, will give users an opportunity to enjoy a natural environment with great potential for education, interpretation, recreation and cultural activities.

We must all work together, Mr. Speaker, to make every part of this country a good place to live.

* * *

[*English*]

BANKS AND BANKING

CHARTERED BANKS' POSITION ON SERVICE CHARGES

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, about three weeks ago the Finance Committee of this House brought down its report on bank service charges. We all remember the hysterical reaction of the Bankers Association to that report. In fact, the president of the Bankers Association, Mr. Robert MacIntosh, accused the Chairman of the Committee, the Hon. Member for Mississauga South (Mr. Blenkarn), of being a socialist. I could forgive him everything, but that I cannot forgive the Bankers Association.

The President of the Bankers Association said that he had to shout at the press conference condemning the report of the committee, because he said the chairman had a tin ear. Furthermore, he said that members of the committee were only looking out for their own seats, and that is why they brought down this tough report about services that should be free, about a basic banking account with no frills, about an ombudsman, and about adequate notification.

That was the reaction of the banks. All the banks were absolutely opposed to the report.

Now what has happened? What we find now is that the banks have done a complete turnabout and would have us and the Canadian people believe that they suddenly accept the report. The Member for Mississauga South, and the Member

for York Scarborough (Mr. McCrossan), are willing to withdraw their Bill. We are not, Mr. Speaker.

* * *

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—BUSINESS OPPORTUNITIES CONFERENCE

Mr. Alan Redway (York East): Mr. Speaker, yesterday in my riding almost 400 people from small and medium-sized businesses attended one of those free trade business opportunities conferences much maligned by the Liberal and NDP Opposition.

They came to learn how to benefit from the free trade agreement, and they represent the reality of Canada in 1988, a Canada in which two-thirds of our exports are manufactured goods, a Canada that earns more export dollars from selling life insurance premiums abroad than from softwood lumber or crude oil, a Canada that earns more selling office equipment than from selling meat, a Canada in which sales of telecommunications equipment are four times the value of our nickel exports, a Canada where wheat exports are worth only half as much as our truck exports.

Despite what the Liberal and NDP Opposition would have us believe, Canadians are no longer hewers of wood and drawers of water. Rather, they are eager to take advantage of the free trade agreement and they are confident of Canada's future.

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—MINISTER'S POSITION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I was looking for the Prime Minister, Deputy Prime Minister, or Minister for International Trade, to ask a question, but I presume they are at a remedial training course over the noon hour to catch up on their programs. I will pose my question to the temporary Acting Deputy Prime Minister, to whomever that may be. I guess it is a random selection or choice.

Yesterday in the House the Prime Minister attempted to defend the Minister for International Trade by saying that, of course, he had read every single part of the agreement. Outside the House the Minister for International Trade said no, of course, he had not.

We are faced with a circumstance where we have a contradiction. Considering how important this agreement is, and considering how Canadians want an informed debate, I want to raise a question with whichever senior member of the Ministry is here.

• (1420)

How can the Government continue to have as a Minister of Trade someone who trivializes the issue to the point where he compares it to selling vacuum cleaners? Is the Government prepared to replace the Minister of Trade with someone who will treat the issue seriously and someone who will come to grips with an issue about which Canadians want informed answers instead of the buffoonery of the Minister for International Trade?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I want to assure the Hon. Member that I have been closer to the seat of Prime Minister than he will ever be.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Miss MacDonald: I also want to say that my colleague, the Minister for International Trade, has, in his own inimitable words, read every jot and tittle, every last word of every schedule, every part of the free trade agreement, and I want the Member for Winnipeg—Fort Garry to know that.

I also want to say, Mr. Speaker, that the Minister for International Trade has been doing a tremendous job selling the free trade agreement without having read every last schedule. Now that he has, he will do an even better job, and those folkes opposite just better watch out.

Some Hon. Members: Oh, oh!

Mr. Axworthy: Mr. Speaker, considering the comment of the Minister about her familiarity with the seat of power, now I understand how she got her broadcasting Bill through.

An Hon. Member: By the seat of her pants.

Miss MacDonald: What does that mean?

Mr. Axworthy: I think it explains a lot of things, Mr. Speaker.

Mr. Speaker: I know the Hon. Member would want to put his question.

ENERGY EXPORTS—PROPOSED ONTARIO LEGISLATION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I will pose this question perhaps to the Minister of Energy who may provide us with a half-way informed answer. Yesterday the Minister for International Trade said that the legislation introduced by the Province of Ontario in no way was contradictory or in any way has an impact upon the trade agreement.

Yet if the Minister for International Trade had read Article 904(b), of the agreement, he would recognize that it clearly says that any party to the agreement cannot impose a higher price for exports than it does for domestic consumption by any means such as licences, fees, taxation and minimum price requirements, yet the legislation tabled in the Ontario Legislature clearly intends to use those means to set a differential price between domestic and export prices.

If that is the case, can the Minister of Energy tell us whether the Government of Canada has now changed its position? Is it now saying that the provinces of Canada will have the right to set a differential price between energy exports and what Canadian consumers pay? If so, have they informed their American partners to the agreement because the American partners in their statements say that no such differential is allowed? Can we get a clearer description of that policy change which obviously the Minister of Trade announced yesterday?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, I think it is obvious the Government of Ontario is trying to play cat-and-mouse and that the Liberal Opposition is its mouthpiece.

To us, the question is a purely hypothetical one. The Minister for International Trade answered the question yesterday, and I think his answer was satisfactory to the Minister of Energy.

[*English*]

REQUEST THAT AGREEMENT BE RENEGOTIATED

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, there is nothing theoretical about the Bill that has been tabled in a provincial Legislature which clearly gives to that province the power to set a different price for exports than it sets for domestic consumption when the trade agreement, Article 904(b)—if the Minister of Energy has bothered to read it—clearly states that that is not allowed.

Is the Government of Canada prepared to condone and accept the position of the Province of Ontario which will now apply to all provinces and allow them to set a differential price? Will the Government of Canada therefore be prepared to renegotiate with the Americans Article 904(b) and take it out of the agreement so it will correspond to what the Minister for International Trade says is the new policy of the Government?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, the Government of Canada has tabled a Bill, and that Bill reflects its position.

• (1425)

[*English*]

PUBLIC WORKS

LEASING CONTRACTS—ALLEGED RCMP INVESTIGATION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Acting Prime Minister and concerns the administration of the Department of Public Works. Shortly after 12.30 noon today, CJOH Television in Ottawa reported that the RCMP has completed an investigation involving "officials in the Prime Minister's Office" and their alleged involvement in redirecting government leasing contracts in Quebec and in Ottawa to Conservative supporters.

Given the seriousness of these allegations as reported on television today, is the Prime Minister or the Acting Prime Minister in a position to confirm or deny that such an investigation has taken place or is in the process of taking place at the present time?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, this allegation is being brought to my attention for the first time. I would say to the Hon. Member that if he or anyone else has any proof of wrongdoing which they are trying to allege, then they should be prepared to produce it.

[*Translation*]

REQUEST THAT MINISTER MAKE STATEMENT IN HOUSE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my supplementary is directed to the Minister of Justice.

Considering that some very serious allegations about the Prime Minister's Office were aired today on television here in Ottawa, is the Minister of Justice prepared to make a statement here in the House of Commons on this question, either immediately or later today?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): No, Mr. Speaker.

[*English*]

REQUEST THAT MINISTER CONFIRM INQUIRY UNDERTAKEN

Hon. Edward Broadbent (Oshawa): Mr. Speaker, in the absence of the Prime Minister, the Deputy Prime Minister and the Solicitor General, I want to ask the Minister of Justice a question about these very serious allegations that were indeed made at noon. Could the Minister of Justice confirm that an inquiry has not only been inaugurated but has been completed by the RCMP involving personnel in the Prime Minister's Office and related to another serious allegation of influence peddling involving Public Works and the leasing of contracts?

Could the Minister of Justice at least assure the House that there has been no such inquiry or investigation by the RCMP into the staff of the Prime Minister?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I have to tell the Hon. Member in all candour that I am not aware of any such investigation. As the Acting Prime Minister has indicated, this is the first time this matter has come to the attention of the Government. I can only assume that, if there is an allegation to be made, it will be handled as we have handled any such allegations, whether founded or not. It will be handled with the fullest examination of all elements of any allegation that has been made.

I would simply ask the Leader of the New Democratic Party to remember that, if he brings these matters forward on the floor of the House of Commons, he should be satisfied that there is some basis upon which they should be given the credibility of his office. He is an officer of the House and should not be bringing these matters forward unless he is prepared to stand behind the allegations.

REQUEST THAT MINISTER CHECK ON ALLEGATIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, to understate it, I would have expected more from the Minister of Justice. We are not making allegations. This is in the news now. It is two hours old. I would have thought that the Prime Minister's Office would be monitoring the news broadcasts as have opposition Parties, and it would have been able to clear this up after two hours and make a statement in the House. That is the point.

Considering that the most serious allegations have been made involving the Prime Minister's staff and the Government of the Province of Quebec, I would ask the Minister of Justice if this will be checked out immediately, and will someone responsible to the House, a Minister of the Crown, agree to return to the House this afternoon to make a statement on this important matter?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, there are good reasons why we do not make statements with respect to investigations. I can assure the Hon. Leader of the New Democratic Party that, naturally, any allegation of this sort will receive the fullest examination. I said that in response to his first question.

I want to reassure the Hon. Leader of the New Democratic Party that, if there are allegations made, naturally all these matters are looked into thoroughly. The fact is that in terms of the administration of justice one would want to make sure that there is an unfettered examination of all the elements of the allegation and that we do nothing on the floor of the House of Commons that would prejudice or jeopardize an investigation. I think the Hon. Leader of the NDP would agree with that proposition and not want to do something that would have the effect of prejudicing the investigation.

• (1430)

REQUEST THAT MINISTER REPORT TO HOUSE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I agree completely with the Minister of Justice and I hope he could come back to the House within an hour or two and report that there was not an RCMP investigation inaugurated and completed involving staff of the Prime Minister. That is the allegation which has been made publicly.

Will he check that out and report to the House, yes or no?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, allegations are made and investigations carried out. There have been a number of allegations made by the Opposition with respect to so-called investigations which have had absolutely no foundation whatsoever. Everyone is entitled to receive the protection of the law, to be presumed innocent until proven guilty.

Investigations by the RCMP go forward quite independently of the Government. We do not control the police force in this country. They are an independent entity and carry on their responsibilities with vigour and effectiveness. I am sure the Leader of the NDP would not want to suggest that we should interfere with the RCMP in the conduct of their duties.

ALLEGATION RCMP CONDUCTED INVESTIGATION

Mr. John Nunziata (York South—Weston): My question is directed to the Minister responsible for the RCMP, the Solicitor General, or the Acting Solicitor General, and deals with the same subject. Surely the Government should be in a position here and now either to confirm or deny that the RCMP have conducted a criminal investigation into the affairs of certain people employed in the Prime Minister's Office.

Can the Minister indicate whether or not the RCMP have been investigating the affairs of members of the Prime Minister's staff, yes or no?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I have been responding to the questions in my capacity as Acting Solicitor General. I indicated that I am not aware and have not been informed of any investigation which has taken place. I am naturally going to make inquiries with respect to this matter, but at the present time I cannot confirm there have been any investigations. The matter will receive my close attention and if the Hon. Member has any specific allegation to make or any information, I hope he will turn it over to the police authorities.

Mr. Nunziata: Mr. Speaker, this is what you call classic stonewalling.

Mr. Beatty: This is what you call classic grandstanding.

GOVERNMENT POSITION

Mr. John Nunziata (York South—Weston): Mr. Speaker, we understand that the Minister of Justice is not aware of any

possible investigation. I direct my question to anyone on the government side. Have the RCMP conducted an investigation regarding people employed in the Prime Minister's Office, yes or no? Surely someone across the way should have an answer to that question right now.

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I have answered that question. If the Hon. Member cannot understand plain English, I will try it in French, but I think he understands.

* * *

BANKS AND BANKING

CHARTERED BANKS' SERVICE CHARGES—PROTECTION OF CUSTOMERS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of State for Finance. In light of the Angus Reid poll published today which shows that 75 per cent of Canadians believe that legislation governing bank service charges will be more effective than voluntary compliance, does the Minister not agree that the most effective way to protect the interests of Canadians is through legislation along the lines of the recommendations of the finance committee of this House? Or, does he believe that the road to Damascus goes through Bay Street?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I could produce a poll for the Hon. Member indicating that 100 per cent of Canadians want results on this issue and that is what we are going to produce tomorrow.

MINISTER'S POSITION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, the Minister is a true believer.

The Consumers' Association of Canada has also said that voluntary compliance does not ensure that, once things got better, service charges will not rise again, as we noticed for example with the recent rise in bank credit card interest rates. Therefore, will the Minister assure this House that he will not lie down for the banks on this issue, as did his two colleagues from York-Scarborough and Mississauga South?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I would like to remind the Hon. Member that it was over two years ago the Hon. Member for Mackenzie raised this issue. It was over a year ago that the Hon. Member for Mississauga South, the Hon. Member for York—Scarborough, the Hon. Member for Scarborough West and the Hon. Member for Don Valley East, all on this side of the House, raised concerns about this issue. As a result, and using the very fine work of the committee, we are going to produce a package tomorrow with which even that Hon. Member will be happy.

[*Translation*]

AEROSPACE

SITE OF SPACE AGENCY

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion and Minister of State for Science and Technology. For more than two years, everyone in the Quebec Government, municipal authorities, Quebec businessmen, unions and the Liberal Party of Canada, through its leader, have been pressuring the Tory Government to locate the space agency in Montreal, a real space agency, not an empty shell. Even the new Member for Lac-Saint-Jean, and I don't know whether he is also the new Minister responsible for Montreal, said during his campaign that he would put his full weight behind this question. I hope he weighs as much as I do so Montreal will win!

So my question is directed to the Minister of Regional Industrial Expansion and Minister of State for Science and Technology. If they don't intend to do what they did in Lac-Saint-Jean and buy votes in Montreal, and if for once his Government could be honest and avoid political scandal, could the Minister announce here and now where the space agency will be located and what contracts it will be given?

An Hon. Member: He's saving that for the election!

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, it will be a pleasure to answer the Hon. Member for Montreal—Sainte-Marie. During the past year, a great deal has been done for Montreal and for the province of Quebec. An agreement was signed that, according to Premier Bourassa, was a milestone in regional economic development for Quebec. The agreement will provide funding of over $970 million, with another $40 million for private forests in Eastern Quebec. Montreal will get funding for the Vieux-Port development and there will be a special development fund for Montreal's east end. More money has been made available under the subsidiary agreements for Quebec. A new program has been added for science and technology development in Montreal. And as far as the space agency is concerned, an announcement will be made at the appropriate time, as soon as the Cabinet has made its decision.

Mr. Malépart: Mr. Speaker, this Minister is just like the other guy. He doesn't read his documents and worse, he is deaf, because at a press conference the Premier of Quebec said the Government was not giving enough. It isn't one billion, it's only half a million the federal Government—the Premier blamed you for interest rates, and he blamed you for the shipyards. He blamed you for the space agency. So stop telling stories. The election campaign in Lac-Saint-Jean is over. The lying is over for the time being!

NATURE OF AGENCY

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): What I want to know from the Minister, when he announces the space agency, is: Will the space agency be located in Montreal to administer contracts or will it just be people working in Montreal to administer contracts that will be performed in Toronto? Is it a space agency with powers, contracts, economic benefits, not the crumbs that you Conservatives have been giving us for four years?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, it does not happen often, but I want to congratulate the Hon. Member for Montreal—Sainte-Marie when he says . . .

Some Hon. Members: Hear, hear.

Mr. de Cotret: Mr. Speaker, I want to congratulate him when he rises in the House to say that the lying is over. This may be his last question in the House, then.

* * *

• (1440)

[*English*]

AIRPORTS

PEARSON INTERNATIONAL AIRPORT—ENGINE TESTING NOISE

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, my question is for the Minister of State for Transport. The Minister is aware that the residents surrounding Pearson Airport have recently been awakened by run-up noises during the restricted hours of midnight to 6 a.m. For your benefit, Mr. Speaker, run-up noise is engine testing, not the run-up noise we hear on a daily basis from the opposition benches.

The Minister is aware that this run-up creates the same noise level as an engine in take-off or landing. However, unlike take-off and landing, it is not subject to any restrictions.

Could the Minister ensure that action will be taken so that residents around the airport will not be disturbed at these ungodly hours and that this colleague of his, who is also a resident, can get his much needed beauty rest?

Hon. Gerry St. Germain (Minister of State (Transport)): Mr. Speaker, my officials have requested that the aircraft maintenance run-up organizations adhere to the following three stipulations: Inform power ground control of run-up activity; conduct run-ups in an area so as to direct noise to the infield of the airport; and avoid run-ups at night.

This is an important subject for the residents around Pearson International Airport. We are also going to ensure that run-ups are done late in the morning outside the restricted hours. I believe that should provide some comfort for that area.

* * *

ACCESS TO INFORMATION

INFORMATION COMMISSIONER'S ANNUAL REPORT

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is directed to the Minister of Justice. Yesterday the annual report of the Information Commissioner, Inger Hansen, was made public. That report was a damning indictment of the Conservative Government's attempts to stonewall and deny access to information, to, in her words, block the road to openness. She said, "The Act isn't working and I felt I had to speak out".

In view of this harsh and unprecedented criticism of the Government, will the Minister of Justice now admit that his response to the unanimous report of the Justice Committee was a betrayal of the Prime Minister's 1984 promise to strengthen freedom of information, not to gut it? What action will the Minister of Justice take to respond to this devastating attack on his Government by the Information Commissioner?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I do not accept the premise of the Hon. Member's question. It is not against the Constitution of Canada or the Charter of Rights and Freedoms for the Hon. Member, or indeed the press, to report on statements made by the Information Commissioner which are complimentary of the Government with respect to the initiatives we have taken.

We responded on a very positive note to the committee report. We have opened up the process. We are the first Government which has had access to information in place while in office. We have been responding in a very positive way to support this initiative and we will continue to do so, even if we do not have the co-operation of the Hon. Member.

REQUEST FOR WITHDRAWAL OF PCO LETTER TO DEPARTMENTS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, the Information Commissioner went on to say, "The Prime Minister did at one time speak out in favour of freedom of information. Maybe he doesn't know what's happening today".

Is the Minister of Justice prepared to withdraw the letter which was sent out by the Clerk of the Privy Council in September of 1986 which basically told Departments that they had to vet through the Prime Minister's office all requests for information which might in any way embarrass the Prime Minister?

Will the Minister of Justice assure the House that this offensive letter, this attempt to gag any information which

might embarrass the Prime Minister, will be immediately withdrawn? Will he at least take that step?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I noticed in press reports with respect to statements made by Miss Hansen that she has indicated that she has no hard evidence to back up her statement that there is any prohibition across the board with respect to the federal Government or any attempt to slow down the process.

I think the Hon. Member would accept the fact that we have introduced a regime whereby the Government is committed to public education and an increase in access to government information. We have had some very positive proposals which we plan to bring forward in legislation.

If the Hon. Member will co-operate with us he will find out that we in this Government will have the most effective access to information regime of any Government in Canada. When there was a socialist Government in this country it was not very high up on access to information. That is probably one reason it lost the next election.

* * *

[*Translation*]

AGRICULTURE

QUÉBEC FARMERS—GOVERNMENT POLICIES—MINISTER'S POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is for the Minister of Agriculture. A few days ago, representatives of the *Union des producteurs agricoles* and the *Coopérative fédérée du Québec* and the Quebec Minister of Agriculture came to Ottawa to meet with members of our caucus, and perhaps with other Members from Quebec who sit in this House, to complain about the injustice and unfairness of the Conservative Government's policies towards Quebec farmers and their Government. For grain alone, they told us, the lost income for Quebec farmers and their Government amounts to $200 million.

I would like to ask the Government what it is waiting for to correct this unfairness to Quebec farmers, their representatives and the Government of Quebec, to correct this revenue shortfall of over $200 million.

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the Hon. Member's question on this specific subject. I am quite aware of the position taken by certain farm leaders in the Province of Quebec which is, to a certain extent I suppose, shared by my provincial counterpart from that province.

I have seen the document that they have prepared. I have had senior people within my Department analyse it. It contains many inaccuracies and many flaws.

I want the Hon. Member to know that since we assumed office we have ensured that all the programs we have delivered are fair and equitable to all farmers in all regions.

[*Translation*]

HARMONIZATION OF PROGRAMS—GUARANTIES—MINISTER'S POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, in this case, it is not an individual but a whole group of farmers' representatives, including the provincial Minister of Agriculture.

At the same meeting, these representatives also told us of the difficulties they face with the eventual harmonization of programs as a result of the trade agreement with the United States. On their behalf, I would like to ask the Minister to make a formal commitment that marketing programs, supply management and price stabilization that protect farm income and the family farm will be protected. Can these programs be guaranteed and does the Minister give us his word and his Government's commitment that these programs will not be affected by the harmonization process following the implementation of the Canada-U.S. trade agreement?

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I am rather surprised that the Hon. Member asks that question, particularly at this stage. He might recall that when we began the process of negotiating the bilateral trade arrangement between the United States and ourselves we made it very clear—it was publicly stated in this very Chamber, I believe on March 16, 1986—that Canada's supply managed systems, Canada's agri-food marketing systems, would remain intact. At the completion of the negotiations we delivered exactly what we stated on March 16, 1986.

In addition to that, there is a provision in the bilateral trade arrangement, Section 710 which clearly sets out that particular issue as part of the trade agreement. Canada's supply managed systems are quite consistent with the bilateral trade arrangement and are quite consistent with Article XI in the GATT.

* * *

• (1450)

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—WATER RESOURCES

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is directed to the Minister of the Environment. Last night on the U.S. based Cable News Network, Fred

Grandy, a Republican Congressman from Iowa, indicated that the trade deal between Canada and the United States would allow the capital rich U.S.A. to have full access to the water and resource rich Canada. That differs greatly from what the Government has been telling the House and the Canadian people.

Will the Minister explain why, after his comments, all the words of the Minister for International Trade, and all the taxpayers' money that has been spent, the Americans still believe they have open access to our water?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, did you ever notice the schizophrenia of the NDP? On the one hand they elevate anti-Americanism to the level of Party policy—

Mr. Broadbent: Answer the question.

Mr. McMillan: On the other hand, they quote any American they can find, twist his remarks to buttress every manner of contortion of policy of the federal Government. The fact is that the Government of Canada has made very clear through its federal water policy that we are against large-scale exports of water.

Mr. Rodriguez: Why did you not exclude it?

Mr. McMillan: We are against inter-basin diversions for such a purpose. That is the policy of the Government of Canada and it stands, no matter what the NDP says on the subject.

GOVERNMENT POSITION

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, the Minister knows full well that there is no piece of legislation that would prevent that.

Some Hon. Members: Oh, oh!

Mr. Angus: Let me point out to the Minister that the Congressman involved, Congressman Grandy, is another American actor, who played "Gopher" on *The Love Boat*. Is the reason the Government is unwilling to bring in legislation to prevent large-scale trans-boundary water diversions because the Prime Minister thinks he is on the *Love Boat*, having a love-in with President Reagan, and wants us to be nothing more than "go-fors" for the United States?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, this is absolutely ridiculous. The federal Government does not need law or regulation in this case. It has stated its policy, which could not be more clear even to the obtuse NDP.

An Hon. Member: Policy changes.

Mr. McMillan: The water of Canada is not for sale. We are against large-scale export of water. The free trade agreement does not force either Canada or the United States to sell water to the other. The water policy excludes inter-basin diversions for large-scale water export purposes. Nothing could be clearer. If we wrote it in a million laws, the policy would not be clearer than that.

Some Hon. Members: Hear, hear!

* * *

RAILWAYS

NEWFOUNDLAND RAILWAY DISBANDMENT—TERMS OF UNION

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, in the absence of the Prime Minister my question is directed to the Minister of Justice. He will know that as part of the Canada-Newfoundland agreement to close down the Newfoundland railway, the Government of Canada sought and received from the Government of Newfoundland an agreement for Newfoundland to give up the 1949 constitutional guarantee that the Government of Canada provide for Newfoundland's portion of the coast-to-coast national transportation system.

Yesterday in Newfoundland, Liberal leader Clyde Wells tabled a resolution calling on the Government of Canada to amend the 1949 Terms of Union between Canada and Newfoundland so that Ottawa continue to pay the additional costs for that portion of the highway system that results from the closure of the railway.

Given that the agreement signed a few weeks in St. John's destroys that constitutional guarantee, is the Government prepared to reconsider its position and restore constitutional guarantees that were part and parcel of Newfoundland entering union with Canada in 1949?

Hon. Gerry St. Germain (Minister of State (Transport)): Mr. Speaker, as the Hon. Member well knows, there was the commitment in the negotiations that took place between the province, CN, and the federal Government to meet the constitutional obligations.

Mr. Tobin: Mr. Speaker, we know from a declaration made yesterday in the House that the Minister for International Trade did not bother to read the trade deal. We know that the junior Minister of State for Transport has not read the Canada-Newfoundland Railway phase-out agreement because there is clearly a clause in which the Province of Newfoundland gave up its right to constitutional obligation on the part of Canada to maintain a transportation system in the Province of Newfoundland and Labrador. The Minister should be ashamed that he does not know it.

REQUEST FOR AMENDMENT OF TERMS OF UNION

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, given that this agreement, negotiated in haste by Tory Parties in Ottawa and Newfoundland that are in desperate political trouble, changes the Terms of Union between Canada and Newfoundland, will the Government

accept the advice of the resolution in the House of Assembly in Newfoundland and Labrador to effect an amendment to the Terms of Union so that that constitutional guarantee is retained into the future? We cannot accept a deal that was made for short-term political expediency and sells out the future of the Province of Newfoundland and Labrador.

Hon. Gerry St. Germain (Minister of State (Transport)): Mr. Speaker, as I clearly pointed out, I do not believe the Liberal Party in Newfoundland is negotiating on behalf of Newfoundlanders. It does not represent Newfoundlanders at this time. Negotiations that have taken place deal with the requirements of Newfoundlanders.

* * *

PUBLIC WORKS

ALLEGATION OF RCMP INVESTIGATION REFUTED

Hon. Allan Lawrence (Durham—Northumberland): Mr. Speaker, my question is directed to the Minister of Justice. In the three-quarters of an hour since the question of the alleged raid on the Prime Minister's Office by the RCMP has been raised in the House, has the Minister of Justice been able to check with officials about the veracity or lack thereof of that charge?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I appreciate that question. I am informed by the Commissioner of the RCMP that there is no investigation of any alleged wrong-doing on the part of anyone or person on the staff of the Prime Minister's Office or within the Prime Minister's Office.

Some Hon. Members: Hear, hear!

Miss MacDonald: Get up and apologize.

Mr. Broadbent: For what?

Some Hon. Members: Shame!

Mr. Andre: Throw some more mud, Ed!

Mr. Nystrom: What is the matter with you?

Mr. Siddon: Get up and apologize.

Miss MacDonald: Tell us about morality.

Mr. Riis: Call an election, Flora.

Mr. Siddon: The Party of mudslingers.

Mr. Speaker: The Hon. Member for Hamilton Mountain.

[*Translation*]

EMPLOYMENT

WAGE EQUITY—HUMAN RIGHTS COMMISSION RECOMMENDATIONS—MINISTER'S POSITION

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, my question is for the Minister of Justice. Since 1977, only 1.6 per cent of women working in the Public Service have benefited from the federal pay equity law. A year ago this week, the Human Rights Commission recommended a major overhaul of the legislative provisions on pay equity.

I would like to ask the Minister when his Government will implement the Commission's recommendations and give Canadian women real pay equity.

[*English*]

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, it was this Government that introduced the Employment Equity Act. This Government introduced employment equity and broader affirmative action throughout the whole of the Public Service, and we will continue to bring equality into the Public Service in a way that had not been done in the past. We will do the same thing with Governor in Council appointments. We have done more in this field than any other Government.

Let me add that we have applied employment equity legislation to all businesses that are regulated under federal Government jurisdiction.

• (1500)

PAY EQUITY—GOVERNMENT POSITION

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, we know the legislation is not working. Hamilton Mountain Census Data released this month, and I have here the Statistics Canada report, show that in my community women are earning 60 cents for every dollar a man earns. Why is the Government ignoring the proposals put forward by the Human Rights Commission? Why is it ignoring its commitment to pay equity for the women of Canada?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, the Employment Equity Act is working. The New Democrats did not want it to work in the first place, they argued against it. They voted against it. They did not want equality for women or for minority groups. The reports are coming in this month for the first time on the Employment Equity Act. We see in hundreds of reports now being submitted to the Department of Employment and Immigration the advances that are being made.

For the first time, over one thousand companies and contractors which are doing business with the federal Government, have integrated the Employment Equity Act in their planning. They have never done that before. What we are seeing is contract compliance for the first time. Over one

thousand contractors now have that compliance in place, as do businesses that are federally regulated.

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ENVIRONMENTAL AFFAIRS

NEWCASTLE, N.B.—EFFECT OF POLYAROMATIC HYDROCARBONS ON WATER SUPPLY

Mr. W. R. Bud Jardine (Northumberland—Miramichi): Mr. Speaker, my question is directed to the Minister of the Environment. Recent testing for polyaromatic hydrocarbons in the Town of Newcastle, New Brunswick, has discovered samples which exceed the World Health Organization guidelines by at least tenfold. These hydrocarbons have been recognized as a potential cancer causing agent. As a result of this pollution, the town has had to shut down 40 per cent of its potable water.

Can the Minister advise us what federal assistance is being provided to the community and province to assist in discovering the source and correcting the problem?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, as the Hon. Member will know, I have taken a very keen personal interest in this matter. The situation at Newcastle is serious. Polyaromatic hydrocarbons are an environmental bad actor. The Member will also know that the principal responsibility for this problem rests with the province and the municipality. However, for our part the federal Government is exercising its own jurisdiction to the hilt and backing the province and the community with all relevant and needed technical resources.

If the province or municipality need further assistance at any point in their own work, the Hon. Member can be assured I will instruct my officials to provide that assistance. In the meantime we are paying particular attention, because it is within federal jurisdiction, to water quality in the Miramachi River and to the marine life therein.

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TAX REFORM

EFFECTS OF GOVERNMENT POLICY

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Minister of Finance. Although some Canadians will see a minor increase in their take-home pay this month, the Institute for Research and Public Policy confirms what we on this side of the House have being saying, that in fact middle-income Canadian families are worse off with so-called tax reform than they were in 1984. The biggest winners are the 1 per cent of Canadians earning the highest incomes.

Will the Minister agree with the witness before the committee who said that this tax reform should properly be called "tax deform"?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, many Members who have appeared before the committee have spoken to me not just about tax reform but about the tremendous growth we have had in this country and the fact we are leading the G-7 countries in job creation and economic growth, the fact that we have seen 1.3 million jobs created during this period of time, and the fact that we are taking the courageous move to reform the tax system. As the Hon. Member has pointed out, that will become evident to Canadians in their first pay cheque after July 1. I believe 85 per cent of Canadians will see their taxes go down.

These are the things Canadians are interested in. These are the things I am hearing from people when they come and congratulate me on the performance we have seen by this Government and by this economy over the last three and one-half years.

EFFECTIVE DATE OF TAX DECREASES

Miss Aideen Nicholson (Trinity): The Minister takes $22 billion out of the pockets of Canadians, returns $2 billion and thinks they should be grateful.

Will the Minister confirm that although some of these tax decreases are effective since January, the payroll deductions only become effective in July and, therefore, the Government has been enjoying an interest-free loan of $1 billion from taxpayers?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am quite surprised the Hon. Member would use that $22 billion figure. She is known for the straightforward, honest type of questions that some of her colleagues are not known for and that some of the people next door to her are not known for. She is, but she knows perfectly well that that $22 billion figure is 80 per cent because of the growth of the economy and only 20 per cent because of tax increases. I can understand why she is blushing now, having asked that question.

* * *

BUSINESS OF THE HOUSE

Mr. Lewis: Mr. Speaker, there have been discussions among the Parties and I wish to advise the House of the results of those discussions. Today, Routine Proceedings will proceed in a normal manner and under Orders of the Day the Government will call Bill C-130, that is, the free trade Bill. It is our understanding that the Right Hon. Leader of the Official Opposition will seek the floor to address the Bill at that time.

Immediately after his remarks, the debate will be adjourned on consent and the Government will call for concurrence in the Ways and Means motion on tax reform. We expect a request

for a recorded division on that particular item and, immediately after the recorded division, the House will return to debate on Bill C-130.

Mr. Gray (Windsor West): Mr. Speaker, the Deputy Government House Leader has accurately conveyed to the House the results of discussions on the matters he has mentioned, and we give our consent to the proposal he has made.

Mr. Speaker: Is the House in agreement?

Some Hon. Members: Agreed.

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POINT OF ORDER

REPORT STAGE MOTIONS TO AMEND BILL C-72

Mr. Alex Kindy (Calgary East): Mr. Speaker, Bill C-72 was reported to the House on Monday at three o'clock. I presented a motion to amend the Bill under Standing Order 114(5) yesterday at eleven o'clock. The Standing Order is quite specific. It reads:

> If, not later than twenty-four hours prior to the consideration of a report stage, written notice is given of any motion to amend, delete, insert or restore any clause in a Bill, it shall be printed on a *Notice Paper*.

Those amendments are not printed. I would like to ask you, Mr. Speaker, why it was not printed?

Mr. Speaker: I want to thank the Hon. Member for Calgary East for raising this matter, which was in fact anticipated. I am sure Hon. Members will not be surprised to find that the Chair envisaged this point of order being raised in the House today.

I wish to advise Hon. Members that through the House administration it was brought to my attention that a revised report from the legislative committee which dealt with Bill C-72 would be presented to the House today. Since report stage notices should not be placed on the Notice Paper until the Bill is reported back to the House in its corrected form, I felt, after consultation with the Clerk of the House, that all notices received in amendment to the Bill at that stage would be held off the Notice Paper pending the revised report being presented.

I can assure the Hon. Member for Calgary East and all Hon. Members that their notices will be printed as soon as the report is presented to the House. I thank the Hon. Member for raising the matter.

• (1510)

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to 25 petitions numbered as follows: 332-4606, 332-4622, 332-4623, 332-4636, 332-4643, 332-4644, 332-4700, 332-4701, 332-4711, 332-4713, 332-4714, 332-4716, 332-4718, 332-4720, 332-4723, 332-4769 to 332-4771 inclusive, 332-4774, 332-4779, 332-4784 and 332-4786 to 332-4789 inclusive.

[*Editor's Note: See today's Votes and Proceedings.*]

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[*English*]

INTERPARLIAMENTARY DELEGATION

PRESENTATION OF REPORT OF CANADA-U.S. INTERPARLIAMENTARY GROUP

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, pursuant to Standing Order 101, I have the honour to present to the House, in both official languages, the report of the Official Parliamentary Delegation of the Canadian Section of the Canada-U.S. Interparliamentary Group which attended the twenty-ninth annual meeting of the Canada-U.S. Interparliamentary Group in Key West, Florida, from May 5 to May 9, 1988.

[*Editor's Note: See today's Votes and Proceedings.*]

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COMMITTEES OF THE HOUSE

PUBLIC ACCOUNTS— THIRTEENTH REPORT OF STANDING COMMITTEE

Miss Aideen Nicholson (Trinity): Mr. Speaker, I have the honour to present, in both official languages, the thirteenth report of the Standing Committee on Public Accounts.

This report deals with financial management in government. Hon. Members will know that the Auditor General has commented that although there is considerable improvement in financial control, policy decisions are being taken without good information on costs, and without full knowledge of the implications of these decisions.

In this report we concentrate on efforts to improve financial management in government. The report identifies potential savings of many millions of dollars, for example, $40 million in the Department of Health and Welfare by improving the system of income security payments by moving to a more modern system. There are other possible savings of $200 million per year.

We have asked the Government for a comprehensive response to this report.

SCRUTINY OF REGULATIONS—TENTH REPORT OF STANDING JOINT COMMITTEE

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, I would like to take this opportunity to present the tenth report of the Standing Joint Committee on Scrutiny of Regulations, which I have the honour to present in both official languages.

BILL C-72—REVISED REPORT OF LEGISLATIVE COMMITTEE

Mrs. Jennifer Cossitt (Leeds—Grenville): Mr. Speaker, on behalf of the Chairman of the Legislative Committee on Bill C-72, an Act respecting the status and use of the official languages of Canada, I have the honour to present the revised report on Bill C-72, as amended, to the House.

An important amendment to Clause 37 had inadvertently been left out at report stage of Bill C-72. This amendment had been adopted by members of the committee and is therefore necessary to be presented at the revised stage of this Bill.

NATIONAL DEFENCE—FIRST REPORT OF STANDING COMMITTEE

Mr. Patrick Crofton (Esquimalt—Saanich): Mr. Speaker, I have the honour to present, in both official languages, the first report of the Standing Committee on National Defence.

My committee has conducted a review of those portions of the defence White Paper pertaining to our reserve forces, made visits, and held public hearings. The recommendations contained in this report are the result of our deliberations.

[*Editor's Note: See today's Votes and Proceedings.*]

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PETITIONS

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is my pleasure and indeed my honour to present a petition pursuant to Standing Order 106 on behalf of a number of my constituents who are concerned that the fabric of Canadian sovereignty is being threatened by the proposed trade deal, and that the federal Government lacks a mandate to negotiate a trade deal with the United States.

They also believe that the trade deal would reduce our country's ability to plan the economic, social and cultural programs we need. Since the trade Bill would integrate Canada's economy into that of the United States of America, they are asking that the House wrap up its affairs so that a general election can take place on the trade deal.

IMMIGRATION—REQUEST FOR CLOSER CO-OPERATION WITH VIETNAM

Mr. Dan Heap (Spadina): Mr. Speaker, I have a petition from a number of residents of the City of Toronto. They are concerned about our immigration policy. Inasmuch as family reunion is a major part of our policy, and whereas many Canadians from Vietnam find that it takes many months or years to bring relatives from Vietnam to Canada as immigrants, and the Vietnamese Government has delayed or stopped immigration for many relatives of Canadians, the undersigned call on the House of Commons to ensure that the Canadian Government will negotiate actively with Vietnam to secure an agreement providing for closer co-operation on immigration, including quicker action on Canadian sponsorships.

IMMIGRATION—INCLUSION IN FAMILY CLASS—SPONSORING OF PARENTS

Mr. Dan Heap (Spadina): Mr. Speaker, I have a further petition from a number of residents of Toronto who are concerned that the promise of the Government to allow sons and daughters unmarried of any age to enter as members of the family class should be carried through as promised by the Government to take place next month.

Also a two-year old promise of the then Minister of Justice, they wish to be carried out as well. He promised to remove the unfair distinction between Canadian citizens and permanent residents of three years or more so that both groups would have equal right to sponsor parents of any age.

They request Parliament to call on the Government to fulfil its promises now.

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Benno Friesen Surrey—White Rock—North Delta): Mr. Speaker, I have eight petitions with hundreds of names from communities from Delta to Abbotsford in the Fraser Valley. All of them ask Parliament to pass into law legislation that will protect the life of the unborn child from conception and at all stages of development, with the exception of the extremely rare situation in which an abortion is performed in order to save the life of the mother.

In duty bound, your petitioners will ever pray.

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I have two duly certified petition to present. The first deals with the trade deal between Canada and the United States. It points out that the Government had no mandate to negotiate such a trade deal, that it would reduce Canada's

ability to plan, and that it would further integrate Canada into the North American defence industrial base.

Therefore the petitioners ask the House of Commons to ensure that a national debate takes place on the trade deal and that it results in a national general election before any agreement is signed.

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, the other petition I wish to present deals with the subject of abortion.

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I have three petitions to present. The first indicates that the very fabric of Canadian sovereignty is threatened by the proposed Mulroney-Reagan trade deal, that the Mulroney Government had no mandate to negotiate a free trade deal with the United States, that the Mulroney-Reagan trade deal would reduce Canada's ability to plan the economic, social and cultural programs we need, and that the Mulroney trade deal would integrate Canada further into the North American defence—

Mr. Speaker: I hesitate to interrupt the Hon. Member. I fully understand the use, at times, of names to associate with something within the political sphere. However, I would ask Hon. Members not to overdo it.

I think that the continued repetition is perhaps getting to the point at which we might have some objections. I would ask the Hon. Member to keep that in mind.

Mr. Keeper: I am not quite clear what the Speaker meant.

Mr. Speaker: I am very sorry if I did not make myself clear. We have had a custom and a tradition in this place for many years that we refer to Hon. Members as a Minister, a Prime Minister, or the Hon. Member for whatever riding. I recognize that in common parlance there are times when surnames are used and associated with some aspect of political life or government. I would just ask that Hon. Members not overdo it.

• (1520)

Mr. Keeper: I was reading the petition. Are you indicating, Mr. Speaker, that since it is the content of the petition I should not be reading it?

Mr. Speaker: I am not attempting to make a severe ruling. I am only asking for some co-operation with respect to the customs of the place.

Mr. Keeper: I will respect the Chair, Mr. Speaker.

Mr. Turner (Ottawa—Carleton): Good.

Mr. Keeper: I don't need you barking from the sidelines. I am attempting to present a petition signed by Canadians who want the Government to shove the trade deal, whether it is called the Mulroney trade deal or the prime ministerial trade deal.

Mr. Speaker: I am sure the Hon. Member for Winnipeg North Centre is trying to co-operate with the Chair, and I would ask other Hon. Members to remain silent while he finishes his statement.

Mr. Keeper: I have a petition from a number of Canadians across the country who would like the Government to abandon its trade deal, by whatever name it is called.

CANADA POST—POSTAL SERVICES

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my second petition deals with the Post Office. It indicates quite clearly that the Government ought to abandon its policy with regard to the Post Office, because it is destroying post office services in both rural and urban Canada.

The third petition is also with regard to the Post Office. It contains different provisions, but it states that the Government ought to develop a good postal policy rather than continuing to destroy postal services.

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, it is my honour and duty to present two petitions to the House. The first petition deals with a national general election on the trade deal. It puts forward several reasons why the petitioners do not think that the Government has the right to proceed with the trade deal. They request that the Government ensure a national debate takes place and that that debate result in a national general election before the agreement is put into place.

PROTECTION OF RIGHTS OF THE UNBORN

Mr. W. C. Scott (Victoria—Haliburton): Mr. Speaker, I have the honour and privilege to present a duly certified petition on behalf of constituents of Victoria—Haliburton. The petition is signed by 163 residents of Beaverton, Kinmount, Cameron, Coboconk, Dunsford, Fenelon Falls, Cannington, Kirkfield, Lindsay, Little Britain, Minden, Norland, Oakwood, Omemee, Woodville, and surrounding areas.

In light of the fact that the Supreme Court of Canada is striking down Section 251 of the Criminal Code of Canada, and has left Canadians without any law restricting abortion, the petitioners call upon Parliament to pass legislation that will protect the life of the unborn child from conception, with the exception of situations in which an abortion is performed in order to save the life of the mother.

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, I wish to present a petition given to me by the Pentecostal Assemblies of Canada and signed by 56 people, some from the national capital region and some from Kaladar, and North Brook, Ontario.

They ever pray and call upon Parliament to pass into law legislation that will protect the life of the unborn child from conception and at all stages of development, with the exception of the extremely rare situation in which an abortion is performed in order to save the life of the mother.

As in duty bound your petitioners ever pray.

CUTS IN FUNDS FOR CHALLENGE '88 PROGRAM

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I bring to your attention a grievance from Montrealers living in the Verdun, Pierrefonds, Bois de Bologne, St. Laurent, St. Leonard, Dollard- des-Ormeaux, Town of Mount Royal, Snowdon, Côte-des-Neiges, Côte-St-Luc, and a variety of other areas in and around Montreal.

The petition is bilingual and states that a 40 per cent cut in the budget of the Challenge '88 program in the Montreal region has a negative impact which goes beyond mere numbers of unemployed students and disappointed community organizations.

It is a well-known fact that almost the totality of cultural communities, visible or otherwise, live in those areas. The increase in available grants to other Québec regions can therefore bring cultural communities little comfort. They are thus being discriminated against in a way that is unacceptable from a Government wishing to appear committed to a multicultural policy.

Wherefore the undersigned petitioners humbly submit the petition which contains hundreds of names.

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Murray Dorin (Edmonton West): Mr. Speaker, pursuant to Standing Order 106, it is my duty and privilege to present four petitions containing a total of more than 400 names signed by residents of Edmonton, the majority of whom reside in my constituency.

The petitioners believe that human life begins at the moment of conception, and they call upon the Government to enact immediately legislation to protect the life of the unborn child.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 343 and 351.

[*Text*]

ECONOMIC COUNCIL OF CANADA

Question No. 343—**Mr. Gauthier:**

1. Will the Economic Council of Canada move outside the city of Vanier, Ontario and, if so, what will be the costs involved in the move and relocation of the Council?

2. What sums of money (*a*) does it cost to lodge the Council in its present quarters (*b*) will it cost to lodge the Council in its new quarters?

3. To the knowledge of the Government, what will be the costs involved for the workers as a result of the move for (*a*) parking (*b*) additional transportation (*c*) other expenses?

Mr. Len Gustafson (Parliamentary Secretary to Prime Minister): I am informed by the Economic Council of Canada that:

1. Public Works Canada is currently seeking Treasury Board approval to enter into a lease for accommodation in downtown Ottawa for the Economic Council of Canada. The moving costs are estimated at $760,000 and are expected to be offset by the inducements offered by the landlord.

2. (a) The annual rent of the present quarters is $581,000.

(b) The annual rent of the new quarters is estimated at $775,000.

3. (a) The cost of parking for staff will increase from $36 to approximately $100 to $125 per month.

(b) The costs involved are very much dependent on the mode of transportation (single car, car pool, buses). The distance travelled by 60 per cent of the staff will be much the same or less while the rest of the staff, those who live in the east end, will have to travel an additional three kilometres (approximately) to get to downtown Ottawa.

(c) The Economic Council of Canada is not aware of any other expenses.

PERMITS AUTHORIZED UNDER EXPORT CONTROL LIST

Question No. 351—**Mr. Riis:**

During (*a*) 1984 (*b*) 1985 (*c*) 1986 (*d*) 1987 (*e*) 1988 up to May 1, did the Government authorize permits for the export of any goods falling under Section 7 of the Export Control List where the destination of the said goods was (*i*) Bangladesh (*ii*) Chad (*ii*) Chile (*iv*) Colombia (*v*) El Salvador (*vi*) Ethiopia (*vii*) Guatemala (*viii*) Haiti (*ix*) Honduras (*x*) India (*xi*) Indonesia (*xii*) Iran (*xiii*) Iraq (*xiv*) South Korea (*xv*) Lebanon (*xvi*) Libya (*xvii*) Mali (*xviii*) Mauritania (*xix*) Morocco (*xx*) Namibia (*xxi*) Pakistan (*xxii*) Paraguay (*xxiii*) Peru (*xxiv*) The Philippines (*xxv*) Somalia (*xxvi*) Syria (*xxvii*) Taiwan (*xxviii*) Togo (*xxix*) Turkey (*xxx*) Uganda (*xxxi*) Uruguay (*xxxii*) Zaire and, if so, in each case, to what value?

Right Hon. Joe Clark (Secretary of State for External Affairs): Total values of Export Permits issued for Export Control List, Group 7 goods to the following countries, for the calendar years indicated. When no value is provided, no permits were issued.

Country		Canada-U.S. Free Trade Agreement (a) 1984	(b) 1985	(c) 1986	(d) 1987	(e) 1988 (to 1 May)
(i)	Bangladesh	—	—	—	—	—
(ii)	Chad	—	—	219,284	—	—
(iii)	Chile	10,185,314	7,419,532	6,182,108	1,175,000	—
(iv)	Colombia	5,026,293	10	4,057,496	309,879	—
(v)	El Salvador	—	3,686	—	—	—
(vi)	Ethiopia	3,000,000	—	—	—	—
(vii)	Guatemala	—	14,742	—	—	—
(viii)	Haiti	—	—	—	—	—
(ix)	Honduras	—	—	—	—	—
(x)	India	16,819,620	33,550,631	35,655,493	30,007,022	82,950,000
(xi)	Indonesia	17,794,916	14,176,297	3,237,607	8,598,100	—
(xii)	Iran	—	—	—	—	—
(xiii)	Iraq	—	—	—	—	—
(xiv)	Korea (South)	56,093,761	29,640,539	25,475,164	102,008,723	161,972,291
(xv)	Lebanon	—	—	—	—	—
(xvi)	Libya	—	—	—	—	—
(xvii)	Mali	—	—	—	—	—
(xviii)	Mauritania	—	3,000,000	3,000,000	3,000,000	—
(xix)	Morocco	8,000,000	5,047,000	1,036,000	11,376	—
(xx)	Namibia	—	—	—	—	—
(xxi)	Pakistan	45,564,436	23,344,984	2,062,657	73,128,934	1,124,508
(xxii)	Paraguay	25,000,000	1,140	—	—	—
(xxiii)	Peru	46,000,000	150,520,879	2,000,000	7,376,307	3,048,000
(xxiv)	Philippines	10,604,456	58,057	3,257,690	38,114	—
(xxv)	Somalia	—	—	—	—	—
(xxvi)	Syria	1,000,000	—	441,000	—	—
(xxvii)	Taiwan	—	—	—	—	—
(xxviii)	Togo	—	—	3,000,000	3,000,000	—
(xxix)	Turkey	2,220,000	17,804,160	11,362,742	112,224,593	17,057,300
(xxx)	Uganda	—	—	—	—	—
(xxxi)	Uruguay	—	2,747	964	—	—
(xxxii)	Zaire	—	—	3,000,000	3,000,000	7,527,000

[*English*]

Mr. Hawkes: I ask that the remaining questions be allowed to stand.

Mr. Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I ask that all Notices of Motions for the Production of Papers be allowed to stand.

Mr. Speaker: Shall all Notices of Motions for the Production of Papers stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADA-UNITED STATES FREE TRADE AGREEMENT IMPLEMENTATION ACT

MEASURE TO ENACT

The House resumed from Tuesday, June 28, consideration of the motion of Mr. Crosbie that Bill C-130, an Act to implement the Free Trade Agreement between Canada and the United States of America, be read the second time and referred to a legislative committee, and the amendment of Mr. Axworthy:

That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:

"this House opposes in principle and therefore declines to proceed with Bill C-130, an Act to implement the Free Trade Agreement between Canada and the United States of America, because that agreement, which was negotiated

in a secretive and irresponsible manner in the absence of a mandate from the Canadian people, will undermine the economic, social and political institutions of Canada, because it will fail to provide guaranteed and secure access to U.S. and other world trade markets, because it will create severe adverse effects on many industries and communities and because it will endanger the economic and social fabric and political independence of Canada."

And the amendment of Mr. Langdon:

That the amendment be amended by adding immediately after the words "political institutions of Canada," the words "including our valued system of social and regional development programs,".

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, we are here today to discuss one of the most devastating pieces of legislation ever brought before the House of Commons. We are here to debate a Bill which will finish Canada as we know it and replace it with a Canada that will become nothing more than a colony of the United States.

So urgent and compelling is the impatience of the Prime Minister (Mr. Mulroney) to pack up this country and ship it south that we are going to debate this Bill for only a few hours. It took 121 years for Canadians to build this Confederation. The Government is proposing to undo that in less than half that number of hours. This Bill represents over 1,000 days of intricate negotiations between the two countries. We will debate the result of those 1,000 days in five days before the House of Commons.

[*Translation*]

This Bill is a disaster like the trade agreement it will give force of law.

With this measure, the Government is telling Canadians they have no choice but to accept or reject this agreement. It is telling this House that the elected representatives of the Canadian people have no say in the drafting of this Bill and can do nothing to diminish its impact on our country.

We are being forced to pass this legislation in a matter of days without even having seen the corresponding U.S. bill.

At every stage of the talks, there were major differences of opinion between both governments about the wording and the content of the agreement. Nevertheless, this Government is now obliging us to adopt its version of the Bill without giving us a chance to examine the legislation proposed in the U.S. Congress.

Only two and a half weeks ago, the Prime Minister's Chief of Staff was still in Washington to negotiate differences between the United States and Canada, not just on minor points but on fundamental issues like the definition of subsidies.

[*English*]

This Bill greatly offends Canadian tradition in three ways: it is anti-parliamentary, it is anti-democratic, it is anti-Constitution. We are being presented with an omnibus Bill which changes 27 existing Acts of Parliament. Clause 8 commits us never again to pass a statute inconsistent with this Bill, never again to enact legislation inconsistent with this trade deal. The Bill is to supersede any other Act of Parliament, past or future. It has almost the authority of a constitutional provision. Yet the discussion draft that the U.S. Congress negotiated between the U.S. Senate and the House of Representatives indicates that that version of the trade Bill, the American version of the trade Bill, can be amended by any subsequent Act of Congress. Not only that, we find that Canadians can be fined, even imprisoned, for contravening American law, present and future, laws we haven't even seen yet.

• (1530)

I raised this in the House of Commons. The Minister was surprised. Now we know why. He has not read the whole deal. He has not studied the document. I am going to take him and the House through several of the provisions that relate right to the fundamental nature of our country. I doubt that the government Members read any of the Bill at all. Here is what it says about people who do not uphold the trade agreement as incorporated into the Bill.

Section 77.26 (1)—Every person who contravenes or fails to comply with . . . (C) a protective order covering business proprietary and other privileged information made under American law . . . is guilty of offence and is liable . . . (E) on conviction and indictment, to a fine not exceeding one million dollars.

The Bill before this House involves Canadians in potential liability, potential imprisonment, and fines up to $1 million, not for offending Canadian law, not for contravening Canadian regulation, but for offending American law, present or future, laws that have not yet been enacted by the U.S. Congress. The Bill is anti-parliamentary for those reasons, and it is also anti-democratic.

Turning to public hearings, we do not know whether the committee will allow public hearings. There have been no public hearings on this Bill to date. There were no public hearings allowed on the text of the agreement. The only hearings across the country were on the general principles of that agreement. There has been no opportunity for Canadians publicly, before their elected representatives or Members of Parliament, to analyse the deal, to make their points, their submissions, to present their briefs on the deal, to analyse the real impact of the deal on their lives, their unions, their jobs, their professions, their businesses.

The whole procedure has been anti-democratic. The Prime Minister has no mandate for this legislation. It alters the fundamental direction of Canada. There was no mention of it in the last general election. It was not a theme put before the people of Canada in the last election. The only time Canadians were ever given an inkling, given an understanding of the Prime Minister's view on this very fundamental issue was when he sought the leadership of the Conservative Party at its national convention in 1983, and when, in response to a debate with the current Minister of Finance (Mr. Wilson), the current Minister for International Trade (Mr. Crosbie), the current Secretary of State for External Affairs (Mr. Clark), he was asked what he thought about free trade and his words were

quite clear. "Free trade," he said, "it affects our sovereignty, and we will have none of it."

Those were the words of the Prime Minister when it suited him to be against free trade. Our Prime Minister's aversion to sticking to his word has become famous. Some would say even legendary.

Canadians were not consulted nor did they authorize a deal which changes the whole direction of Canadian history, and we need an election so that Canadians can decide.

[*Translation*]

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, this Bill is not only anti-parliamentary and anti-democratic, it is anti-Constitution.

Clause 6—the Minister hasn't read it, he doesn't know, people ask him questions and he's taken by surprise—Clause 6 contains a provision that allows the federal Government to ignore the jurisdiction of the provinces in order to implement the agreement. This would involve not just wine and grapes, as was claimed by the Minister for International Trade (Mr. Crosbie) but also energy, agriculture, our financial institutions, social policies, services, culture, and so forth. In other words, the present Government has allowed the Americans to rewrite our Constitution and to determine our future legislative agenda.

[*English*]

You must be asking yourself the question, Mr. Speaker: How did it come to this? Why? Why are we being forced to rush this Bill through at the last minute, against all our traditions, parliamentary, democratic, constitutional, against the wishes of a vast majority of the Canadian people who want an election before this deal is implemented?

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Why? Why are we now being forced to give hasty approval to legislation which represents the largest sell-out of our sovereignty since we became a nation in 1867? Why? Dishonesty, Mr. Speaker, dishonesty on the part of this Government.

The whole point of getting into bilateral negotiations with the United States rather than negotiating with that country internationally as we have done since the War quite successfully, the sole point of getting into bilateral negotiations was to obtain secure access to the American market. Secure access to the American market meant a specific exemption from U.S. protectionist trade remedy law. It also meant an impartial binding dispute settlement mechanism to enforce that exemption.

We in this Party have been saying that ever since these negotiations first started. I put it in questions to the Prime Minister; my colleague from Winnipeg—Fort Garry put it in questions to the Minister for International Trade. I told the Ottawa Board of Trade in a major speech two years ago this month that any agreement with the United States that did not have a specific exemption from American trade law, that did not exempt us from protectionist legislation—the 1930 Trade Act of the United States, the 1974 trade law of the United States, the current omnibus Bill still being discussed in the Congress—that any agreement with the United States that did not give us that exemption, that did not give us a binding dispute settlement mechanism, was not worth the paper it was written on.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): The Government, the Prime Minister, his Ministers, used to agree with me on that point.

A year ago the Prime Minister said in New York, quoted by the *Wall Street Journal* in response to some American reporters: "The U.S. trade remedy laws cannot apply to Canada period". That was when he understood the deal. The former Minister for International Trade, the Hon. Member for Vancouver Centre (Miss Carney), said that the objective of any trade agreement—and she said this in the House of Commons—would be the elimination of countervail by both countries. The current Minister for International Trade agreed with his predecessor and with the Prime Minister. Here is what he said in St. John's, on July 2, 1987, a year ago, before the St. John's Board of Trade, and I use the Minister's words:

> Unless we get out from under the threat of countervail and other U.S. trade remedy law and unless there is an effective dispute settlement resolution to bind the Americans to their commitments, a free trade agreement with the United States would not be a good deal for Canada.

Those were the Minister's words. We have been saying that ever since these negotiations started. We have been attempting to hold the Government to that sole purpose of any bilateral negotiation with the United States. Well, we all know that the Minister for International Trade is trying to bluff his way through, trying to sell this arrangement to Canadians with jokes and anecdotes. Perhaps that speech in St. John's was one of them, but then again the Minister has not read the deal. He is the man who compares selling this trade agreement to the United States with selling vacuum cleaners. For his information—and I feel I owe him now the responsibility of taking him through the deal that he has not read—this is what the deal says in the actual text. The Minister will have great difficulty comparing that with his last July statement to the St. John's Board of Trade. Article 1902:1 of this trade deal says that the United States:

> —reserves the right to apply its anti-dumping law and countervailing duty law to goods imported from the territory of the other Party.

The other party is Canada. In other words, there is no exemption from U.S. protectionist trade law. It is the same law that crippled us on exports of softwood lumber, fish, potash, and put on quotas against steel. Those laws still apply.

• (1540)

Yes, it is true, we will have a new trade tribunal, but how will this trade tribunal ensure our exports guaranteed access to the American market? How will it protect our exporters from that protectionist American legislation? Well, the Prime Minister cannot tell us. We put the question to him. The Minister cannot tell us because he has not read it. The reason the Government cannot tell us is that the trade tribunal will not protect us or give us an exemption from American trade law. Not only will the procedure be longer and costlier for our exporters, the tribunal still will not be able to challenge U.S. law.

Here again I turn to the agreement. How can the Minister know? He has not read the whole deal. But Article 1904:2 states that the tribunal can review a trade decision of the United States Government only:

> —to determine whether such determination was in accordance with the anti-dumping or countervailing duty law of the importing Party.

That is American law. It goes on to say that:

> —the anti-dumping and countervailing duty statutes of the Parties, as those statutes may be amended from time to time, are incorporated into this Agreement.

In other words, the tribunal cannot challenge the law. Canadian exporters will not be able to challenge American law. The tribunal has the jurisdiction only to interpret that law using American precedent and American judicial practice. Nothing has changed for Canadian exporters. If an American industry feels that a Canadian industry by way of export into the American market is obtaining a share of that market which the Americans cannot tolerate, they have the same remedies in countervail, in quotas, in anti-dumping, and in surtax as they had before this agreement was ever signed.

Canadian exporters are being invited into the Prime Minister's brave new world of trade, with the United States, under the same rules. Not only existing American rules, but as the article I have just recited says, under any American statute present or future as they may be amended from time to time—present American law, future American law, and no restriction on the sovereign authority of the United States.

Also, even at this late date we do not know whether the tribunal's decisions will be considered constitutional by the American courts. Our Ambassador to the United States was properly concerned. He is quoted as saying the following in what seems to me to be the understatement of the year. These were his words:

> We would be profoundly concerned if the net result of the U.S. legal constraints is that panel decisions—

That is to say, decisions of the tribunal:

> —cannot be implemented under U.S. law.

[*Translation*]

This House is being forced to pass this proposed legislation at top speed, when we don't even know if the U.S. Government will have to abide by the tribunal's decisions or whether it will be able to act on those decisions.

Mr. Speaker, I always thought that in business, when one party enters into an agreement with another party and the latter cannot meet his commitments, the agreement is automatically cancelled. Apparently that is not how this Government sees it. Otherwise, we would not be here to rush through approval of our part of an agreement while the other party is not even sure it will be able to abide by its provisions.

[*English*]

What is completely incomprehensible, Mr. Speaker, and totally unacceptable is that despite the fact the Government opposite by its own admission did not get what it wanted in this deal from the Americans, namely, secure access to the U.S. market, an exemption from American protectionist trade law, it went ahead, continued the negotiations, and concluded the negotiations despite its failure to meet that objective.

The principal condition for a deal with the United States was not met by the Americans. Their markets will remain as protectionist and as protected as ever. Their lumber industry will continue to use protectionist trade remedy laws whenever it feels threatened, as will their steel industry, as will their potash industry, as will their fishing industry, as will their textile industry, as will their agricultural industry, because the Government opposite, led by the Prime Minister, did not have the guts to stand up and say to the Americans: "Give us the purpose for which we entered these negotiations. Give us secure access to your market. Give us a guarantee against harassment, a guarantee against unilateral trade law or else there is no deal".

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Why? Because this Government did not have the courage or the honesty to return to the people of Canada with a failed initiative. This Prime Minister did not have the courage or the honesty to say to the people of our country, "Well, we tried, but we failed". The Prime Minister had too much political capital invested in getting a deal, any deal, on any terms.

There are those who tell us that Canada need not worry about losing its national personality. Some of us sat in this House listening to the Prime Minister of the United Kingdom assure us that there was nothing to worry about in this trade deal. She pointed to the experience of the European Economic Community. She told us that Britain, France, Germany, and the other nations have kept their distinctive nationalities although they are part of the European Community.

That completely ignores a simple reality. This is not Europe. This is not a case of several countries with a distinctive history of 1,000 years, with distinctive languages, of relatively equal size, trading together for a common purpose. On this continent, Canada is roughly one-tenth the power, the size, and the population of the United States. On this continent, we have only half of Europe's history. On this continent, the sole reason

for most of us living here is that we wanted a distinct personality, we wanted a nation north of the 49th parallel. We wanted to be Canadian.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): We are concerned, Mr. Speaker, about maintaining our national personality. We are concerned with maintaining our national integrity, our cultural identity, control over our resources, our economy, our social programs, and our regional development programs—no north and south division as in the United Kingdom. Ours is a country where there is equality of opportunity from the Atlantic to the Pacific to the northern Arctic. We are concerned over our ability to set an independent foreign policy. These are the issues at stake.

• (1550)

[*Translation*]

Mr. Speaker, from the very beginning of these talks, the Government tried to convince us that we were examining a free trade agreement. That is a myth that should be laid to rest once and for all. In spite of its title and the Government's definitions, this agreement is not free trade.

I also think we should avoid getting into the debate about whether we are for or against the philosophy of free trade, we in the Liberal Party have always been in favour of freer trade, of liberalizing trade and reducing tariff barriers. What we are discussing today is not free trade. It is a selective trade agreement. A number of industries are included and a number are excluded. We must analyse the FTA like any other contract. What did we gain and what did we lose? What did we get and what did we give away?

But read it! Whatever I go in Canada, I tell Canadians: Read the text. And now I have to say the same thing to the Minister: Read the document, sir.

This is not free trade. And it is an agreement that is costing us a pretty penny. We are paying the price every day . . .

[*English*]

If it were just a matter of lowering trade barriers, lowering tariffs, we as a Party have always been in favour of that, always in favour of broadening our commerce. We have to remind the House and the country that 80 per cent of all the transactions that now move across the Canadian-American border either way go forward free of tariff. We succeeded under successive Liberal administrations since the War in achieving that. All we are talking about is the remaining 20 per cent, and for that remaining 20 per cent, this Prime Minister gave away the store.

Some Hon. Members: Shame.

Mr. Turner (Vancouver Quadra): We have yielded control over investment. The limit for review of direct takeovers has been raised to $150 million. Any company worth less than that can be bought up by the Americans and no one in Canada will have anything to say about it. In the case of indirect takeovers, there will be no limit at all. It will be takeovers unlimited.

Just in case there was any doubt that the Americans are being invited to buy up our own country, this legislation turns 242 million Americans into Canadians for the purposes of the Investment Canada Act. How could the Minister know that? He has not read the deal.

Clause 14.1(10)(a) says:

> Every reference in those provisions to "Canadian" shall be read and construed as a reference to "American" and every reference in those provisions to "non-Canadian" shall be read and construed as a reference to "non-Canadian other than American".

The Government says that this new investment will bring jobs and prosperity. We have not seen any valid projections that demonstrate that. Ninety-four per cent of all foreign investment in this country since this Government took power in 1984 has been takeovers of existing companies, not new investment, not new jobs. Where are the new jobs that have flowed from these takeovers in the last four years?

[*Translation*]

Mr. Speaker, we have given up control over our capital markets. What does this Bill say about our banking system? The Bank Act is amended. From now on, Americans will no longer be non-residents of Canada under Section 109.1. Five Americans or five unrelated U.S. corporations will be able to own and operate an American bank in Canada and even buy a Canadian chartered bank. Can Canadians do the same thing in the United States? No, Mr. Speaker, because banking activities are regulated by the Government of each state. And 43 U.S. states, including California, New York and Illinois, have regulations limiting foreign ownership of banks.

So, Mr. Speaker, Americans are no longer considered non-residents of Canada for the purposes of the Bank Act, but they still consider Canadians as foreigners.

[*English*]

This deal sells out our energy, the life-blood of this country. How could the Minister know that? He has not read the deal. I say to him that he should read Article 904 of the agreement which states that Canada must ensure that any other tax or measure we take with respect to our energy, to use the words of the agreement, "does not impose a higher price for exports of an energy good to the other party than the price charged for such energy good when consumed domestically".

That means that we as Canadians, Quebec Hydro, B.C. Hydro, Manitoba Hydro, Ontario Hydro, nuclear exports from New Brunswick, cannot charge a higher price to Americans than we charge for domestic consumers, nor can we give a specific preferential rate to our own consumers, nor can we set our own surpluses, nor can we set our reserves, nor can we protect our self-sufficiency in the future.

The Minister for International Trade was asked by journalists yesterday whether the Ontario legislation affecting exports

of electricity from the Province of Ontario and allowing Ontario Hydro to set a preferential price for Ontario consumers was against the deal. He said that that is romanticism. Now we know why. He has not read the deal. Now we know why we have never been able to get a specific answer from this Minister ever since he took on the portfolio.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): The National Energy Board becomes nothing more than a monitoring agency. That is what the legislation says. I hope the Minister has the time to read it. Clause 84.5(1) says:

> The Board may neither refuse to issue a licence or make an order nor revoke, suspend, charge, alter or vary a licence or make an order for the exportation to the United States of energy goods or of any quality, kind or class thereof where that refusal, revocation, suspension, change, alteration, or variation would constitute the maintenance or introduction of a restriction on that exportation.

The National Energy Board is reduced to a monitoring agency. I can recall the Provinces of Alberta, British Columbia, and Saskatchewan particularly objecting to the National Energy Program. They felt that Ottawa was overriding provincial jurisdiction over resources. I have said in Calgary, in Saskatoon, in Winnipeg, in Victoria, and in Vancouver that what this deal has done is substitute the word "Washington" for the word "Ottawa". Now the western provinces are going to be under the domain of the federal Capital of the United States.

[*Translation*]

It is obvious, Mr. Speaker, that our provinces have lost control of their energy resources. They fought the national energy program with the Constitution because, as they saw it, Ottawa had taken control of their resources from them.

With this agreement, it is Washington that is taking control of our country's energy resources. We will no longer be able to use our resources as a trump card. But above all, in case of shortage, we also guarantee that energy shipments to the United States will only be reduced in proportion to the total supply. This calculation will be based on figures for the most recent three-year period. Now total supply includes energy we import as well.

[*English*]

Articles 408 and 409 make it clear that the same proportional access regime will apply not only to energy, not only to hydrocarbons, but to all renewable and non-renewable resources including water. How could the Minister really know? He has not read the deal.

• (1600)

The Government and the Minister have denied that water is included in the deal. The Minister makes grand and sweeping statements to that effect but what is the truth? Read the agreement. The truth is that water is included in this deal just as surely as I have this glass of water in my hand. It is here in black and white. Articles 408 and 409 of this agreement apply to the export of any "good". Article 201 defines a "good" as follows:

> goods of a Party means domestic products as these are understood in the *General Agreement on Tariffs and Trade*;

That agreement has considered water a "good" for many years, as the Minister should know. Water is also listed in the tariff schedules attached to the trade agreement.

That is too complicated, too heavy, too burdensome for the Minister because he has no time. He sold the *Encyclopaedia Britannica* and did not read it, but he is selling something here which involves the livelihood of every Canadian in future generations.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Tariff Item 22.01 on page S144 in Volume III of this agreement includes:

> Waters, including natural or artificial mineral waters and aerated waters, not containing added sugar or other sweetening matter nor flavoured; ice and snow.

How could the Minister know? He has not read the deal.

There is another listing, and I know you have the patience to read this deal, Mr. Speaker, because as a Canadian you know what it means to your future. That listing is 2201.90.00 and it refers to all other water. Take the pains to read the agreement. Take yourself through the agreement. Take yourself through the Bill. Read the General Agreement on Tariffs and Trade. You will come to the inevitable conclusion that water is part of this agreement and we have committed that to the United States.

In response to my colleague, the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy), and myself, the Minister said there was nothing in the deal to force us to sell water to the U.S. He is not the only Member in this House to come from a fishing province. He is not the only Member to use a red herring now and then. That was one of the largest red herrings we have ever seen in this House. I would like to call it the catch of the day, but it is the catch of the century and Canadians are on the hook.

The Minister ignores the fact that the proportional access regime applies to existing shipments of water. He ignores the Grand Canal scheme estimated to cost between $80 billion and $130 billion to divert fresh water, destined for James Bay, to the United States.

When Mr. Pearson formed the Government, one of my first assignments was as Parliamentary Secretary to the Minister responsible for natural resources, the late Arthur Laing. I had to examine the potential diversion from the Harricanaw River in the Hudson's Bay and James Bay Basins to the Great Lakes system. Then we studied in this House at one time the Rocky Mountain trench diversion potential. Always we took the position that there was no such thing as a continental water policy. There was an American water policy, a Canadian water

policy, and this resource was precious to the environmental and economic future of this country.

What have we become? When you read this agreement we have become a storehouse, a reservoir for the U.S., by virtue of Articles 408 and 409. I say to Canadians across this country not to take just my word for it but to read the agreement. Unfortunately I have to say to the Minister: Read the agreement. The U.S. gets a guaranteed proportion of our country. What is theirs remains theirs, what is ours becomes theirs.

Is it any wonder that the President of the United States is happy with this deal? Is it any wonder that he comes to this House as a guest of Parliament to say, and this was a treasure for the grape growers of the Okanagan Valley and the Niagara Peninsula and the wine industry in Ontario and British Columbia, "Wouldn't it be wonderful to have California wine?" He said that standing right in front of you, Mr. Speaker. Then, at the Empire and Canadian Clubs in Toronto just the evening before Mrs. Thatcher was here in this House he was praising the deal again. Of course, he has a vested interest and he got what he wanted. He got access to all our resources and did not have to yield anything in return. No wonder he called this the fulfilment of the American dream.

Ever since the American Revolution and the Declaration of Independence the Americans have looked to Canada as part of their manifest destiny. I congratulate Pierre Berton for writing *The Invasion of Canada* and *Flames Across the Border* so we understand what we did to defend our country against the Americans. I was down in the Niagara Peninsula and the people there say that what the Americans were not able to take by force of arms in 1812-14, they have taken by virtue of this agreement while not firing a shot.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): The fulfilment of the American Dream! Fifty-four Forty, or Fight! Manifest Destiny! A United States of America that will go down past the Rio Grande and right up to Alaska and the Arctic frontier. It is a dream come true for Americans. At long last they found a Government in Ottawa dumb enough, stupid enough, patsies so craven in the face of American demands that they just caved in to every request made of them.

I say to the people of Canada that this is not a trade deal. This is "the Sale of Canada Act".

[*Translation*]

Some Hon. Members: Hear, hear.

Mr. Turner (Vancouver Quadra): Let's take for example the Auto Pact. On several occasions, we asked if the Auto Pact was included in the Agreement. One minister after another told us in this House that it was not. In fact, the Prime Minister even said the Pact was a free trade prototype that he wanted to apply in each and every sector of our economy. But the Auto Pact is not a free trade deal. It is a sectorial agreement which is managed and accompanied with guarantees in order to protect the Canadian content. Well, the trade deal has destroyed it. The guaranty system put in place to protect Canada's share in terms of production, employment, investment, and content will disappear while the tariffs decrease. But the Minister continues to deny that. Every time we ask that question, the governement retorts with a multitude of caustic and tasteless answers.

As far as our farmers are concerned, they are in very bad shape. The seasonal tariffs protecting their industry will progressively be eliminated. Since our climate is harsh, our growing season lasts no longer than four to five months. Our farmers will not be able to compete with their American counterparts from California, Florida, Georgia and other southern states where the growing period extends all year round. Canadian farmers are terribly clever, they are better informed than the business people and the professionals, because they have studied the matter, certainly a lot more than the Minister. They well know that a free trade agreement, even if it is really about free trade, is not possible in the agricultural industry.

We can't expect our farmers, whose growing season lasts only four, five or six months, to compete with their American counterparts whose growing season lasts 12 months. It's impossible.

Mr. Speaker, we have seen some Members in this House overlook certain basic facts. But only a Conservative government would have signed a deal which totally overlooks this country's climate.

• (1610)

[*English*]

The farm family is in great difficulty. Our whole way of life on the farm is under siege and this agreement goes a long way to destroying the family farm in Canada. Our whole supply management system is being negotiated away. Every Canadian support system is going to be brought into line by way of harmonization under the definition of subsidy with U.S. standards.

The Minister of Finance asked me whether I have read the agreement. I want to refer him to an annex in this agreement. His colleague, the Minister for International Trade, on his own admission, has not read this whole deal. He says that it is too cumbersome and too bulky. I shared the honour and responsibility of the portfolio of the Minister of Finance. He knows that any Minister of Finance who had not read his Budget before coming into this Chamber, or had not studied every subsidiary document, would not be worth his salt and should not hold the portfolio.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Although my colleague, the Hon. Member for Laval-des-Rapides (Mr. Garneau), and I have some quarrels with the Minister on policy, we know that he does his homework.

I have read this agreement, as he knows, and in one of the annexes is a list of every major agricultural program supporting the farm economy in Canada which is subject to the negotiation of the definition of subsidy with the United States. It includes the Prairie Farm Rehabilitation Act, the Agricultural and Rural Development Act, the Economic and Rural Development Agreements, the Agricultural Stabilization Act, the Western Grain Stabilization Act, the Special Canadian Grains Program, the Prairie Grains Advance Payments Act, and the Crop Insurance Act. I am not taking that from my imagination. Every one of those agreements upon which the western grain economy has been built is now open for negotiation with the United States.

Since the United States overwhelmingly dominates in agriculture by virtue of its size and market, the level of government support for Canadian farmers will not be determined by Ottawa or provincial capitals; it will be determined in Washington.

[*Translation*]

The agri-food industry will move to the United States where products are obviously cheaper. In Québec, ask any food processsing industry what they plan to do. They'll answer: "Good bye! So long! We're moving to the United States." Ask Harrison-McCain, in New Brunswick, the Canadian potato king. He's against the deal because he knows full well there's no future for food processing in Canada because all our economic sectors will feel the negative impact of this deal.

The same goes for our fishermen, on the Atlantic as well as the Pacific coast. We questioned the Minister of International Trade (Mr. Crosbie), we questioned the Minister of Fisheries and Oceans (Mr. Siddon), we questioned the Prime Minister (Mr. Mulroney). But our fishermen and those who work in the fish processing industry have been sold out. The government has in effect given up its right under the GATT to protect our fish processing industry.

[*English*]

With regard to our lumber industry, I have spoken before the Victoria Chamber of Commerce and Vancouver forums. I have told the people of British Columbia that the jobs of 7,500 workers on the West Coast from Alaska down to the American border are in jeopardy in the processing industry.

Mr. Wilson (Etobicoke Centre): Have you talked to Mr. Bentley?

Mr. Turner (Vancouver Quadra): I have talked to Mr. Bentley and others in the forest industry. I will stake my next election in Vancouver on the fact that before the Prime Minister started to sing for his supper at the Summit at Québec City with the President of the United States, we had free trade in lumber into the United States. We had free access for our softwood lumber into the American market.

When the Government was challenged by an attack from American legislation and administrative tribunals it yielded. A Liberal Government in 1982-83 had resisted that attack. We had beaten back the challenge of the American lumber industry.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): The facts had not changed; the law had not changed. All that had changed was the determination of a Canadian Government to stand up for Canadian exports to the United States.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): We self imposed a 15 per cent export tax on our lumber into the United States. As evidenced by the President's letter to Senator Packwood and the other Senators from Montana, Idaho, Washington, and Oregon, part of the price of this deal between Canada and the United States was to render permanent the 15 per cent export tax imposed against Canadian lumber into the American market.

Don't just take my word for it, read the deal. I know it is hard work, I know it takes time, I know it is burdensome, and I know it slows down the rhetoric and restricts the vocabulary, but read the deal and you will find that our lumber industry is now permanently caught with a 15 per cent disadvantage in the American market. Why did this happen? It happened to save the Prime Minister's trade deal at any cost.

The trade deal goes well beyond trade. It goes to the control of our economy. It goes to the control of our culture. Yesterday the Minister had the gall to say to us again that it did not touch culture. Despite repeated promises that our cultural industries would be exempted, "print in Canada" requirements have been eliminated and a new regime has been imposed on the retransmission of cross-border broadcasting signals.

The notwithstanding clause, clear in the agreement, has been included and could freeze future cultural initiatives by Canada. If the Americans, under that clause, consider any new cultural initiatives of this country to be inconsistent with what they interpret to be the spirit of the agreement, the agreement gives the Americans the right to retaliate, not only against our cultural industries but against any other sector of our economy.

Read the agreement. Take the time. I know that the Minister will be surprised to hear that answer, but then again, he has not read the agreement.

It is scandalous that the Government opposite has agreed to act as agent for the United States entertainment industry in carrying out that threat.

• (1620)

The deal goes to the control of our regional development and social programs. There is a great word in the agreement, repeated again and again. It is called "harmonization". Our programs are to be harmonized with those of the United

States. They include our social programs, our agricultural programs, our regional economic development programs. Under the agreement, that negotiation will take a period of five years to seven years in coming to a definition of what the subsidy means. What does "harmonize" mean? It is defined in the agreement. Harmonize means, according to the agreement, "render identical". Our programs and the American programs will be harmonized. They will be rendered identical.

You know who will do the harmonizing. We are dealing with an economy 10 times our size. We have already thrown away all our cards, because we have a Government with no commitment to regional development and no real commitment to our social programs. Those programs will be harmonized away.

After all, this is the Government of the famous sacred trust. The Prime Minister said that our social programs were a sacred trust, a trust that his Government violated in attempting to deindex old age pensions. The Government seriously contemplated in its discussion papers putting a tax on food, when food banks are springing up all across Canada.

The Government and the Minister of Finance who is in the House have raised taxes in the last four years, primarily on lower and middle income groups while giving special tax breaks to the wealthy. It is a Government that has systematically and dramatically cut regional development funding.

It is that Government and those Members who applauded enthusiastically when a Prime Minister from another country addressed us and said: "Subsidize the inefficient and soon that is all you will have". There you see the hidden agenda of the Tory Government. It wants to Thatcherize Canada and Reaganize us as well.

With the Prime Minister in charge, we are being harmonized, homogenized, and hosed.

[*Translation*]

In every clause and section, Mr. Speaker, this agreement refers to the harmonization and to the free market system. I too believe in the market system, in competition, in private enterprise, and in the need to reward success.

Mr. Speaker, Hon. Members Opposite should realize that Canada was not built as the result of the market system. We had to resist continental forces which were pulling us southward and we built our country in the East, West and North. We built an infrastructure to oppose continental pressures. We built a railway, a pipeline and a national highway. We set up a public airline and a national broadcasting system.

With the market system alone we would not have social housing, a public transportation network, or one of the best medical care system in the world. Personally, as a Canadian, I want to continue to live in a country where, if a person has to be hospitalized, they will not check his or her credit rating before his or her pulse!

[*English*]

I have said "harmonized, homogenized, and hosed". One would expect that the Minister for International Trade, with his vast experience as a former vacuum cleaner salesman, would know what it would be like to be hosed. But not that Minister. He specializes in providing Canadians with a fact-free analysis of the trade deal.

First he started promoting it. Then he said he had not read it. Then he said he did not have to read it. Then he said he had not read the whole deal. Then he said he read only the important parts. Then he said it was too complicated. Then he said he could not understand it because he only got 5 per cent in algebra. Then he said he was not fully qualified to give speeches selling the deal because he sold vacuum cleaners and did not know how to run one of those. Then he said he sold encyclopaedias that he never read. He asked: "Why should a trade deal be any different?"

That must give one a real feeling of confidence. I am sure Canadians will sleep better tonight knowing that the Minister has never read the trade deal.

Members opposite should look at the kinds of social programs delivered under pure market forces. Members opposite should ask themselves if that is the regime they want to impose on their own constituents. Do they want us to harmonize our minimum wage rates with Texas, where the rate is $1.40 an hour, or the nine other states in the American republic which have no minimum wage rate?

Do they want our unemployment insurance program, covering 85 per cent of the unemployed in Canada, to be harmonized with those in the United States? Under the combined federal and state schemes, only one-quarter of unemployed Americans are covered, and at a rate that is only a fraction of the Canadian rate.

Do they want to harmonize our rules on maternity benefits? There is no equivalent national program in the United States. Only about 40 per cent of American women have any maternity benefits at all, and most of those are for very short duration, less than six weeks, and are not provided by Governments, but negotiated with employers.

Do they want to harmonize our medicare program with those of a country where a quarter of the women of child bearing age have no medical insurance, where 37 million Americans have no medical insurance whatsoever, and where the federal Medicaid program is available to less than half the population living below the poverty line? Is that what Members opposite want? Is that what the Conservative Government wants? Is that what they want for our country?

That is the danger when one blindly accepts the idea of negotiating with the United States on its terms, and subjecting to negotiation with the United States every program that has built this country in terms of regional equality, every infrastructure and social program that has evened out opportunity

and evened out the burden in Canada. Every one of those programs is subject to negotiations with the United States.

Let us be realistic. The Americans do not really believe in free trade. We have talked to congressmen in Washington. We have talked to leading senators on both sides of the aisle, both Republicans and Democrats. The Americans are not seeking free trade in their trading relationship with the world; they are seeking fair trade. Fair trade is what they define as the level playing field. We all know how that level playing field works. When you step on it, it is an American field, with American goal posts, an American ball, an American referee, and four downs. You know from past experience, Mr. Speaker, what that would mean as a Canadian.

You know me well, Mr. Speaker. What I am saying is not anti-American. It is pro-Canadian. Americans have always been our closest friends, closest allies and our largest trading customer. None of that will change, whether or not this Parliament or this country approves the deal.

Most of us made a deliberate decision to live here. We like it here. We like our style of life, our sense of community, of tolerance. We like the responsiveness of our parliamentary system, our unique environment. Sure, from time to time it may cost more to live here, but the overwhelming majority of Canadians agree with me when I say that the price of being Canadian is a price worth paying.

Some Hon. Members: Hear, hear!

• (1630)

Mr. Turner (Vancouver Quadra): I am not going to allow this Government to rewrite history. It has been Liberal Governments, working through international negotiations, that brought tariffs down from an average of 40 per cent at the end of the last war to 4 per cent today. Liberal Governments brought our tariff structure to the United States to a point where, as I said earlier, 80 per cent of everything that moves across our mutual border, either way, is free of the impost of customs and tariff. We achieved that without giving away our sovereignty. All we are talking about in improving our trading relationship with the United States is the remaining 20 per cent. For that, the Prime Minister gave away the store.

The Liberal Party has always favoured, and still favours, more liberalized trade, not only with the United States but with all our trading partners. Under the Government opposite, our trade with the Pacific Rim and with Europe has deteriorated badly. As we outlined in our report entitled "Expanding Choices-The Liberal Alternative to the Mulroney Trade Deal", which I had the honour of presenting with my colleague, the Hon. Member for Winnipeg—Fort Garry, we believe that as essential, vital and crucial as the American market is to us, we have always done better in negotiating with the United States under the umbrella of international negotiations rather than taking on the strongest economic power in the world head-to-head bilaterally.

We have always done better internationally than by attempting to deal bilaterally and exclusively with the United States, particularly when a Government of Canada appears to want the deal so much more than the Americans.

We would continue to pursue sectoral opportunities like the Auto Pact. We would look for ways to eliminate those irritants to trade. Yes, we believe this country needs a more vigorous trading policy, but a Liberal trading policy would allow us to trade with the world, with special emphasis on the United States, not just an exclusive deal with the United States.

[*Translation*]

With a Liberal trade strategy the first step would be to eliminate interprovincial barriers. We should begin by experimenting with free trade in Canada. We would introduce a bill which would clearly spell out our trade objectives, financing methods and trade remedy mechanism. We would also regroup within a single administration the talents of our trade experts, in order to concentrate the federal Government's efforts on an essential objective, which is to develop our foreign markets to create permanent jobs for Canadians.

No trade policy can replace a national economic strategy. Rather, a trade policy ought to be part and parcel of such a strategy. No trade agreement, either with the United States, Europe or Japan could make us more skilled or competitive. We must do that ourselves. We must increase research and development investments. We are not going to ensure economic growth by applying technology developed by others.

[*English*]

We need to develop our education system and give our young people the skills they need for the jobs of tomorrow. We will commit ourselves to a full employment strategy, to supplementation for the working poor, to better training and retraining for our workforce, to a national literacy program and to a national apprenticeship program. When I have the responsibility to go to Washington to talk to the Americans, whether it be about trade, employment, acid rain, the fishery or about the Arctic, our Arctic, I will not start with the assumption that getting their co-operation means surrendering our political independence and surrendering our sovereignty. That surrender has been the result of this Government's strategy and we can see the results of that approach in this trade deal.

We who oppose this deal are painted by the Prime Minister as being afraid or timid, of having no confidence in our future and no confidence in Canada. That Prime Minister is dead wrong. We do have confidence in this country. We do have confidence in Canada. We do have confidence in our future. The difference is that for us our future is not a continental future. Our future is a Canadian future.

On the trade issue, I am not saying we can do it alone. What I am saying is that we can do it in our own way. We have proved for over 120 years that we can resist that north-south pull of continental forces. We have proved we can create and

build a flourishing, proud and self-sufficient nation. I have full confidence in this country and full confidence in our fellow citizens. I believe we are now mature enough, talented enough, confident enough and tough enough to build our own future in our own way by making our own decisions.

In 1867, the Fathers of Confederation established this House of Commons and the other place. They gave this Chamber the responsibility to build a great sovereign independent nation. They gave our predecessors the responsibility of establishing a unique and distinct nation on the northern half of our continent. If this legislation is allowed to pass, it will be said that in 1988 this House abdicated that role set for us by the founders of our country, that we surrendered that responsibility and abandoned our sovereignty. As a nation, we cannot allow that to happen.

The Minister scoffs, the Prime Minister sloughs it off, but this debate is really about the future of Canada as an independent and sovereign nation. It is about our ability to maintain that sovereignty. It is about our ability to govern our own country, for our own people, in our own way. It is for us to make our own political decisions as to how we want to determine our own economy, our own social programs, our own culture and protect our regions. It is for us to define, establish, maintain and promote our own values and our own national purpose.

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. André Ouellet (Papineau): A point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): The Hon. Member for Papineau (Mr. Ouellet) on a point of order.

Mr. Ouellet: The House has just heard one of the most brilliant speeches of the decade. I sat on a House committee which studied parliamentary reform and recommended measures to make this chamber more relevant and the executive more directly answerable to the House. But we are still waiting for the Government response, and the fact that both the Prime Minister (Mr. Mulroney) and the Minister for International Trade (Mr. Crosbie) are absent today is inexcusable. That is sheer laziness and I call this contempt for parliamentary procedure.

[*English*]

The Acting Speaker (Mr. Paproski): That is not a point of order.

Pursuant to agreement made earlier this day, the debate now stands adjourned. Orders of the Day.

• (1640)

WAYS AND MEANS

INCOME TAX ACT, CANADA PENSION PLAN, UNEMPLOYMENT INSURANCE ACT, 1971, FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT, 1977

Hon. Michael Wilson (Minister of Finance) moved that a Ways and Means motion to amend the Income Tax Act, the Canada Pension Plan, the Unemployment Insurance Act, 1971, the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977 and certain related Acts, laid upon the table on Monday, June 13, be concurred in.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed to the motion will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the yeas have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Call in the Members.

The House divided on the motion (Mr. Wilson, Etobicoke Centre), which was agreed to on the following division:

• (1710)

[*Translation*]

(*Division No. 416*)

YEAS

Members

Bertrand	Crouse	Gottselig
Binns	Darling	Graham
Blais	Daubney	Gray
Blenkarn	de Cotret	(Bonaventure—Îles-de-la-Madeleine)
Blouin	Domm	Gustafson
Bosley	Dorin	Halliday
Boyer	Duplessis	Hardey
Browes	Edwards	Hawkes
Caldwell	Epp	Hicks
Cardiff	(Provencher)	Hnatyshyn
Clifford	Ferland	Hockin
Comeau	Fontaine	Jacques
Corbett	Friesen	James
Cossitt	Gormley	
Crofton		

Jardine	McKenzie	Siddon
Jelinek	McKinnon	Sparrow
Jepson	Minaker	Speyer
Joncas	Mitges	Stewart
Kempling	Nicholson	Taylor
Kilgour	(Niagara Falls)	Thacker
Kindy	Nickerson	Towers
King	Nowlan	Tremblay
Lawrence	Oberle	(Lotbinière)
Layton	Peterson	Tupper
Lewis	Porter	Turner
MacDonald	Redway	(Ottawa—Carleton)
(Kingston and	Reid	Valcourt
the Islands)	Reimer	Van De Walle
MacDougall	St. Germain	Vankoughnet
(Timiskaming)	Scott	Wilson
Malone	(Victoria—Haliburton)	(Etobicoke
Martin	Scowen	Centre)
McCrossan	Shields	Witer—88

NAYS

Members

Althouse	Harris	Nunziata
Angus	Heap	Nystrom
Baker	Hopkins	Ouellet
Benjamin	Hovdebo	Penner
Blaikie	Isabelle	Riis
Boudria	Jewett	Robichaud
Copps	Killens	Rodriguez
Epp	Manly	Skelly
(Thunder Bay—	McCurdy	Waddell
Nipigon)	McDonald	Young—32
Fulton	(Broadview—	
Gagliano	Greenwood)	
Gauthier	Mitchell	

The Acting Speaker (Mr. Paproski): I declare the motion adopted.

* * *

[*English*]

CANADA-UNITED STATES FREE TRADE AGREEMENT IMPLEMENTATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Crosbie that Bill C-130, an Act to implement the free trade agreement between Canada and the United States of America, be read the second time and referred to a legislative committee; and the amendments of Mr. Axworthy (p. 16661), and of Mr. Langdon (p. 16673).

• (1720)

Mr. John Reimer (Kitchener): Mr. Speaker, I look forward to making a few comments on this very important topic of free trade. I would like to begin by putting this debate and my comments in the context of some of the current trade statistics.

One-third of Canada's GNP comes from export. Compare that to Japan which is 20 per cent, or the United States which is 10 per cent. Close to three million Canadians jobs are directly related to export and 80 per cent of our exports go to the United States. Close to 2.25 million jobs are directly related to exports to the United States.

The Canada-United States trade is the largest in the world. The Ontario-United States trade is larger than that of the United States and of Japan. Ninety per cent of the exports from Ontario go to the United States. Just to put this in an historic context, in 1946, 40 per cent of our exports went to the United States. In 1988, 80 per cent of our exports go to the United States. In other words, our exports have doubled.

These statistics are very important for us to keep in mind when dealing with a free trade debate. We are not starting at zero, we are starting with a very high level of trade with the United States. We also have a high level of free trade with the United States as a result of the Tokyo Round from 1979 to 1987. As of January 1, 1988, 80 per cent of our exports to the United States went tariff-free and 65 per cent of their exports came into Canada tariff-free.

The Government's motivations in this free trade initiative are very important and can be summarized under three headings. First, it is our purpose to secure that high level of trade that we have with the United States now. We wish to secure that high level against the growing protectionism within the United States.

Our second objective is to bring a dispute resolution mechanism to solve trade disputes between our two nations. For example, in the last few years, there have been fishing disputes, disputes dealing with the shakes and shingles industry and disputes dealing with potash, just to name three.

Our third major objective is to enhance that trade. As I said, the motivations of the Government are first to secure the high level of trade we have with the United States, second to bring in a dispute resolution mechanism and third to enhance that trade and to create jobs.

This is trade with the richest market on earth, living right next door to us. Surely any other nation in the world would give its eye-teeth for the opportunity that we have at this time. That is what we have seized—

Ms. Copps: Why don't you take an arm and a leg while you're at it?

Mr. Reimer: I wonder if the Hon. Member for Hamilton East (Ms. Copps) could simply do me the courtesy of allowing me to speak, and I will do her the courtesy of allowing her to speak when it is her turn.

Mr. Shields: Let's trade her mouth off.

Ms. Copps: I don't want to give my eyes or my teeth.

The Acting Speaker (Mr. Paproski): The Hon. Member for Kitchener (Mr. Reimer) has the floor.

Mr. Reimer: The Leader of the Opposition (Mr. Turner), earlier this afternoon, said that we had no mandate to conclude

this free trade agreement. I would suggest that we have a very clear mandate to create jobs. I think everyone on all sides of the House would accept that. Surely then our record in job creation is second to none. Not only are we supposed to create jobs, but we should protect the jobs we already have. That is the one thing that this trade agreement seeks to do. First it seeks to protect and to secure what we have and then to enhance that.

I would suggest that we are seeking to secure the high level of trade and the relationship that we have now, second to none other in the world, and surely we have a mandate to do that against the growing protectionism in the United States. Therefore, I would submit to those in the Opposition who say that we have no mandate that they think again.

What does this free trade agreement do? It does three simple things. First, it eliminates all barriers to trade in goods and services between Canada and the United States. It does that in three ways. Some are eliminated immediately on January 1, 1989. Others are eliminated in five equal steps over the next five years. The remainder are to be eliminated in 10 equal steps over the next 10 years. Second, the free trade agreement significantly expands and frees the conditions of cross-border investment. Third, it establishes procedures for joint administration and for a dispute resolution mechanism.

It is also important to realize what the trade agreement does not do. It does not permit the free exchange of labour which is similar to what occurs in the Common Market. It merely provides for temporary passes for those who service equipment. Second, it does not affect Canada's regional development programs, pension programs, medicare programs, child care initiatives, welfare programs, unemployment insurance programs, education programs, pornography control, gun control or ownership and regulation of resources. Those all remain in our hands. Third, it does not create a customs union like the Common Market. Both Canada and the United States will still have their own external trade policies. Fourth, it is not an economic union with a common Parliament as is the case in Europe. It is really just a trade agreement.

As I listened to Liberal and NDP comments made in the House and to comments made by other Liberal leftist commentators, with all their whining, complaining and misleading statements about the free trade agreement, I found that their comments appeared to me to be similar to the techniques employed by Joseph Goebbels. The technique he used was that if you say something loud enough, if you say it long enough and if you repeat it over and over, then it becomes true. I think the tactics used by some of those in this debate are nothing short of shameful. I am struck by the fact that—

Ms. Copps: You should be struck.

Mr. Reimer: I am struck by the fact that the Canadian Chamber of Commerce, the Canadian Federation of Independent Business, the Canadian Manufacturers' Association, the Canadian Export Association and the Chamber of Commerce in my riding all—

Ms. Copps: So call an election.

Mr. Reimer: —unanimously support this free trade agreement.

Ms. Copps: You'll be blown out of the water.

Mr. Reimer: The Chamber of Commerce in my riding has gone on record as supporting this agreement. When I did a survey about the free trade agreement of 916 businesses in my riding—

Ms. Copps: That's not what John English told me.

Mr. Reimer: —82 per cent—I wonder if the Hon. Member for Hamilton East could do us the simple courtesy of keeping quiet when someone else is speaking. We will do the same when she speaks.

When I did a survey of 916 businesses in my riding, I found that 92 per cent of those who said that they would be affected by the free trade agreement said that they would be favourably affected by it. I was struck by the fact that at the Economic Summit, all of the leaders unanimously supported this trade agreement. Chancellor Kohl, when speaking here in the House, in an excellent speech congratulated Canada in concluding this free trade agreement with the United States, and he went on to say that this is a forward-looking sign and a wonderful development.

I would remind those in the Opposition of what Margaret Thatcher, the Prime Minister of Great Britain, said when she spoke in the House. She said: "Protectionism is not a lifebelt which keeps an economy afloat. It is a millstone that drags you down and penalizes consumers and the workforce alike. Subsidize the inefficient and soon that is all you have. You lose the competitive edge to export abroad and you keep prices down at home". I would say that Members of the Opposition should heed those words very carefully.

People have tried to say that we are forfeiting our culture and losing control over our own sovereignty in this agreement. There are many people in my riding who come from eastern Europe or the Soviet Union. Those people know that if we trade with a communist, we do not become communist. They know that if we trade with an American, we do not automatically become American. If that were true, then Ontario would be the most American of all provinces because 90 per cent of Ontario's exports go to the United States. We know that it is not true that Ontario is the most American of provinces. All this alarmist nonsense is simply that. Just because we trade with someone does not make us like that someone, but it might help to build bridges and understanding.

• (1730)

Surely we have to commend what Europe did after World War II in building bridges through trade and removing trade

barriers. That is what we are doing now. I look forward to the day when we have this agreement operating, Europe has its agreement operating, and there is a North Atlantic agreement operating. I think that is the wave of the future. That is what this trade agreement is beginning to do.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, in 1984 the Prime Minister (Mr. Mulroney) said:

> Canadians rejected free trade in 1911. They would do so again—

The Minister of Finance (Mr. Wilson) said:

> Bilateral free trade with the United States is simplistic and naive. It would only serve to further diminish our ability to compete internationally.

The Secretary of State for External Affairs (Mr. Clark) said:

> Free trade . . . raises the possibility that thousands of jobs could be lost . . . Before we jump on the band-wagon of continentalism, we should strengthen our industrial structure so that we are more competitive.

They were right then, and they are wrong now to force this agreement on Canadians.

I have said in previous speeches that this trade deal entrenches U.S. protectionism, especially dealing with lumber and fish. It fails to give access to key U.S. markets. It gives unwarranted concessions to U.S. demands and subjects us to U.S. law. It gives the U.S. guaranteed access to Canadian resources, and many feel this includes water. It undermines Canadian energy prices, preventing economic diversification in the West. It opens the door for more U.S. takeovers of Canadian industries. It will destroy key agricultural sectors of our economy. There will be a loss of well-paid union jobs, and women in service industries will be victimized. Regional development programs may very well be at risk when they are considered unfair subsidies.

Today I want to concentrate on the impact of the deal on social programs and health policies. As we all know, Canadians are very proud of our social programs which far exceed those in the U.S. in providing for Old Age Security, protecting the unemployed, assisting families with young children, and providing free medicare for all our citizens. We believe these are inviolable social rights in Canada.

Despite government attempts to deny it, experts agree that this trade deal will have both direct and indirect effects on health and social programs. The Government maintains the public welfare is protected, yet ignores the fact that the U.S. explicitly targeted unemployment insurance as a "government-created trade distortion" in the Atlantic groundfish countervailing duty case. This undoubtedly was a precedent and should have been a warning to the Government. If, as the Government claims, social programs are exempted and not to be threatened by this deal, why did it not ensure this by including a specific clause to this effect?

Article 1907 leaves it wide open for subsidies to be defined over the next seven years through a process of negotiation. There is no guarantee that the Americans will not target any of our social programs as unfair subsidies under U.S. trade law. In fact, U.S. businesses have always considered that medicare, unemployment and regional development programs are unfair subsidies. Why did the Canadian Government not insist on a specific clause exempting social programs, similar to the cultural industries exemption in Article 2005? This could have been done.

Already the Government is adopting American-style practices in the field of social programs. There are many examples of Government encouraging increased privatization of services, by the Minister condoning provincial practices contrary to the Canada Health Act, and by encouraging commercialization of child care and services for the elderly.

Annex 1408 of the chapter on services in the agreement lists management services covered by this deal. It specifically lists management of general hospitals, psychiatric and children's hospitals, community health clinics, and others. This means that U.S. firms can take over management of such facilities in Canada and operate them for profit as is common practice in the U.S. We already see a trend in this direction in Ontario.

Studies show that standards suffer when services are privatized. Staff are cut and qualifications are not as high. Profits are the primary goal. Our system of medicare is much better and also much cheaper than the American system. Our system costs 30 per cent less than the American system and operates with 13 per cent less staff. U.S. privatized hospitals charge 22 per cent more on average for patient admission than we do in Canada. Do we want an Americanized system of medicare where 35 million people have no coverage at all and where the cost of an illness can bankrupt a family? Of course not.

It is bad enough that the Government is encouraging privatization with poor quality care in Canada, but it is extremely serious that this deal will allow U.S. companies to participate on an equal footing in Canada and enshrines these rights in an international trade deal.

Another very serious section affecting social programs is a giveaway section on monopolies buried in Chapter 20. This requires Canadians to consult with Americans before creating a monopoly, a term which could apply to all our universal social programs. Under this part Canada will lose the ability to create accessible, affordable programs for all Canadians. This could seriously affect future planning of social programs.

Under this agreement the Prime Minister can overrule provincial jurisdiction in health and welfare in the interests of establishing a level-playing field. U.S. child care chains, operating with minimum standards, will have open access to Canadian communities, with the right of public funding. American service firms are given the right to acquire businesses here and the right to national treatment. Disagreement on this matter will be settled through the dispute settlements mechanism. However, this process will undoubtedly influence Canadian policies in the future. It will require us to conform more with inferior U.S. practices.

Canadians do not want a Kentucky Fried Chicken type of child care. We want quality care for our kids, care that is affordable and not run just for profit. This agreement will have a very significant impact on the social contract that Canadians hold dear. The policy of harmonization, the level-playing field concept, will force Canadian firms to conform to the pressure of very powerful U.S. market forces. Workers will be affected, their wages and working conditions will be influenced by lower U.S. standards. Fewer workers will be unionized. Women will be forced into lower paid part-time jobs. Family benefits like the Family Allowance and child tax credit will be frowned upon and eroded as unfair subsidies.

Canadians have different expectations than Americans. We have fought hard, led by CCF pioneers, to establish comprehensive universal social programs like old age pensions, family allowances, unemployment insurance and medicare. We pay for these through our taxes. We try to redistribute incomes in a much fairer way to eliminate poverty. This is not the U.S. way. Canada is different than the U.S. We want to remain that way. We do not want to be sold off by a Tory Government through this agreement to become the fifty-first state.

The Prime Minister had no mandate to negotiate and impose this deal on Canadians. He had an obligation to call an election and go to the people with the real truth about the dangers of this deal for Canada and Canadians.

• (1740)

[*Translation*]

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, may I say that this is the most rewarding opportunity I have had since my election to the House of Commons, an opportunity to speak to the issue which I consider to be the most significant for Canadians and young people, in short for our whole economy: garanteed access to the United States market.

Before dealing specifically with the matter I should like to go over some of the remarks made by the Leader of the Opposition (Mr. Turner) when he delivered his speech on free trade earlier this afternoon. For instance he accused us and said that we would tear up or spend only five days debating the free trade issue while it took 120 years just to get prepared for that United States market. I might respond by saying that he wants to take half a second to tear up what Canadians took 120 years to achieve. While he is telling us that he did not have time and that we do not have enough time to study free trade, I would remind him that he should have read the report of and listened to the committee of the House of Commons which has heard many representations from Canadians here in Ottawa and in other major cities. Among others, he should also have listened to the Conseil du patronat, the Canadian Chamber of Commerce, the Economic Council of Canada, and the Canadian Federation of Independent Business. He should read the reports of those organizations and listen to what they have to say.

He should also have heard and read the evidence before the Quebec National Assembly, before a parliamentary commission where Quebecers made representations on free trade, a parliamentary commission made up of MNAs from both sides, Liberals and Péquistes. He should also have read and listened to the remarks of Quebec Liberal Premier Bourassa. He should have listened to the leader of the Opposition, Mr. Parizeau, to former Parti Québécois Minister Landry and to Mr. MacDonald, the Liberal minister. Lastly, instead of saying that Canadians will not have time to study the free trade deal, he should have told the Canadian public that a committee made up of Members of this House will also hear representations from Canadians. We will probably be told before this committee that free trade means opportunities for Canadian products.

You will know that Canadians now produce some $500 billion worth of goods and services. A quarter of that or $125 billion is exported. And that quarter, Mr. Speaker, accounts for 3 million jobs for Canadians and of those $125 billion, 80 percent or $95 billion are exports to the United States. And that is what the Liberal Party and the socialists object to! I am both pleased and saddened to lump them together, but I can only say that they are the ones who lumped themselves together in a coalition. That is the $95 billion market that the Leader of the Liberal Party would have torn up. What does that $95 billion means for Quebec? It means in comparative terms that where Canadian production stands at $500 billion, Quebec production stands at $100 billion and that out of Canadian exports totalling $125 billion, Quebec exports $20 billion. That $20 billion accounts for 800 000 jobs for Quebec men and women and out of that $20 billion, 76 percent is exported to the United States, that is to say $16 billion worth of goods and services from Quebec. That means wood, electricity, manufactured goods, furniture, metal products, aircraft, aircraft engines, and so on and the 650 000 jobs that Quebeckers owe to the American market that they would take away from us.

And for those who do not know Quebec's history, Mr. Speaker, that market is very important because in Quebec, since 1960, there has been a lot of fast changes. In 1960, under a Liberal Government that had a different kind of policies than Liberals here, we went through the "Quiet Revolution". The Quiet Revolution meant that in our universities we got rid of the staple training of doctors, lawyers and priests. Instead, we trained business people, engineers, scientists, etc. We also had the "Masters in our own House" policy under which Quebecers increasingly assumed control of their own economy. We now need a market. And recently the Quebec Government, under both the Parti québécois and the Liberals, put in place systems to promote new financing structures for our business corporations. In other words, it favoured equity investments in our corporations. Those corporations are now ready to go, thanks to the Registered Share Purchasing Funds, thanks to the *Caisse de dépôt*.

Those corporations now have the capital needed. The Quiet Revolution also gave them the brainpower needed, the young educated professionals.

In fact, Mr. Speaker, 14 per cent of our business leaders and top executives in Quebec are under 30 years of age.

This is what we want for Quebecers, and this is why I support free trade. This is also why I blame the Liberals for not supporting free trade, because those young Quebecers have the education and the capital needed, they are all set and ready to go, and in Quebec we want to sell on the American market, and we have no wish of the Americans putting up tariff barriers again, as we saw in the case of softwood lumber, and as we are now seeing in the case of pork carcasses.

Mr. Speaker, why do Liberals want to scrap the deal? Why are they suggesting to Canadian business people: "You erred, you were wrong in selling to the United States, you should have sold elsewhere—in Europe, in Asia"?

Canadian business people get into the nearest market the same way someone who launches a business does in his village, in his town, in his region—at first he sells to the market next door.

And when I heard today the Leader of the Liberal Party (Mr. Turner) suggest: "We should overlook the American market, the market that has the money, the market that buys our products, the market that knows our products, the market that has a compatible economy with our own in terms of consumer habits and production" . . . If were to believe the Liberals, we should overlook that market, go to Europe, go around the world, go to Asia.

Have you ever seen business people forget about their regular customers and say: "We will go 3000 miles farther to sell our goods." That is nonsense, Mr. Speaker, and that is what the Liberals want us to do.

To me, that way of thinking seems to be obstructing Quebec's growth, and I find it very strange that the Liberal Premier of Ontario (Mr. Peterson) had allied himself with the Liberal caucus here, and has approved the statements made by the Liberal leader. The objective of that alliance is to harm Quebec. That alliance, and that is where the Liberals agree in fact with the Socialists, is to the advantage of southern Ontario.

Because, you see, the riding with 740 000 workers who have benefitted from a free trade deal since 1965 is in fact the one represented by the leader of the Socialist Party (M. Broadbent), the Oshawa riding. We all know about the free trade deal negotiated in 1965, which is working and which guarantees $30 billions in exports of Canadian made end products. Mr. Speaker, $30 billions are ensured by a free trade deal in southern Ontario, and the Liberals are joined in a coalition. They want all Canadians to be denied the benefits and the "profitability" of free trade in southern Ontario. And that is why the workers from southern Ontario are literally ripped off, because they pay union dues not to finance their collective bargaining sessions, but to finance the harsh campaign the Socialist party has now launched against free trade.

Mr. Speaker, I will conclude by saying that it is important for us to vote for free trade because it is important that between January 1, 1989 and the following 10 years tariff rates fall to zero. It is important that our possible disputes be settled in an orderly manner by a binational tribunal. And that is provided in the agreement, a dispute settlement mechanism, some court that will protect us from any negative action by American protectionism.

So Canadians will surely understand, something I doubt the coalition can do, but we will campaign on that issue, and the Canadian people will give us a mandate to sell it to the United States in order that our businesses keep on flourishing.

Ms Sheila Copps (Hamilton West): Mr. Speaker, I am surprised to hear the Hon. Member talk about mud-slinging. At least the Liberal Party did not have to secure a by-election with money as was done.

If you have the courage of your convictions, if you are convinced the free-trade agreement is such a good thing, why do you not call a general election today? Because we of the Liberal Party are ready to go to the people and ask them . . . Unlike you who are trying to hide the truth from everybody, to hide what the free trade agreement will lead to. That is because you are ashamed and afraid that if the Canadian people knew what is in that deal, they would never accept it.

I am not surprised, Mr. Speaker, that the Minister for International Trade (Mr. Crosbie) has not read the documents.

Remember Mr. Speaker, the time I asked in the House, concerning the commercial blood bank . . .

• (1750)

[*English*]

Do you remember when I asked him in the House why the annex included commercial blood banks to be established under what is called strictly a trade deal? We are told it has nothing to do with social policy but it will allow commercial, for-profit blood banks to be opened in Canada. The Minister waved the paper and said that it is nowhere in here. He had not even read the deal.

Mr. Siddon: Read the section.

Ms. Copps: He did not even look at the annex. The annex states quite clearly that the free trade deal includes commercial blood banks.

Mr. Siddon: What clause?

Ms. Copps: The section and the clause are listed right in the Bill. Unfortunately, the Minister has not read it. Blood banks are included.

Mr. Siddon: Read it.

Ms. Copps: The Government says that social policy is not touched.

Mr. Siddon: Come on, Sheila, read it.

Ms. Copps: The Minister says to read the clause. I will read the clause.

Mr. Siddon: What is the number?

Ms. Copps: I have the number of the section. The article is there. The Minister does not want to admit it and the Government does not want to admit it because it realizes it has a secret and hidden agenda.

Mr. Siddon: You are taking it out of context.

Ms. Copps: I am taking it from the vagaries you claim represent the trade deal.

I could cite chapter and verse of the businesses that will be destroyed by this deal and of the people who will lose their jobs. When talking about the number of Canadians who are dependent on multinational corporations, just ask the workers at Firestone in Hamilton what free trade brought to them.

An Hon. Member: We do not even have it yet.

Ms. Copps: Ask the workers at Goodyear what benefits they are getting from free trade. Ask the workers at Massey Ferguson. When the going gets tough, the American multinationals pull up stakes quicker than one can blink.

The Government is opening the doors to even more foreign ownership than already exists in Canada. The tobacco industry is 98 per cent foreign owned. Transportation equipment is 88 per cent foreign owned; chemicals, 76 per cent foreign owned; electrical products, 68 per cent foreign owned. I could go on.

The Government is embarking on a plan to sell out Canada and it does not even want to give parliamentarians in this House the right to have a say. I was elected to represent thousands of people in my constituency. I cannot speak for longer than 10 minutes on a deal that will change the very shape and history of our country. The Government does not want the facts on the table. It does not want Canadians to know that our social programs are up for grabs.

Many women in this country hold dear the pregnancy benefits that will potentially be negotiated away if they are determined to be an unfair subsidy.

Mr. Siddon: You are way off base.

Ms. Copps: It was not a Liberal Member but the President of the British Columbia Business Council who said that this deal presents a threat to medicare as we know it. The Government is supporting this deal because it has a hidden agenda. We saw that when the Prime Minister (Mr. Mulroney) said at the beginning of his mandate that senior citizens' pensions are a sacred trust and will never be touched. The first thing they did was to try to cut back senior citizens' pensions.

Mr. Siddon: No, he did not.

The Acting Speaker (Mr. Paproski): I hope Hon. Members would give the Hon. Member the same courtesy she has given you. The Hon. Member for Hamilton East (Ms. Copps).

Ms. Copps: Thank you, Mr. Speaker. The Hon. Member says the Prime Minister did not try to cut back senior citizens' pensions. There are thousands of seniors in my riding who will attest to the fact that he tried to cut back pensions. Since it took office, the Government has had a hidden agenda to cut back universality, cut back on family allowances and cut back on senior citizens' pensions.

We watched Conservative back-benchers and the bookends clap and wave when Prime Minister Thatcher tried to tell us how to develop our social programs in this country. I do not want to have the rich and poor, the have and have-not Thatcherite philosophy as the philosophy for this country. We have been bamboozled and scamboozled by a Government that is not interested in the best interests of Canadians, but more interested in trying to save the Prime Minister's political hide.

The Prime Minister was acting from a position of desperation. On the Thursday night, Simon Reisman, the chief negotiator, said there was no deal. What happened between Thursday and Sunday? What miracle portended so that suddenly Canadians who had walked away from the table saying it was over now said it would go forward? It was the sale of Canada through our energy policies. It was the continental energy policy, the Achilles heel, for which the United States has waited for generations.

Between Thursday and Sunday Canadians said: "If you do not want to sign the deal, we will give you national treatment for energy". All renewable and non-renewable energy in Canada, including water, is included in the deal. In times of energy shortage every renewable and non-renewable resource, including natural gas, must be sold to the Americans in a proportion determined by this agreement, even when our own resources are running out.

The Government has stripped Parliament of any power by asking us to pass a Bill that says the free trade agreement takes precedence over any active Canadian Parliament in case of conflict. Yet the Americans are saying that in the case of any conflict an act of the U.S. Congress will take precedence over the free trade deal. Yet this weak-kneed lackey, boot-licking Government is actually signing an agreement which states that the free trade agreement will take precedence over any act of Canadian Parliament. It is asking Members of the House to approve a deal that will bind us to future American trade law. If we violate future American trade law, not yet passed by an act of Congress, we could face a million dollar fine or go to jail.

The Conservative Government intends to ram this document through Parliament. It is restricting the rights of Members of Parliament to free speech and is limiting our opportunity to put on the record not only the faults of the deal but the hidden agenda to destroy social benefits, unemployment insurance programs, and medicare.

By hook or by crook, the Conservatives on the back-bench are going to get the kind of level playing field we know is secretly coveted by them. They cannot come forward and do it publicly. They could not cut back on senior citizens pensions publicly because people revolted. They will do it through the back door and blame it on the Americans.

The Government does not want the people of Canada to know what is in the deal. That is why it is ramming this legislation through Parliament. That is why we are not being given an opportunity in committee to fully explore it through hearings across the country. The interpretation of this agreement has not yet been passed through the U.S. Congress.

The Government wants Canadians to consider instead the great principle of free trade and whether they are for or against it. Many Canadians will say that they want to free our trading policies and trade with the world. But they will also say that they do not want to sacrifice their Canadian way of life in the process. We do not want to give up our right to an independent foreign policy, an independent social policy. We do not want to give up the right for our children to pass laws in the Canadian Parliament that will shape the future of our generations. As a result of this document we are closing the options for future generations to develop a Canadian life style, a Canadian dream.

The Government is selling out to the Americans just so a desperate Prime Minister can have something with which to go to the polls. It will not work. He is not to be trusted. I urge the Government to call an election. They talk about Goebbels. The Government should call an election and let the people decide.

[*Translation*]

The Acting Speaker (Mr. Paproski): It being six o'clock, pursuant to Order made on Monday June 20, 1988, this House stands adjourned until tomorrow at eleven a.m., pursuant to Standing Order 3(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, June 30, 1988

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT OPERATIONS

GOVERNMENT RESPONSE TO SIXTH REPORT OF STANDING COMMITTEE

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, pursuant to Standing Order 99(2), I have the honour to lay upon the table copies, in both official languages, of the Government's response to recommendations 1, 2 and 3 of the Sixth Report of the Standing Committee on Government Operations.

* * *

PETITIONS

GOVERNMENT RESPONSE

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to petitions Nos. 332-4800, 332-4801, 332-4803, 332-4807 and 332-4813.

[Editors Note: See todays Votes and Proceedings.]

* * *

BANKS AND BANKING

SERVICE CHARGES—STATEMENT BY MINISTER

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, for some months now, Canadians from all parts of the country have expressed their serious concern about the way in which financial institutions have been imposing charges for banking services. Today I am announcing a wide ranging package of measures which will respond to these concerns.

Four principles have guided me in developing this initiative. First, free market competition is the best way to obtain and maintain fair pricing practices. Fundamental to such competition is the informed consumer. The consumer must have the information if he or she is to act intelligently.

Third, certain basic banking services should be available at little or no cost. Fourth, customers should have a clear understanding of their recourse when they have complaints about services.

[*Translation*]

Mr. Speaker, the government has decided to take strong and direct action to ensure that Canadian consumers are fairly treated when charges related to bank and trust company accounts are imposed. Canadians will now be properly informed, in advance, of charges relating to their personal accounts. We will amend the Bank Act and Canada's major banks and federally regulated trust companies will take voluntarily action with respect to basic banking services and certain objectionable charges.

[*English*]

In simple terms, we are achieving results which will benefit consumers. Where necessary, we are acting through statutory and regulatory improvement. Elsewhere, we are achieving these results by allowing the voluntary and market-driven business environment to operate. We have moved on all three fronts, regulatory, legislative and voluntary.

Some in this House, no doubt, would prefer that we avoid the use of legislation in answer to this problem of bank service charges. Others would prefer that we legislate all aspects of this initiative, leaving no room for voluntary action. In my view, our initiative today strikes the appropriate balance between legislated rights and obligations and voluntary action on the part of the financial institutions.

Providing Canadians with more information, while allowing financial institutions the freedom to maintain their competitive and pricing decisions, is an appropriate response to the problems identified by Canadians. In the process of identifying those problems, I want to pay tribute to the Members of the House of Commons Standing Committee on Finance and Economic Affairs who have worked to broaden public understanding of this problem. Their recommendations have provided the foundation for the measures being outlined here today.

I believe the way in which this issue has been examined and resolved is an excellent example of our parliamentary reform

which was introduced by this Government. All Parties in this House, and as I look across the floor I say very clearly, all Parties in this House have worked constructively to achieve the progress which I am announcing today. I am hopeful I can count on that same constructive spirit to expedite the passage of the legislation.

Let me deal with the statutory changes to the Bank Act being brought forward today. New legislative requirements make full disclosure of commonly applied charges a fundamental part of this plan. The legislation will also ensure that customers are fully informed of service charges and the complaints procedure when opening a personal account.

[*Translation*]

Furthermore, our legislation will ensure that any increases in charges, or any new charges, cannot be imposed until there is proper notification. This will be achieved by distribution of a notice with statements, where applicable, and through prominent posting in all bank branches across Canada.

Moreover, posting will be required not only in branches, Mr. Speaker, but also at automated banking machines.

[*English*]

The statutory and regulatory changes are not only consistent with the recommendations of the Finance Committee but go somewhat further to ensure that customers are made fully aware of all account related service charges. I am today tabling the background material after this statement which provides a full description of the new disclosure requirements in the amended Bank Act and regulations. I believe that major federal trust companies will bring their disclosure practices in line with these provisions as well.

• (1110)

There is a fundamental principle which our initiative entrenches—no financial institution ought to alter its charges without its customers being fully informed in advance. This must be done. Consumers have the right to be able to make informed choices among available account options.

Following discussions between the Government and the financial institutions I am pleased to announce today that the major Canadian banks and the major Canadian trust companies will continue to provide, and in many cases enhance, their basic accounts. As a result of all this, most of the major federal deposit-taking institutions—the preponderance of them—will give their customers access to basic accounts, which will do what? They will allow unlimited deposits and unlimited cash withdrawals without charges, without maintenance fees and without minimum balance requirements. It can now be said as a result of this that all Canadians, economically disadvantaged Canadians especially, have or very soon will have access to basic banking services at little or no cost.

We shall be monitoring carefully compliance with these actions. We hope this voluntary action will be sufficient. But I emphasize that the Government will not hesitate to take legislative steps in the future should that prove necessary. We have it voluntarily now and we will act in the future if the voluntary system breaks down.

In order to assist consumers in making informed decisions about the cost and type of banking services to which they can have access, my colleague, the Minister of Consumer and Corporate Affairs (Mr. Andre), has agreed to publish a comparison table outlining available basic banking services, together with their costs. This will also help to ensure that the public can monitor financial institutions' compliance.

Let me move to certain reprehensible and objectionable charges referred to by the House committee. These charges have been or will be withdrawn. The results are as follows. I invite the House to listen carefully to these charges that will be withdrawn. First, recipients of NSF cheques will not be charged for depositing these cheques in their personal accounts. Second, there will be no charge for closing personal accounts which have been open for more than 90 days.

[*Translation*]

Third, there will not be charges for the maintenance of an institution basic account when the balance falls below a specified minimum level. Fourth, there will be no charge for any transactions resulting from an institution's error. Finally, administration and transfer fees on fixed-term deposits, notes and GICs will not be increased during the term of the instrument. Where necessary, this will be noted in the contract.

[*English*]

I am also pleased to announce that we will be taking specific measures to strengthen the process of handling consumer complaints concerning bank and trust company service charges. I discussed this problem with the major banks and with trust companies, that is, the need to enhance their complaint resolution procedures. This morning I went in to see my own branch manager in Ottawa. I asked him what his procedures were. He outlined that they varied from branch to branch and from bank to bank. He would welcome clarification and standardization.

It is desirable that as many complaints as possible be handled by the branch. At the same time customers must be able to go further within the institution if they are unhappy with what they hear from the branch to resolve their complaints.

[*Translation*]

The institutions have all assured me that they will take steps to improve their complaint resolution procedures. Moreover, the enhanced disclosure provisions in our legislation will ensure that customers are informed of these procedures.

[*English*]

Where a complaint has not been resolved by the institution, the Superintendent of Financial Institutions will mediate. Furthermore, he will prepare an annual report to the Minister of Finance to table in Parliament on the number of complaints

and their disposition. I have asked that an interim report on this be made available in six months.

In order to ensure that the changes relating to the complaints resolution procedure meet the needs of customers, I have asked the Superintendent to do something further. I have asked him to assess the operation of the over-all system in the country within the banking realm for handling complaints and report to me on the results of this evaluation. The Superintendent is considering engaging the services of a specialist to assist in this evaluation. Not only are we putting a mechanism in place, we are going to monitor it and report back on the monitoring.

In summary, I am seeking a legislative mandate to require better disclosure on the opening of personal accounts and of service charges that may be related to those accounts. Furthermore, that mandate will provide for a clear notification period for increases in service charges.

[*Translation*]

At the same time, most major deposit-taking institutions will be providing basic banking services at little or no cost. In cases where these institutions have imposed service charges, identified by the committee as unfair, they will be withdrawing them. The complaints procedures within the institutions will be strengthened and I am formalizing the responsibility of the Superintendent for mediating complaints.

[*English*]

Today's measures serve to underline our Government's commitment to ensuring that the Canadian consumer, whose deposits form the foundation of our banking system, is treated fairly, frankly and with respect. These measures underline that.

The problem of bank service charges raised by the committee and by Canadians and acted upon today by the Government have, I believe, been addressed. We as a Government will be vigilant in monitoring compliance and in ensuring that the problems identified have been resolved, and resolved by effective action, not red tape.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, it is clear that once again, the Government was weak-kneed. The Government caved in to the banks. It didn't even listen to its parliamentary committee. It didn't hear the message sent by members of its own Caucus. It did not even listen to Canadian consumers. It lacked the courage to do so, and that is typical of this Tory Government. It is a Government without a backbone.

Mr. Speaker, anticipating action by the Government, the Hon. Member for York-Scarborough (Mr. McCrossan) considered withdrawing his Private Members' Bill on bank service charges, after introducing it with a lot of fanfare.

We were also surprised when the Hon. Member for York-Scarborough (Mr. McCrossan) and the Chairman of the Committee on Finance and Economic Affairs voted against their own bill this week in the House.

I hope the Hon. Member will keep his bill in the running—he is here—after reading the totally inadequate measures announced this morning by the Minister of State (Finance) (Mr. Hockin).

Mr. Speaker, we saw before us a Minister who lacked courage. The report of the House of Commons Committee on Finance and Economic Affairs concerning bank service charges contained four types of recommendations. First, it recommended that financial institutions offer their customers a certain number of basic services free of charge. Second, it recommended that financial institutions keep their customers better informed of bank service charges. Third, it asked for the appointment of an ombudsman to defend the interests of customers and finally, it recommended a number of penalties in case of non-compliance with the legislation.

Obviously, we agreed with these recommendations and we strongly support such measures.

• (1120)

[*English*]

When the Finance Committee proposed free basic banking services the big banks were hopping mad. The President of the Royal Bank of Canada said that it would "impose unfair and unjustified costs" for all bank customers; that it would "distort pricing, tending to increase substantially other service charges". Those statements are taken from *The Globe and Mail* of June 9, 1988.

Yet, the banks themselves admit that occasionally they do provide free basic services to some four million senior citizens and young people. Now, apparently, most of them agree with "voluntary" measures to provide basic services free. In today's *The Globe and Mail* there is an article which states:

> But Toronto Dominion representative Sue de Stein vowed that the country's fifth-largest bank will not budge on what it regards as a question of principle.
>
> The bank intends to stay competitive in customer services but it doesn't want government dictating how banks run their business, she said.
>
> "We have no intention of giving in on this principle," she added.

So, Mr. Speaker, I am wondering what all the fuss was about. On the one hand the banks oppose free banking services, and on the other hand they claim that they already do provide some such services, and they now agree—if we are to believe them—to provide more. I am not sure if all this outcry was really serious.

I wish to quote what the Finance Committee had to say about voluntary measures: "The committee welcomes any voluntary action on the part of financial institutions to provide basic services, but worries that voluntary provisions on an institution by institution basis will fall short of what is needed". That quotation is from the report.

The Liberal Party agrees with that statement and thinks that today's measures put forward by the Minister of State for Finance (Mr. Hockin) are totally inadequate.

In this morning's newspapers one reads that one of the largest banks, the Toronto-Dominion Bank, is still dickering over service charges. I wonder how the Government will oblige the Toronto-Dominion Bank, or any other bank for that matter, that in future will refuse to comply with voluntary measures. How will the Government oblige them to comply with the guidelines? There are no teeth in this morning's measure. There is nothing in there that gives the Government any stick to bring the banks into line with.

[*Translation*]

Mr. Speaker, the Committee on Finance and Economic Affairs recommended fines or penalties of up to $10,000 for a first offence and up to $100,000 for each subsequent offence committed within a period of three years. There was no mention in the Minister's statement this morning of any serious measures or penalties to force the banks to act.

As far as the ombudsman is concerned, he will be in a very difficult position because his role will not be to arbitrate but to act as a mediator in case of a dispute.

Admittedly, he will have to report to the Minister once a year, and the Minister will have to table a report in the House, but, Mr. Speaker, when a consumer's rights are violated, that person should be able to get some basic justice from the ombudsman; the Government did not accept this recommendation of the Committee.

What will happen, Mr. Speaker, if a conflict between a bank and a customer goes on and on? Who will settle it? We do not know.

Finally, the Minister's statement this morning is not specific on the measures to better inform customers about bank service charges. We do not know if there is a time limit. Will the customers have prior notice? Will there be time limits in the legislation to prevent abuse by the banks?

We in the Official Opposition would like the Government to include time limits in the legislation so that Canadian consumers really receive the services and are fairly treated.

[*English*]

Indeed, in my opinion, there is very little in this statement to satisfy Canadian consumers. It appears that the Minister went to his friends in the banking industry and said: "Hey, I need your support. I need your help. I need your co-operation. We have an election coming up and this could be a very sensitive issue. So, come on, friends, be nice to us, co-operate with us, do it voluntarily and we will be nice to you sometime. For God's sake, fall into line, don't do anything to hurt us now. We are politically involved in a very serious game called an election in Canada this year and we wouldn't want the banks to be embarrassing to the Government".

This is a spineless Minister. This is a Government that has no courage, and it did not do much this morning to improve the image that it has in the country.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, having listened to the Minister today and read his statement, my conclusion is that this is the biggest bank hold up since the great train robbery. What the Minister has said today is a crock. It is an absolute cop-out.

Last fall Members in the House raised very serious questions not only about the proliferating bank service charges, but about the ever-increasing charges on services. There are approximately 180 different services in any given bank, and the charges have kept going onward and upward.

As a result, the Standing Committee on Finance investigated. Having heard the witnesses, the committee stated that the complaints of consumers are justified. It recommended several tough recommendations all the way from a no-frill basic bank account, to services for which there is no charge, to an ombudsman, to notification.

We in the New Democratic Party were not satisfied with those recommendations. As far as they went, we said that they were fine, but that they had to be tougher. We wanted an independent, autonomous ombudsman, and we put that recommendation into a minority report. We stated that there ought to be redress for the billions of dollars that the banks have heisted from the pockets of Canadian consumers. We said that there ought to be a freeze on bank service charges starting in the year in which the report was tabled in the House.

Following that report, the Hon. Member for York Scarborough (Mr. McCrossan) entered a Private Member's Bill, which was patterned exactly after the report, complete with regulations. The Chairman of the Bankers Association, Robert MacIntosh, went wild. The banks went wild. They said that politicians had tin ears, that the Hon. Member for Mississauga South (Mr. Blenkarn) was a socialist, and that the only reason the members of the committee recommended those tough things to tell banks what to charge was that they were afraid of their seats. He also stated that there was no such thing as a free lunch, and that no one would ask the supermarkets to give free groceries to people, therefore, he asked, why are the banks asked to provide free services? That was the reaction of the banks.

• (1130)

Now, what has happened? What happened to the Hon. Member for York Scarborough and the Member for Mississauga South? The following is what the Hon. Member for Mississauga South said in debate on Thursday, June 23, as reported in *Hansard*:

> However, clearly, the kind of arrogance and lack of sensitivity expressed by the President of the Bank of Nova Scotia in his letter and other letters as a result of other actions, leave the Government with very little alternative except to proceed with the legislative hammer and regulatory control. It is important that that regulatory hammer and control be effected properly.

Then he went on to say, Mr. Speaker:

> I suspect that had the committee report been before the committee today, it would have been harsher than it is.

Now, what has happened to this roaring rabbit? There has been a conversion. He is nothing but a copy-cat today. Why? Because all the banks except one said, Oh well, we accept voluntary compliance. They said that, not because they honestly believe it. In fact, it is anathema to their very philosophy that the Government should tell them what services to charge for and how they should deliver the services. It is not part of their economic thinking. It is not part of their business philosophy.

So why did the Minister surrender? Why did he accept the fact? I mean, this Minister asking consumers to accept that the banks will voluntarily restrain themselves is like asking the Canadian public to believe the Prime Minister (Mr. Mulroney) when he says that our social programs are a sacred trust. There is as much veracity to what the banks are saying as to the experience Canadians have had with the Prime Minister's promises.

Some Hon. Members: Hear, hear!

Mr. Rodriguez: Now, why did the Government do this turnabout? Because, in fact, they are not interested in protecting consumers. In a recent poll carried out by Angus Reid, it showed that 75 per cent—

An Hon. Member: Who?

Mr. Rodriguez: I know the Liberals do not like Angus Reid these days. I know he is *persona non grata* over there. The survey showed that 75 per cent of Canadians believe that the only way to deal with the banks in terms of bank service charges, was by government intervention, by regulation. The Consumers'—

Ms. Copps: Nationalization.

Mr. Rodriguez: The Consumers' Association of Canada said that while they will accept this sudden death-bed repentance by the banks, in fact the only effective way is through government legislation.

Ms. Copps: I thought you were going to nationalize—

Mr. Rodriguez: Mr. Speaker, I heard the Liberal spokesman speak on this, condemning the Government, but last Thursday the Member for Trinity (Miss Nicholson) got up and said that she prefers this voluntary compliance, that there was really no need for the Government to legislate.

An Hon. Member: Where do they get their money from?

Mr. Rodriguez: I understand that the Liberals have some difficulty with their banking services these days. It may be why the Royal Bank did not contribute anything to them in 1986.

The question has to arise—why? I think it is because this crock of voluntary compliance is in line with Tory philosophy. In fact, they are true to themselves.

Secondly, Canadians are well aware of the fact that the banks contribute considerably to the Conservative Party. As a matter of fact, in 1986, the five banks contributed $177,000 to the Conservative Party. In an election year, that doubles. For example, in the year 1984, they got $360,000 from the banks. This year, given the inflation factor, it will approach $400,000, no doubt about it.

So, do Canadians really expect them to bite the hand that feeds them? Not on your life. The banks have made the argument with the Government: Well, we will regulate ourselves. We will accept certain things. We went through this a little over a year ago. This House, the Finance Committee, did an investigation of bank credit cards because the credit card interest rates were skyrocketing. The Finance Committee did a study. The banks said, "We will voluntarily roll it back", and they voluntarily rolled it back.

I suggest to you, if you went now and looked at the interest rates on bank credit cards you would notice they are moving right back up again to their heights prior to the study.

Canadians do not trust the banks to comply voluntarily. In fact, the Toronto-Dominion Bank has said it will not comply. In an oligopoly, that is what you need, one leader. The Toronto-Dominion Bank will become the bench-mark against which all the other banks will determine their own service charges.

Ms. Copps: Nationalize them.

Mr. Rodriguez: Mr. Speaker, the other argument that the banks use and which the Government has accepted is that there is no free lunch. The banks have asked, why should they give free services? Look at what the Canadian taxpayers have given to the banks. This Government, the taxpayers of Canada, allowed them to write off their Third World debt against their Canadian earnings. It is worth about $3 billion. Who picks up the tab when the banks do not pay their fair share of taxes? Ordinary Canadians. They pick it up.

Some Hon. Members: Hear, hear!

Mr. Rodriguez: Furthermore, we have allowed the banks of this country collectively to defer taxes, which they will never pay. Who pays when they do not pay? The ordinary, average Canadians pay.

As Ernest Hemingway said in *The Sun Also Rises*: "They will pay and pay and pay". Canadians are sick and tired of paying and paying and paying to keep this Government in the position where it is today.

An Hon. Member: Watch your ticker!

Mr. Rodriguez: Now, who is getting the free lunch? The banks are getting the free lunch. The question has to be asked,

after this statement by the Minister: Do things change for Mrs. de Gruchy? Does she have any more assurance, or does any other consumer have any more assurance that when they go to the bank to get quarters, they won't get dinged and donged? No, Mr. Speaker. No assurance.

Would any Canadian from a small business who goes in to get 50 cents in pennies not be charged 40 cents? No. There is no guarantee. There is no assurance that the banks won't ding and dong them again and again and again. Look at what they suggested, with respect to an ombudsman.

Now, there is one office in Ottawa, but surely it stretches the credulity of Canadians even to think that this office protects consumer interest. Do you know what office that is?

Ms. Copps: Harvey Andre.

Mr. Rodriguez: It is the office of the Superintendent of Financial Services. Now, if this Government or anybody believes that that Superintendent of Banks really has the interest of consumers at heart, have I got a bridge for them. Have I got a bridge!

Mr. Speaker, the Superintendent of Financial Institutions is only concerned about the solvency of banks. They are not interested in the problems of Mrs. de Gruchy or Go-Go Pizzas or any of the hundreds and hundreds of complaints we have had about bank service charges. Eighty-two per cent in the survey said that what we need is an independent economist ombudsman with the power to advocate and the power to referee. That is what we needed. We do not need to have the office of the Superintendent of Financial Institutions, with all its little agents running around checking on solvency of banks, to deal with these very important and specific problems that consumers have with banks.

So the New Democratic Party said, that is what is needed. The Tories can laugh and they can make fun of it all they want. They are out of step with what Canadians want, and that is a little bit of justice when they are dealing with these bankers. The banks charge you when you put your money in the bank, they charge you now when you take the money out of the bank. They charge you to keep money in the bank. All of these things will continue. Nothing will change. It is now getting to the point where you walk in the bank and be charged.

• (1140)

One reporter was telling me yesterday that he went to get a print-out of his account, which cost him $3. He told me that about two weeks ago the print-out cost a buck. He was told that this was the new charge system, Mr. Speaker. And that is the Toronto-Dominion Bank. Does this change anything, Mr. Speaker? No. This Government has entered into collusion with the banks to hold up the Canadian public and pick their pockets. Last year the bank picked people's pockets to the tune of $750 million. The bonanza is coming because the Government has shown it is the banks' best friend.

Let me say to the Minister that Canadian consumers and we on this side of the House are deeply disappointed with the statement of the Minister. It is a complete surrender, totally unacceptable to the New Democratic Party and to thousands and millions of Canadians.

* * *

[*Translation*]

STRIKING COMMITTEE

PRESENTATION OF SIXTY-FOURTH REPORT OF STANDING COMMITTEE

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I have the honour to present the sixty-fourth report of the Striking Committee.

[*Editor's Note: See today's Votes and Proceedings.*]

* * *

[*English*]

INCOME TAX ACT AND RELATED ACTS

MEASURE TO AMEND

Hon. Michael Wilson (Minister of Finance) moved for leave to introduce Bill C-139, an Act to amend the Income Tax Act, the Canada Pension Plan Act, the Unemployment Insurance Act, 1971, the Federal-Provincial Fiscal Arrangements Act, and Federal Post-Secondary Education and Health Contribution Act, 1977, and certain related Acts.

Mr. Deputy Speaker: Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

* * *

BANK ACT

MEASURE TO AMEND

Hon. Michael Wilson (for the Minister of State for Finance) moved for leave to introduce Bill C-140, an Act to amend the Bank Act.

Mr. Deputy Speaker: Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

CANADA AGRICULTURAL PRODUCTS ACT

MEASURE TO ENACT

Mr. Pierre Blais (for the Minister of Agriculture) moved for leave to introduce Bill C-141, an Act to regulate the marketing of agricultural products, import, export and interprovincial trade and to provide for national standards and grades of agricultural products for their inspection and grading for the registration of establishments and for standards governing establishments.

Mr. Deputy Speaker: Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

Mr. Lewis: Mr. Speaker, there have been discussions among the Parties. I think you will find consent to have this Bill read later this day after the House disposes of the business of Bill C-111.

Mr. Deputy Speaker: Is there unanimous consent for the Bill to be read later this day?

Some Hon. Members: Agreed.

* * *

CANADIAN ARCTIC NUCLEAR WEAPONS FREE ZONE ACT

MEASURE TO ENACT

Mr. Svend J. Robinson (Burnaby) moved for leave to introduce Bill C-304, an Act to declare the Canadian Arctic a nuclear weapons free zone.

Mr. Deputy Speaker: Shall the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Robinson: Mr. Speaker, the purpose of this Bill is to establish in the north of Canada a nuclear weapons free zone hopefully together with other Nordic countries as an important step toward peace and disarmament and a nuclear weapons free world.

In the U.S.S.R., General Secretary Mikhail Gorbachev has undertaken revolutionary changes with *perestroika* and *glasnost* during the historic Party conference this week. It is important that the West respond positively to these changes, not with the outdated cold war rhetoric set out in the Conservative Government's White Paper on defence.

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

Petitions

PETITIONS

CALL FOR RESEARCH INTO PREVENTION AND CURE OF SCHIZOPHRENIA

Mr. Jim Jepson (London East): Mr. Speaker, it is my pleasure to present a petition from the people of London and surrounding area calling upon Parliament to ensure that research efforts relating to schizophrenia will in future be commensurate with the seriousness of this illness in Canada.

OPPOSITION TO BILL C-72—OFFICIAL LANGUAGES

Mr. Ron Stewart (Simcoe South): Mr. Speaker, I have a petition containing many names of people from Barrie and area in which they humbly show that as concerned English-speaking citizens of Canada they wish to prevent any further steps toward official bilingualism.

They are aware of the subtle manipulation of a minority group in the current Government. They want their children to have the advantage of good English language education because it is the universal language. They want to prevent future confusion and violence as job opportunities and promotions disappear to a favoured few. They petition their elected representatives to stand up, speak out and save our country from a social disaster. Finally, they humbly pray and call upon Parliament to prevent Bill C-72 from becoming law and call upon the Government of Canada to hold a referendum on official bilingualism.

CLOSURE OF POST OFFICE AT CULTUS LAKE, B.C.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I have the honour to present a number of petitions today.

First, I have a petition signed by a large number of residents of the Cultus Lake area in British Columbia who are protesting the proposed closure of the post office in the Cultus Lake Mall.

Prior to the March 8 fire which destroyed the Cultus Lake Mall a post office was located there, and the people are very concerned that Canada Post may downgrade their services to franchise postal outlets, unattended letter box service and/or superboxes. They call upon the Conservative Government and their Member of Parliament to speak out against this erosion in the quality of postal service.

OPPOSITION TO STRATEGIC DEFENCE INITIATIVE

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I have the honour to present a petition signed by hundreds of Canadians from all regions of Canada who note that the U.S. strategic defence initiative is a dangerous escalation of the nuclear arms race and that over 50 Nobel Prize winning scientists have condemned it as economically disastrous and strategically destabilizing. They call upon Parliament to guarantee firmly that there will be no testing, development, manufacture or deployment of SDI systems or components in Canada, to end all Canadian political support for SDI and to support actively

positive alternatives to SDI, including the strengthening of the 1972 ADM Treaty, the establishment of international satellite monitoring agency and the abandonment of all nuclear weapons testing.

RIGHT TO LIFE OF THE UNBORN

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I have the honour to present a petition signed by a number of residents of my constituency of Burnaby who state that the right to life is a paramount and most fundamental right of a person.

They state that the paramount right to life is vested in each human being from the moment of fertilization without regard to age, health or dependency. They state further that the word "person" applies to all human beings irrespective of age, health, functional condition of dependency, including their unborn offspring at every state of their biological development, including fertilization. They call upon Parliament to prepare legislation immediately to the effect that no unborn person shall be deprived of the right to life except where medical procedures are required to prevent the death of the mother.

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I have the honour to present a petition signed by a number of residents in my constituency of Burnaby who note that the Conservative Government had no mandate from the Canadian people to conclude a free trade agreement with the United States.

They note that this trade agreement negotiated by the Mulroney Government threatens the very fabric of Canadian, political and economic sovereignty. They note that the trade agreement would deny Canada the policy freedom to determine its own economic future and would undermine our ability to build a society distinct from that of the United States. Therefore, they call upon Parliament to dissolve and allow the people of Canada an opportunity to reject or accept the proposed trade agreement during a national general election.

• (1150)

[*Translation*]

EQUALITY RIGHTS

Mr. Svend J. Robinson (Burnaby): I have the honour to table a petition signed by hundreds of Canadian men and women who note that in February 1985, the Government ordered the Standing Committee on Justice and Legal Affairs to report on the right to equality in Canada and that in March 1986, the Government said that it was happy with the recommendations of the subcommittee on equality. It added that it would do everything necessary to make discrimination on the basis of sexual orientation illegal in all fields under federal jurisdiction. They mention that so far, the Government has still not introduced in the House new legislation to act on the recommendations supported by the Government.

They ask Parliament to make sure that the Government and Parliament carry out the recommendations of the above-mentioned report as soon as possible.

[*English*]

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, I have the honour to present a petition duly certified, signed by residents of the City of Toronto, who protest that the very fabric of Canadian sovereignty is threatened by the proposed Mulroney-Reagan trade deal. They say that the present Conservative Government had no mandate to negotiate a free trade deal with the United States, that the trade deal that was negotiated will reduce Canada's ability to plan the economic, social and cultural programs we need and will integrate Canada more deeply into the North American defence industrial base. For these reasons, they call on the House of Commons to ensure that a national debate takes place on the deal and that this debate result in a national general election before any agreement is concluded.

* * *

[*Translation*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, if questions Nos. 219, 243, 309, 310 and 312 could be made orders for returns, these returns would be tabled immediately.

Mr. Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Is it the pleasure of the House that questions Nos. 219, 243, 309, 310 and 312 be deemed to have been made orders for returns?

Some Hon. Members: Agreed.

[*Text*]

CONTRACTS BETWEEN CACI CANADA LTD. AND CSC

Question No. 219—**Mr. Robinson:**

1. Since January 8, 1985, have any contracts been signed between CACI Canada Ltd. and Correctional Service of Canada (CSC) and, if so, how many and, in each case (*a*) in what amounts (*b*) for what purposes (*c*) by what persons acting for (*i*) CACI Canada Ltd. (*ii*) CSC?

2. What role did (*a*) Senior Finance Officer at CSC (*b*) CSC Assistant Commissioner of Administrative Policy and Services (*c*) Director General of Finance, CSC (*d*) Director General Material & Administration (*e*) Director General Systems, CSC (*f*) Department of Supply and Services play in awarding the contracts?

3. What is the difference in the work done by CACI Canada Ltd. for CSC and for the Director General Systems and related CSC staff?

4. How much has CSC paid in salaries, benefits and travel to the systems staff of CSC since January 8, 1985?

5. Are all copies of contracts signed between CSC and CACI Canada Ltd. available for public examination?

6. What is the estimated cost of the Offender Management Program and what is the estimated completion date?

7. What will be the cost per inmate for the system related to the above Program, now being developed by CACI, by the time it is completed and acceptable to both CSC and the RCMP?

8. How much has CSC spent for consulting and similar contract services since January 8, 1985?

9. Has the CSC spent any money for apartments in Ottawa for consultants and, if so, how much?

Return tabled.

CONTRACTS BETWEEN CSC AND MR. LANNY KLASSEN

Question No. 243—**Mr. Robinson:**

Since January 8, 1985 has Correctional Service of Canada (CSC) awarded any sole-source contracts or other purchase arrangements to Mr. Lanny Klassen of Ottawa/Nepean, Ontario, or to any businesses with which Mr. Klassen is, or was, associated as an officer, shareholder, or employer and, if so (*a*) what was the nature of the goods and/or services obtained from Mr. Klassen or from the businesses with which he is, or was, associated as an officer, shareholder, or employer (*b*) what was the total cost to CSC of those goods and/or services (*c*) what would have been the cost of those goods and/or services had they been obtained through the Department of Supply and Services (*d*) which CSC managers requested the contracts or other purchase arrangements (*e*) what was, and is, the nature of the business relationship between Gordon Pinder, the Deputy Commissioner of CSC, and Mr. Klassen or his businesses (*f*) did any senior official of CSC, other than Mr. Pinder, authorize or approve any of the above contracts?

Return tabled.

EXPENDITURES IN THUNDER BAY—NIPIGON 1980-84

Question No. 309—**Mr. Epp (Thunder Bay—Nipigon):**

Between February 18, 1980 and September 4, 1984, did any government departments or agencies spend money or provide grants in the constituency of Thunder Bay—Nipigon and, if so, by which departments or agencies and, in each case (*a*) on what dates (*b*) in what amounts (*c*) under which categories and programs was the money spent?

Return tabled.

EXPENDITURES IN THUNDER BAY—NIPIGON SINCE 1984

Question No. 310—**Mr. Epp (Thunder Bay—Nipigon):**

Since September 4, 1984, have any government departments or agencies spent money or provided grants in the constituency of Thunder Bay—Nipigon and, if so, by which departments or agencies and, in each case (*a*) on which dates (*b*) in what amounts (*c*) under which categories and programs was the money spent?

Return tabled.

GOVERNMENT EXPENDITURES IN CONSTITUENCY OF KITCHENER

Question No. 312—**Mr. Reimer:**

Since September, 1984 have any government departments or agencies spent money or provided grants in the constituency of Kitchener and, if so (*i*) which departments or agencies (*ii*) under which categories and programs (*iii*) in what amounts?

Return tabled.

[*Translation*]

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

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

[*English*]

Mr. Deputy Speaker: I wish to inform the House that because of the ministerial statement, Government Orders will be extended by 37 minutes beginning at one o'clock.

GOVERNMENT ORDERS

[*English*]

NATIONAL HOUSING ACT AND CMHC ACT

MEASURE TO AMEND

Hon. Doug Lewis (for the Minister of Public Works) moved that Bill C-111, an Act to amend the National Housing Act and the Canada Mortgage and Housing Corporation Act and to repeal certain amendments in consequence thereof, be read the second time and referred to a legislative committee.

Mr. Lewis: Mr. Speaker, I rise on a point of order. I believe you will find that there is the consent of the House to move this to Committee of the Whole House rather than to a legislative committee in order that we may deal with all stages today.

Mr. Deputy Speaker: By unanimous consent, the Bill will go to Committee of the Whole.

Mrs. Shirley Martin (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, it is my pleasure to outline briefly to the House the amendments proposed to the National Housing Act and to the Canada Mortgage and Housing Corporation Act. The Bill contains provisions which support the Government's ongoing commitment to help house Canadians.

The amendments focus on mortgage loan insurance and mortgage-backed securities, two government programs designed to encourage a continuing flow of investment funds for housing. Other amendments in the Bill are designed to ensure that the mortgage insurance fund operates more effectively and, ultimately, becomes self-sustaining on an actuarial basis.

Incidental amendments are included to clarify wording and to repeal obsolete sections. These amendments comprise part of an ongoing review by this Government to ensure that under the federal housing policy, all Canadians have decent, adequate and affordable shelter.

With mortgage insurance for mobile homes which is also introduced in the Bill, young couples, families, singles and seniors will find financing this type of home far less costly than in the past. By providing mortgage insurance for these economical homes, we are significantly increasing the number of Canadians who can achieve home ownership and build family equity.

Equally important to home financing, whether private or government assisted, is the amendment designed to use existing mortgages for mortgage-backed securities. The extra millions of dollars of mortgage funds they encourage should continue to result in longer term mortgages at more stable interest rates.

The benefits in reduced monthly payments for fixed terms will truly aid more Canadians to fulfil their dream of home ownership. Furthermore, they will provide all of us, and particularly our growing senior population, with secure government-protected investments.

This Government has been vigorous in encouraging home ownership through sound economic management and government mortgage insurance initiatives. By working with the provinces and by directing all government funds to those most in need, more low-income Canadians, the disabled, women raising families on their own, widows, victims of family violence and young singles have secure, affordable housing. Only recently, co-operative housing groups have received additional support. This has been welcomed by those in the co-op housing movement.

The amendments with respect to social housing reaffirm the agreements for provincial contributions to housing for the needy and open the doors to home ownership to thousands more Canadians. I would like to take this opportunity to thank the Members of the House for their support in helping us achieve these goals and for agreeing to deal with this Bill so speedily today.

Mr. Neil Young (Beaches): Mr. Speaker, first, I want to express my appreciation to the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) for allowing me to speak after the Parliamentary Secretary.

I have had an opportunity to discuss the measures proposed in this Bill with officials from CMHC and with officials from the Minister's office who have gone over the Bill fairly carefully. I want to say at the outset that we support the measures in the Bill and the process that we are about to engage in to have it adopted in all stages today. Having said that, I do not think the Parliamentary Secretary or anyone else would be surprised to hear me say that while we welcome the measures proposed in this Bill which will certainly be helpful to a certain segment of the population, I would have felt much more comfortable—and I expressed this sentiment to the Minister when I met with him and with officials in his Department—if the Government had also come forward with more concrete proposals to address the housing crisis that exists in Canada today and particularly the one that exists in Metropolitan Toronto in which my constituency is situated. I say this for a number of reasons.

There have been sentiments expressed in the House by Members on all sides who are seriously concerned about this crisis. I received a letter from a constituent of mine, which I think would be of interest to Hon. Members on all sides of the House because it expresses probably in a better way than I could the frustrations that are felt by many people in Toronto who can no longer afford to buy homes. My constituent wrote:

> My husband is a teacher and I'm an administrative assistant. Though we earn a decent income between us, the current situation makes it unlikely that we'll ever own a home or our own. Though I know it has never been possible for *everyone* to own their own home I think its very sad when even the smallest house is beyond the reach of the average person or family. So that a privileged few can make large amounts of fast money, a huge number of potential homebuyers are put out of the market permanently.
>
> Adding to the hopelessness of the situation is the fact that rents are so high in Toronto that even a small downpayment takes years to save. Generally, by the time one saves the downpayment on an average home, the price of the home (and the required downpayment) has doubled.
>
> I've lived in Toronto all my life and I love it here, but it now appears that if we want to start a family David and I will have to move to a smaller city nearby and hope to gain employment there (unless we want to raise a family in an apartment building).
>
> I know the real estate agents insist that the number of speculators within the homebuyer/seller market is as low as 1 per cent but I think this estimate is very low. I myself know several speculators (one is a real estate agent himself) and plenty of others who would gladly do the same if only they had the money to get their foot in the door.
>
> In the long run, Toronto will suffer as well as the people who will be forced out. The colourful community atmosphere that characterizes this city will be replaced by the childless, the very rich, and the extremely poor.
>
> The city will lose so much of its appeal as well as developing all of the problems associated with such huge gaps in the social strata.

That is a letter of concern, as I said, from one of my constituents and it is a feeling shared by many people in the City of Toronto today.

• (1200)

I seriously suggest to the Parliamentary Secretary that the Minister's Department respond to that crisis by implementing many of the measures suggested by myself and the Minister's own colleague from Scarborough West. In debate the other day that Hon. Member made 10 proposals, I believe, which are well worth consideration by this House.

Without taking up any more time, I felt I had to express at least those concerns of the people of the City of Toronto. I want to conclude by saying that we support this Bill and hope that the process as suggested by the Deputy House Leader will be followed by the House and the Bill will be passed in all stages today.

[*Translation*]

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, first of all, I want to say that I also welcome this opportunity to speak, on behalf of my Party, to Bill C-111, a Bill whose purpose has the approval of our Party, although we wonder whether there are sufficient guarantees to protect Canadians.

In a way, we are disappointed. And first of all, always in a spirit of collaboration, the Government should remember, when it introduces bills that are in the public interest, that the Opposition can work fast and pass this kind of legislation in one day. That is what we are going to do today. We will

accelerate the process and thus help Canadian taxpayers who stand to benefit under this legislation.

Second, we are disappointed, as I said before, because this is not enough, although the amendments are valid ones and there is an improvement in the timeframe in which services are provided. I think making mobile homes and floating homes eligible is a step in the right direction. However, I would like to know whether these will be eligible for other CMHC services. I would have liked to see something for those thousands of Canadians who are waiting for social housing, which may be in the form of public housing provided through the provinces, referred to in Quebec as "HLM", and also for Canadians involved in housing co-operatives.

I think the Government could have made the necessary amendments requested by housing co-operatives, the groups involved in the construction of social housing. First of all, there is an appalling lack of housing units for the Montreal area, for Toronto, as was mentioned earlier, for Vancouver, Edmonton and in fact all large urban centres.

There is a shortage of cheap housing. There are a lot of condominiums going up, renting for $1,000 or $2,000 per month, but there is a lack of decent, affordable housing for people on middle and low incomes.

I think that here the Government missed a golden opportunity to show it has a social conscience. I agree the Tories certainly don't have a reputation . . . Remember what they did to the elderly, remember what they did with their tax on drugs, and as far as social housing is concerned, they have shown this is not really . . . Today for instance, they were a lot more flexible with the banks. This talk about controlling the banks is just that, but where the average citizen is concerned, they are not as generous.

However, Mr. Speaker, speaking on behalf of my colleague from Saint-Michel—Ahuntsic (Mrs. Killens) and on my own behalf, I would like to say that our Party agrees to have all stages of this Bill adopted today, so that Canadians can take advantage of its provisions as soon as possible.

Motion agreed to, Bill read the second time and the House went into committee thereon, Mr. Danis in the chair.

The Chairman: House in Committee of the Whole on Bill C-111, an Act to amend the National Housing Act and the Canada Mortgage and Housing Corporation Act and to repeal certain enactments in consequence thereof Mr. McInnes—Mr. Danis in the chair.

Is there unanimous consent to declare Clauses 1 to 37 carried?

Mr. Malépart: To save time, Mr. Speaker, I could start with two short questions and we could then proceed.

Concerning the matter of mobile homes or house boats being eligible for mortgage insurance, I would like to know whether that eligibility under the legislation will make mobile homes, house boats eligible for every other existing CHMC program, for home renovation or otherwise, or whether amendments will have to be brought in to other aspects of the National Housing Act to make them eligible, or whether this is strictly limited to mortgage loan insurance?

My second question deals with the delegation of authority to provinces. I think we agree on the matter of delegation, power sharing, cooperation with provincial governments, but where there is a breach, where, a province decides it no longer wishes to be the one to deliver housing in its jurisdiction and it wants to put an end to that operation, will the federal Government retain the same right as before to make direct delivery within a province? Or, in the case where there is a disagreement, can the federal Government reclaim its right to continue building housing, to deliver those programs in a relevant province, otherwise the legislation means that authority to deliver the CHMC programs is completely relinquished by the federal Government to the provinces?

[*English*]

Mrs. Martin: Mr. Chairman, to answer the second question first, no, it does not take any more power away from the federal Government whatsoever. If any province decided not to deliver, the federal Government could still deliver those programs.

On the mobile homes issue, this Bill provides for mortgage insurance only, not for other programs at this time.

[*Translation*]

Mr. Speaker: Is there unanimous agreement for clauses 1 to 37 to carry?

Some Hon. Members: Agreed.

The Chairman: Clauses 1 to 37 inclusive agreed to.

Clauses 1 to 37 agreed to.

Title agreed to.

Bill reported.

Mr. Lewis (for the Minister of Public Works) moved that the Bill be concurred in.

Motion agreed to.

Mr. Lewis (for the Minister of Public Works) moved that the Bill be read for the third time and passed.

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

• (1210)

CANADA AGRICULTURAL PRODUCTS ACT

MEASURE TO ENACT

Hon. Pierre Blais (for the Minister of Agriculture) moved that Bill C-141, an Act to regulate the marketing of agricultural products in import, export and interprovincial trade and to provide for national standards and grades of agricultural products, for their inspection and grading, for the registration of establishments and for standards governing establishments, be read the second time and, by unanimous consent, referred to Committee of the Whole.

He said: Mr. Speaker, today I would like to speak to the Bill we just tabled which concerns agricultural products in Canada. I may add that speedy passage of this Bill is urgently needed. Mr. Speaker, we need this Bill first of all to clarify and reinforce the role played by the federal Government in the agricultural sector. This legislation will give the federal Government more clear-cut statutory powers to regulate the marketing, inspection and grading of agricultural products and to provide for national standards and grades. It will help improve agricultural trade, both in Canada and on the international market.

Bill C-141 also provides better protection for the Canadian consumer. Speedy passage of this Bill is of the utmost importance to all Canadians, and especially to the agri-food industry. As you know, it is also of vital importance to the Canadian fruit and vegetables industry, whose 27,000 growers of fresh fruits and vegetables now have annual sales of over $1.7 billion. That is impressive, Mr. Speaker. The Canadian Horticultural Council and the Canadian Fruit and Wholesalers Association agree that this legislation is essential to maintaining a well-organized market.

The two groups I just mentioned are among the twenty-seven national agri-food organizations supporting this Bill. At the present time, standards for these products are regulated under the Canada Agricultural Products Standards Act. In fact, very few amendments have been made since the legislation was passed in 1955. As you know, the Act contains a number of shortcomings and ambiguities that were already pointed out some time ago. Some regulations have become practically unenforceable. That is why we must act now to provide the requisite authority to revise the regulations covering agricultural products. For instance, sub-paragraph *1*(iii) of Clause 31 of the Bill will again give us the power to control consignment selling of fresh fruits and vegetables.

[*English*]

Until 1983, consignment selling was controlled under the Fruit, Vegetables and Honey Act of 1935. The Act was amended in 1942 to prohibit imports of produce which the importer purchased later than 24 hours after shipment and from the point of production. This effectively controlled consignment selling.

When the CAPS Act was introduced 33 years ago, it consolidated a number of existing Acts, including the Fruit, Vegetables and Honey Act. However, the import provisions concerning consignment selling, Sections 56 and 57, were not consolidated but remained under the original Act.

For over 40 years these regulations controlled imports on a consignment basis. In other words, imports could only enter Canada under a prior purchase agreement. However, in January of 1983, the Standing Joint Committee on Regulatory Scrutiny examined the Fruit, Vegetables and Honey Act. It ruled that the Act did not have the enabling authority to regulate consignment selling.

In more than five years there has been no attempt to enforce such regulations. However, last summer notice was served that Canada's fresh fruit and vegetable markets are vulnerable to surplus products from abroad. These surplus products can be sold at depressed prices in direct competition with Canadian production and pre-purchased imports.

[*Translation*]

Without controls on consignment selling, Mr. Speaker, products can be imported without a prior purchase agreement. Blemished products can be offered for sale, causing prices to fluctuate in a market that is already unstable.

Controlling consignment selling does not in any way affect our free trade agreement with the United States.

During the talks, we clearly explained our position to the U.S. negotiators. They are well aware that Canada intends to take action in this respect.

In fact, these controls are entirely in line with the rights and obligations we have under GATT.

Mr. Speaker, this Bill also guarantees us some flexibility in cases where it would be undesirable or impractical to apply the present Act.

For example, test marketing of new products or new packaging would be impossible if it were not exempted from the requirements of the Canada Agricultural Products Standards Act. Furthermore, packers and processors of fresh fruits and vegetables must at times be temporarily exempted from the packaging and grading requirements when some Canadian products are in short supply.

Subparagraph 31(1)(iv) of this Bill authorizes the Minister or his delegate to allow the bulk transport of fruits and vegetables in containers that do not meet the regulatory standards. This makes possible the orderly, efficient interprovincial or international sale of fresh or processed fruits and vegetables when shortages occur on the domestic market.

Section 15 of the Bill authorizes us to make logos and quality names for agricultural products into national brands. Making trade marks of federal quality names will increase the effectiveness and credibility of our inspection system. The

resulting constant quality will clearly benefit consumers, Mr. Speaker.

Improved controls on imported products or those sold interprovincially will protect consumers from products that do not meet our health standards.

[*English*]

Additional provisions will allow Agriculture Canada to respond to developments in the agriculture sector and provide authority for cost recovery and privatization. Proposed revisions will increase penalties established in 1955 and provide a general updating of the Act similar to revisions made to the Meat Inspection Act in May, 1985.

To ensure the use of fair and ethical trading practices and the orderly marketing of safe, wholesome agricultural products, it is necessary to improve the licensing of dealers of agricultural products. This is prescribed in Section 32(b). It clearly defines the terms and conditions under which dealers can operate.

This Bill will ensure that the new marketing procedures work fairly for dealers and buyers of fresh fruits and vegetables.

• (1220)

The Canadian Board of Arbitration and the Review Tribunal, which now operate under the Canada Agricultural Products Standards Act, would be maintained. I refer the House to Clause 4 of the Bill. The Board will consider complaints against dealers and provide rulings in accordance with the Act. The tribunal will hear any appeals against the Board's rulings.

The Canada Agricultural Products Act will update current provisions governing trade and product standards. Outdated and impotent legislation will be replaced with legislation that can help guide the agri-food industry into the 21st century.

[*Translation*]

Better regulations in the farm export industry would certainly enhance Canada's image as a supplier of healthy and high quality foodstuffs.

In conclusion, Mr. Speaker, I should like to emphasize the continuing support of our colleagues, especially in the Niagara Peninsula area.

[*English*]

I am thankful for the warm support of the Members for Lincoln (Mrs. Martin), Niagara Falls (Mr. Nicholson), St. Catherines (Mr. Reid) and Welland (Mr. Pietz) and the surrounding area. It was very important for the Government. Now we will have legislation that will be good for us and good for the future.

[*Translation*]

Mr. Speaker, if this legislation is important for the Canadian farming industry generally, it is vital for horticulture. Therefore, I strongly urge the Members of the House who are here today to complete their deliberations promptly and give this Bill their full support.

[*English*]

Mr. Maurice Foster (Algoma): Mr. Speaker, the Bill before us today is certainly much broader than we had called for under the Canada Agricultural Products Standards Act. It goes far beyond the simple provisions relating to consignment selling and to bulk shipments.

This issue has been before the Government since at least 1984. It has not been able to enforce the old Fruit, Vegetables and Honey Act regulations since 1984. The Canadian Horticultural Council has been calling for action since 1984. Last summer, the entire frozen sour cherry industry was destroyed because the Government refused to act even though it had promised for years to bring in amendments.

I cannot help but have the same feeling today, the last normal sitting day, that I had last year with the Farm Improvement Loans Act. The Government brought in a Bill and allowed for a briefing of opposition Members in the lobby in the last hour before the House sat. We allowed the Bill to go through in one sitting. There were probably many flaws in the Bill because we did not have public hearings. The Government then took eight months to proclaim the Bill.

The Government will demand that this Bill be passed immediately, but will reluctantly proclaim the Bill next January or February, as they did with the Farm Improvement Loans Act. It is not only unreasonable, it is unfair to agriculture and certainly unfair to the House of Commons to bring in legislation in the dying hours of the session. It shows no respect for the House.

We know that the Canadian Horticultural Council needs this legislation and that the cherry producers need the legislation this year. We want to co-operate, but we are opposed to the Government treating the industry and the House of Commons with contempt, as it does year after year. We are faced with the ultimatum to either pass the legislation or let the industry be destroyed without it. The Government is showing utter contempt, as it did last year with the Farm Improvement Loans Act.

The Minister said that this legislation is leading the industry into the 21st century. The joke is that as a result of the free trade agreement that his Government is hammering through this House, the industry will not be around in the 21st century. Much of the industry will be destroyed with the loss of the seasonable tariff.

The grape industry will be destroyed. We learned yesterday that the Government will provide some $35 million in the Ontario region for the grape industry. Yet the grape industry requires at least $156 million just to cover its losses in the adjustment as as result of the trade deal. This industry was sacrificed because the President of the United States tipped his glass of wine with the Prime Minister of Canada (Mr.

Mulroney) at Rideau Hall and said that he will not be happy until the entire Canadian grape industry and wine industry is destroyed and Canadians are drinking California wine. Clearly he is getting his wish. If the Government is going to sacrifice the grape and wine industry in Canada, the least it could do is pay some reasonable adjustment.

Furthermore, the Government is demanding that the Ontario Government pay a similar amount when it knows that Ontario has openly and consistently opposed the trade deal. The ones who will suffer are the people in the Niagara region, along with those in the Okanagan.

The Minister said that the Members from the Niagara region gave their warm support to this legislation. They will require more than warm support in order to get re-elected after the trade deal is passed. The trade deal will be absolutely destructive.

Mrs. Sparrow: That is not true.

Mr. Foster: Every one of them knows it. The Canadian grape industry faces the loss of half their acreage. Some 11,000 acres will have to be removed but they will only get a quarter of the amount they need for compensation. While the Minister of State for Agriculture (Mr. Blais) states that he has warm support, I suspect it is very lukewarm. The meaning of "lukewarm" is "not too hot". The Members from the Niagara area are not too hot on this trade deal because they know they will be destroyed. They know the Government has abandoned them. The industry is demanding $156 million because half their grape-vines will have to be torn out. They are getting exactly $35 million. The Minister announces the best he can do with the Minister of Finance (Mr. Wilson) is some $35 million when the adjustment required is $156 million. Everyone knows what will happen. There will be a tremendous demand for the small amount of dollars, one-quarter of what is needed.

• (1230)

This trade deal is absolutely devastating. I talked to a producer last weekend who has 800 acres of grape-vines in the Niagara area. He is facing their removal. I said to him that surely there will be some market, and he replied, yes, there will be some market, and do you know what the market will be, Mr. Speaker? The average white hybrid grape producer received something around $600 per tonne during the last three years. In 1989, he must compete with the grapes produced in California. The average price he will be competing with is $347, that is assuming the dollar does not appreciate some more, which is what it is doing practically every day. No wonder these producers are going to be put out of business. If they are selling white hybrid grapes for $600 a tonne on the market and suddenly they have to compete with the prices in southern California, delivered in Canada, with transportation and all the other charges, they are looking at $347. It is little wonder they are very concerned.

The Minister indicates he is going to provide about one quarter of the assistance required. This Government is not only sacrificing this industry but will not pay any compensation. The Prime Minister tips his glass to the President and says: "We are going to sacrifice the Canadian grape and wine industry". Surely he should pay the cost. But he is only putting up one quarter of the money.

We are not very happy with a Bill that does all kinds of things that are way beyond the scope of the original regulations which were ruled *ultra vires* last year. The old Fruit, Vegetables and Honey Act was ruled *ultra vires* in 1984. The Government stopped enforcing it because of the decision of the Special Joint Committee on Regulations and Statutory Instruments. The industry has simply been in limbo with respect to this consignment selling ever since. So the pressure has been there.

The Parliamentary Secretary and the Minister have promised year after year at the Canadian Horticultural Council's annual meeting that they will bring in amendments. That is great, but why bring them in on the last sitting day of the session? This is an industry that could face horrendous problems. Literally millions of dollars were lost last year when the Government refused to bring in amendments relating to bulk shipments for the sour cherry industry.

This is the kind of Bill that should have proper hearings. It has all kinds of legal ramifications relating to search and seizure and relating to interprovincial trade. The Government talks about giving greater freedom for interprovincial trade. If we are going to have a free trade agreement with the United States, it might be good to have free trade between the provinces. Everyone seems to agree with that although Deputy Ministers of Agriculture have had not had much success so far. This Bill, if you can believe it, Mr. Speaker, actually further controls interprovincial trade.

The people in the Department say if we are going to control international trade, as this Bill proposes to do, we have to control interprovincial trade. That may be necessary under the GATT, but I would feel more comfortable if we had some public hearings and had the Deputy Minister for International Trade before the committee. Perhaps we could hear from some of the provinces. Perhaps Nova Scotia does not like this provision. Perhaps British Columbia does not like the provision with respect to interprovincial trade. But the Bill is brought in on the last afternoon of the regular parliamentary calendar to be swallowed whole. I suppose we could take the attitude that some like it. If the Government is going to screw up the country, let it go ahead and do it. But I do not really think it is discharging our responsibility either as members of the Opposition or as Government back-benchers to leave it to Government control.

This legislation will apparently upgrade many sections with respect to the horticultural industry, very much along the lines of the Meat Inspection Act a few years ago. That is desirable. We had public hearings. We brought in various people from

the industry to see how it would work. I would think similar kinds of public hearings would be desirable for this Bill. This is a big country, with about five or six distinct agriculture producing areas, and the impacts are very wide. Clause 4 provides for an arbitration and review panel to handle disputes between shippers and receivers. This is very similar to the existing Act. There may be some minor adjustments there because this whole Bill has been brought in on an emergency basis in the way the Government does most things and the details are not provided for us.

The registration of establishments is provided for. This is similar to the existing Act, but there is a whole new section under Clause 14 which provides for contracting out. Apparently the Government has a policy now of contracting out for laboratory work. That may be desirable. I am not judging it one way or the other, but it seems to me it would have been good to hear from the private sector and from government officials as to what standards would be put in place to ensure that the laboratory standards are just as good in private sector laboratories as they are in government laboratories. We do not know that.

There is a new section, Clause 15, for national trademarks which provides for the products which use that national trademark standard and have not met those standards even though they have not crossed an international boundary. They would be subject to federal inspection. I think that is probably a very good provision. There are a number of arrangements with respect to Clause 19 as to how administrative officers are appointed. It is similar to the existing CAP Act. The inspection provisions are very similar to the existing CAP Act.

There is a new section with respect to search and seizure which is not in the existing Act. I have been told by officials that it is similar to the provisions which were put in the Meat Inspection Act, and it is probably useful, but I would have preferred to hear some testimony by officials with respect to the legal limits which are prescribed. There is also a provision for disposal of seized fruit and vegetables and other commodities. There are dramatic changes in the penalties. They have been raised from $500 to $10,000. That may be appropriate. We do not have testimony to prove that one way or the other.

I do want to deal with the question of consignment selling because that has been a problem with shippers in the United States who have surplus fruit and vegetables. Once they are loaded on the truck and moving, they can easily be rolled across the borders. It is a type of surplus disposal mechanism. For many years we were able to control that. Back in the forties it fell under the regulations of the fruit, honey and vegetable legislation. Those regulations were ruled *ultra vires* in 1984, and nothing has been done since.

• (1240)

We are glad that the Government is bringing in this amendment to change the CAPs Act. We hope that the Government will not wait for eight or nine months to proclaim the Act and to bring in the regulations. If it does the value of it for this year's fruit and vegetable producers will be lost.

We heard stories of shipments of boxes of plums coming into the country last year from California which were selling for $10 a box in California. By the time they reached Montreal in a deteriorated condition, they were down to $2 a box. That totally destroyed the Canadian market for those commodities. Similar things happen year after year with regard to peaches and other perishable commodities. They are simply rolled across the border and thus destroy our markets.

Apparently the same arrangement applies to interprovincial trade under this legislation. I am sure that some shippers and producers will be surprised that these regulations are being put in place. Likewise, I am sure that some provincial Governments will be surprised.

In Clause 32(l)(iv) there is a provision for the control of container shipments coming into the country. It states:

> (iv) permitting the Minister or a delegate of the Minister to exempt the marketing of any fresh or processed fruit or vegetable in import or interprovincial trade from any of the requirements of this Act or the regulations where the Minister or delegate considers that it is necessary to do so in order to alleviate a shortage in Canada of the fruit or vegetable or an equivalent fruit or vegetable,

Last year, because this legislation was not put in place a year ago last spring as had been promised, we saw the whole frozen sour cherry industry destroyed as a result of massive shipments coming in from Michigan and other points in the United States. This resulted in millions of dollars of lost production in the fruit and vegetable industry. We hope that the Government will not dally with this legislation this year because it will mean a similar loss.

Under its marketing orders to control price, quality and quantity of any fresh or frozen vegetable, the United States has all these powers. This measure will give our Department of Agriculture a similar type of control, belatedly, after a year or so. Law officers of the Crown advised the Government that the regulations which had been drawn for processed fruit and vegetables a year ago should be brought in to control those shipments. Of course, this legislation will firm up the regulations as they apply to fresh fruit and vegetables, as well as to processed fruit and vegetables.

Consideration of the impact that this measure will have on the trade deal is another aspect of the whole agreement which would have been useful if public hearings had been held. Clearly, in the drafting instructions provided to the United States administration there was a provision put in place by the two congressional committees to authorize the President to negotiate the control of vegetable imports into the United States. Our potato producers in the Maritimes may be looking forward to the American Government negotiating import controls. That sounds rather strange when we consider that the Government has agreed to a free trade agreement with the United States. Yet we see in the drafting instructions a measure for administrative action, not necessarily in the trade

deal itself, but for administrative action to authorize the President to negotiate import controls and their levels. Under its marketing orders the American Government can do that at any stage with any fruit or vegetable.

As far as Canada is concerned, under the agreement as long as these requirements of size of container, quality standards and so on are met then the fruit and vegetables can flow into Canada. It is a very unequal arrangement that arises from the free trade deal. Clearly, assuming that these regulations are not protested at GATT when the Government actually has the courage to proclaim the legislation and to pass the regulations, we will be able to control consignment selling, and the rolling of van-loads of fresh fruits and vegetables often in a deteriorating condition into Canada. Likewise, processed fruits and vegetables in bulk containers can be controlled.

I have already outlined what the impact of the trade deal will be with regard to the fruit and vegetable industry with the removal of the tariff on processed food. The seasonal tariff is replaced by something called a snap-back provision which has absolutely no effect. It is only effective providing the farmer does not increase his acreage. In other words, the industry has to retrench if it is expanding and then that whole snap-back provision does not even operate.

The snap-back provision is a total joke. It provides that if the price drops below 90 per cent of the five-year average, removing the highest and lowest years from that five-year average, then the original most favoured nation tariff can be reinstated. Of course, those prices have to prevail for five days. There is also an administrative period of another two days to consider. I do not know of any fruit or vegetable producer or distributor who believes that once the price of a fresh fruit or vegetable breaks even for 48 hours it can ever be brought back in that season. It may make some people feel better to reinstate the tariff, but it has absolutely zero impact on holding up the price.

Of course, we have the disadvantage of being in a colder climate where many of our perishable fresh fruits and vegetables come on to the market three or four weeks later. Now we will always be taking the lower price at the end of the market.

• (1250)

We have been calling for this legislation to protect fruit and vegetable producers for at least one and a half years. We want to see it passed and have the protection. We are very concerned that the Government will not proclaim it for six or eight months, in the same manner as the Farm Equipment Loan Act. Although we have the worst financial crisis since the 1930s, the Government did not bother proclaiming that Act for six or eight months. We could face a devastating year for fruit and vegetable producers like the sour cherry processed producers faced last year, and the Government will fail either to proclaim the Bill or write the regulations and put them in place. We were assured by officials that those regulations can be put in place in a week or so. We on this side want to see the legislation passed. We think that the industry is facing a tremendously difficult time with the trade legislation.

In February I had the opportunity to attend the annual meeting of the Canadian Horticultural Council. At that meeting there was a panel on the opportunities for free trade. I listened carefully to all the problems of the various sectors in the industry. I heard practically nothing in terms of opportunities from the trade deal for the fruit and vegetable industry. It is facing an incredibly difficult time.

I have already described what is happening to the grape and wine industry. It will be destroyed. Today I read a confidential document from the American Agriculture Producers Advisory Committee. It is the same as the Canadian SAGITS. They stated that they were quite pleased with the free trade deal, because they felt that right off the top in the grape and wine industry they were going to take at least $60 million of additional wine exports into the Canadian market. When one considers that our wine production is in the area of $210 million that is a pretty significant chunk of the industry.

We believe that if the Government is going to sacrifice the grape and wine industry, as the Prime Minister has decided to do, it should at least pay adequate compensation. We have been told that the compensation will only be $35 million over a six-year period, and the industry is asking for $153 million in the Ontario region alone. It seems like a total disregard for anything that is fair or just for that industry.

The Government has decided to sacrifice that industry and it is not willing to pay the money. The federal Government is saying that the provincial Government should pay the money. Surely the provincial Government through bringing in its legislation relating to the trade deal, whether it is for water, hydro, or medical services, has laid it on the line that it is not supporting the federal Government plan to sell out the industry. Why would the federal Government expect the provincial Government to provide the industrial adjustment for the industry?

Some 17 producers have already been put out of business in Ontario, and more and more are walking away. That is not surprising. If a producer is selling grapes this year at $600 a tonne and as a result of the trade deal that producer will be selling them for $347 a tonne next year, there is no question that the producer will go out of business.

The legislation before the House today will provide some assistance in controlling the imports, assuming that the Government passes it, and assuming that regulations are put in place. The industry is facing a very severe challenge in the future because it is being sacrificed in the free trade deal.

In committee we will look forward to receiving answers to some of the questions that I have raised. I hope the Minister of State for Agriculture will be able to provide those answers. This is a much larger Bill than we had anticipated. It goes far

beyond the question of consignment selling and bulk shipments. It is brought forward in the last days of this session. It should have had a much more extensive committee study. We should have heard officials from the whole fruit and vegetable industry, from provincial governments, and from marketing boards in order that we would know what will be the impact of the interprovincial regulations, and the impact with regard to the whole industry from such an extensive Bill that was not envisaged and on which we heard nothing until one day ago.

In fact, we thought the Government had decided not to bring it in. I hope it will not simply be window dressing. If the Bill is not proclaimed and regulations are not drawn almost immediately, we will see many producers destroyed in this very crop year because of the Government's negligence to put in place the proper regulations to control imports from the United States. The Government has known about those problems for almost four years. In October and November, 1984, the Government was told that the regulations for consignment selling under the old Fruit, Vegetables and Honey Act were *ultra vires*. One year ago the Statutory Instruments and Regulations Committee told the Government that the regulations with regard to bulk shipments were illegal, and that they could not be enforced for processed food. They were also told that they were probably *ultra vires* for fresh fruit as well.

Yet this legislation to give the proper legal framework for those regulations to control those two serious problems for the fruit and vegetable industry were not brought in until this morning. We hope that there will not be more mistakes and errors in it. We hope the Government will act, because it is destroying the industry through the free trade deal. We hope that the Government will at least try to take this one action which can be useful in controlling these abuses which have been going on for several years and have been extremely costly and harmful to agriculture producers in the fruit and vegetable industry.

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, I rise to speak on Bill C-141, an Act to regulate the marketing of agricultural products in import, export and interprovincial trade and to provide for national standards and grades of agricultural products, for their inspection and grading, for the registration of establishments and for standards governing establishments.

This particular Bill came about as a result of a ruling or a decision by the committee on Statutory Instruments and Regulations. It ruled that the regulations Canada was using under the Fruit, Vegetables and Honey Act and the Canadian Agricultural Products Standards Act were *ultra vires* because those two Acts failed to deal with the marketing of agricultural products. They were simply attempting to designate some of the other rules and regulations as having to do with standards, quality, and grades. The committee of the two Houses of Parliament, the Committee on Statutory Instruments and Regulations, found that the scope of powers that the Department of Agriculture was attempting to use lie outside of the scope of the legislation.

This legislation has been promised by the Minister for almost one year. It has been brought before us on the last day of June on a rush basis. The House has agreed to forgo the usual waiting period after introduction, therefore, we have had very little chance to become knowledgeable of the legislation. By agreement, the legislation will go through the House today. I have had a chance to go through it. I believe I now see why the Minister has delayed so long with the legislation. It approached us before the recess at Christmas, suggesting that perhaps we would have the legislation replacing the CAPs Act at the last day of the sitting at that time. Apparently it was not quite ready and he did not introduce it. We have it now. It is not just a question of chance, on the last day before the July 1 holiday. There are not too many Members in the House. Some of the Conservative Members who represent western ridings have chosen to go home so that they can attend their July 1 functions. As a result, the Minister does not have the problem that I think he would have had had he introduced this when there were more of his own back-benchers around. For the last two decades, at least, the Conservative caucus has refused to allow any agriculture legislation that permits control over the marketing of agricultural products to pass this House, particularly if that marketing involved livestock.

• (1300)

You will know, having been a long observer of this House, that when the legislation to permit the establishment of national marketing boards was established in the early seventies, that a rump of Conservative back-benchers stopped that legislation and in fact made it impossible for even a Liberal Government to bring it in, until they had put in an amendment making it impossible for producers of products to set up a national marketing board for those products, unless the product was named in the legislation.

They totally reversed the intent of the legislation, and it is now necessary to come before the House to have a product named in the legislation before you can begin the slow, tortuous process of setting up a national marketing agency. This House and this Parliament went through that in the case of tobacco. It was one of the first pieces of legislation before us.

Most Members in the House will remember that in spite of that having gone through the House relatively quickly, most of the impetus for the establishment of that national agency had passed by that time. It had taken three years of long, arduous work on the part of tobacco producers, who were going broke and were tired. They never did get their national marketing agency, even though the legislation finally was permitted, three years after it was needed.

What we have is an Act which, by force of the necessities and the exigencies of the way business is carried out, is

permitting and requiring the Minister to have say, legislative and parliamentary say, over the marketing of agricultural products. Which agricultural products does he have the power to control? In marketing, and I quote from the legislation, it means the preparation and advertisement of agricultural products. It includes the conveyance, purchase and sale of agricultural products, and any other act necessary to make agricultural products available for consumption or use.

It is very broad and very necessary for the role that the Department of Agriculture has been carrying on in conjunction with the Horticulture Council of Canada. It goes beyond that because, under this Act, an agricultural product means, (a) an animal, a plant, or an animal or plant product. It is not just plant products, fruit and vegetables or honey that is affected this time. This Act does include animals and animal products. It goes on to say that the agricultural product also means, under (b), "a product including any food or drink, wholly or partly derived from any animal or plant". Or, (c), and this is new, "a product prescribed for the purposes of this Act".

The Minister will have the power under this Act to prescribe other products that do not easily fit within the category of being a plant or an animal product such as, I would presume, honey which comes from a bee and is only indirectly from the plant. What about mushrooms, which by definition are a fungus rather than a plant or an animal?

It gives, I think, the necessary latitude for a Minister of Agriculture to perform his functions and the functions of the Department on behalf of Canadian producers, and I am pleased that this legislation unshackles the Minister of Agriculture in a way that previous legislation did not permit. I am therefore supporting this particular action by the Minister of Agriculture on behalf of the Government.

The legislation also proposes to legalize the arbitration and review tribunal and to give it some enforcement powers, a problem that that particular tribunal ran into under the old Fruit, Vegetables and Honey Act and the Canadian Egg Products Standards Act.

A change which I am ambivalent about is that it accredits certain laboratories in the private sector to perform necessary laboratory work. It maintains these laboratories under a system of accreditation, which will be maintained by federal inspectors doing spot checks, by sending some products for testing, to see whether the tests are similar to the ones that have been done by the Department of Agriculture itself. It will, to some extent, be privatizing some of these services that were largely carried out by the Department but can now be shared with the private sector. It establishes an agricultural product legend which has been in use, with the Maple Leaf and the Canada No. 1. It makes this a trademark so that this can be officially used only by the Government of Canada.

I am not sure whether we are going to have some of the spin-off problems with this particular trademark that the Olympic Committee had with the name "Olympic" and the circles and so on. I would hope not. Otherwise, we may find Air Canada and the Department of Agriculture in court some day, both using the maple leaf. Other corporations, Crown and otherwise, have used the Maple Leaf as well. I think that this makes good sense. The Maple Leaf and the No. 1 are readily identifiable symbols, and I believe that to register that symbol or that legend as a trademark is a necessary part of the marketing of our agricultural products from Canada and within Canada.

This legislation strengthens the rights of inspectors to open containers and it spells out the right of seizure of additional products when an inspection is made by a Department of Agriculture inspector.

• (1310)

Consistent with the new Constitution, the old legislation had to be changed. This legislation is modern in that it specifies there can be no entry to a dwelling or search of a person without a warrant, and the warrants in this case must be issued each day. It is my understanding of this Bill that during the course of such a search under warrant if other illegal products are found, charges can be laid concerning those illegal products even though they were not necessarily specified in the warrant.

Fines have been updated in this legislation because the old legislation had not dealt with the question of fines for 25 to 30 years. We now find that there are two ways of handling the question of fines. Under this Bill there is a procedure for minor offences where the arresting officer or the official of Agriculture Canada can simply issue a fine and ticket the offender for minor infractions and the fine would be paid immediately just as a parking ticket or something like that is paid. Fines for corporations and officers of corporations are now included in this new Bill and those fines will be to a maximum of $10,000 under summary conviction and/or six months imprisonment. Under an indictable offence fines rise to $100,000 and/or one year in prison. Fines have been tightened up considerably, the ability to enforce the legislation and penalties for avoiding the new law are much more onerous than they once were.

Terms and conditions for marketing, importing and exporting in and out of the country and in interprovincial trade will be spelled out under regulations. This is not anything new. Most of this kind of legislation makes the methodology which the Government proposes to follow clearer under regulation. We have had difficulty in previous legislation introduced in a rush by this Minister of Agriculture (Mr. Wise), namely the Farm Improvement Loans Act. That Bill was introduced in a rush last June but was not put into effect until the following February 8 or 10. I have been assured by officials that this Bill comes into effect upon promulgation by the Governor General because there is no clause in it which says the Bill comes into effect upon the proclamation by the Cabinet.

We are allowing this Bill to go through the House quickly on the assumption that it will be in effect within a matter of

days. We have been told that the regulations are prepared and that within 10 days or 2 weeks it is hoped to have them published. We are willing from my corner to permit the process to go through quickly. Therefore, I am now prepared for the legislation to move into Committee of the Whole so that the process can be finished in this Chamber.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I want to take a few minutes to speak on this Bill.

The Government suffers from an acute case of Roy McMurtry syndrome. When I was in the Ontario Legislature, the Attorney General of the province, Roy McMurtry, used to regularly introduce Bills on the last day of the session, expecting passage that very same day. This Government has adopted the same kind of philosophy when it pertains to agricultural legislation. Regularly on the last day of a session the Government brings forward a Bill that it has probably had ready or at least should have had ready for a long time. It wants first reading, second reading, committee stage and third reading on the same day and it expects co-operation from Members of Parliament. Of course, it expects that co-operation having approached Members discreetly beforehand saying that the Government merely wants to correct a portion of a Bill, in this case portions relating to consignment selling and bulk container shipping.

In other words, those two provisions have been turfed out of the old Bill because the regulations were done in a way which went beyond their scope and the Bill was necessary to make that correct. The Minister approached my colleague, the Hon. Member for Algoma (Mr. Foster), and told him that. That is partially true, Mr. Speaker. The Bill, in part, addresses those issues, but it goes further. It addresses a number of other important issues.

However, the Bill is not 21st century legislation as the Minister of State for Agriculture (Mr. Blais) stated earlier today. He said, and I paraphrase his words, that this Bill will help to guide the fruit and vegetable industry into the 21st century. But with the free trade deal that his boss, the Prime Minister (Mr. Mulroney), has signed there will not be much of a fruit and vegetable industry left in this country at all. The only hope we have is that the Government will be turned out of office before the trade deal and the implementing legislation is over and done with.

Mrs. Martin: No chance.

Mr. Boudria: I hear the Member from the Niagara Peninsula across the way. I am sure the grape growers will want to know why the federal Government is offering a mere pittance to the grape growers of that region—

Mr. Della Noce: Not true.

Mr. Boudria: —when they will be suffering losses as a result. The Member from the grape growing region of Laval is telling us that that is not true. As an Ontario Member I have met the grape growers of our province. He can say that the grape growers do not tell the truth.

Mr. Della Noce: No.

Mr. Boudria: He has a right to say that and he can say it all he likes. All the grape growers who are listening will know that they have asked for at least $156 million in reparation for the damage inflicted upon them by the Government as a result of the trade deal. They will be offered somewhere in the order of $30 million or $35 million. Not only that, Mr. Speaker, the federal Government has the nerve to ask the Ontario Government to contribute half of the amount of repairing the damage the federal Government has caused to the Ontario grape growers. That takes nerve. It is the same as if I ran into your car with mine and I asked you for half of the money to fix my own car, Mr. Speaker. That is about the same kind of thinking and it is not surprising given that the thinking comes from the Tory Government.

This Bill goes well beyond the issue of consignment selling, bulk container sales and so on. I want to give an example of some of the things covered in this Bill. It is a very lengthy piece of legislation to be passed in a matter of minutes after a long-winded speech by the Minister of State for Agriculture. Let me read Clause 14 of the Bill:

> For the purpose of administering this Act and the regulations, the Minister may designate as an accredited laboratory all or part of any building or place set aside and used for conducting research or carrying out inspections, grading, testing, analyses or experiments in science or used for the manufacture of chemical or biological products.

That goes well beyond the issue of consignment selling and bulk container selling. Clause 13 is even more interesting. It reads:

> It shall be a condition of the registration and operation of an establishment as a registered establishment under this Act that this establishment and all agricultural products in it are subject to this Act and the regulations.

What we have here with those two clauses that I have just read is a system whereby the Government can contract or privatize certain services which are done right now by federal government employees.

• (1320)

I have not heard representations from the Public Service Alliance or from anyone else concerning the impact this clause could have on federal government employees. Does the Government intend to use this clause only in cases where there is an emergency and when the technology is already available in the private sector, something which could be deemed to be reasonable, or does it intend to privatize certain services being offered right now by federal government employees? I do not have the answer to that question. It will be very difficult to get the answer to such a question if we are forced to deal with this issue in a matter of minutes.

The Government wants this legislation passed with a few minutes' debate. It is interesting to recall that we dealt with another agricultural Bill earlier this year, the Pedigree Act, an

important Bill. However, I would suggest that the Bill before us today is even more important. The Pedigree Act was discussed for one hour and 31 minutes in the House of Commons and it was debated for three hours and 39 minutes in five committee meetings.

The Bill before us today, which does a number of things which have been described by my colleague from Algoma, by me and by the Hon. Member from the New Democratic Party, is supposed to be dealt with at all stages today without hearing from the provinces, from the industry or from anyone else. We will not even have the weekend to talk to our constituents in order to determine how they feel about this Bill that no one had seen until 11 o'clock this morning.

At 11 o'clock this morning, officials from the Department of Agriculture walked into the opposition lobby, Bill in hand, to brief us while another Bill was being discussed in the House of Commons. There we were sitting in the lobby listening to the debates of the House in one ear and being briefed in the other ear. That is the process the Government wants us to use in order to pass important legislation dealing with agriculture.

As has been said previously, this is the second time the Government has done this.

[*Translation*]

At about the same time last year, as the House was preparing to adjourn in late June for the summer recess,—in fact, on the very last day—the Government asked us to adopt another urgent farm bill. It needed it immediately. There were certainly flaws in this bill. We overlooked them. We were not even allowed to hear witnesses because of the so-called urgency. Do you know when the legislation took effect, Mr. Speaker? Eight months later. We had to wait eight months to see this bill implemented. How can we take this Government seriously, Mr. Speaker? I am not saying that we should not take this matter seriously, because it is serious indeed, but I am saying that if this Government was serious, it could have introduced this bill yesterday, the day before yesterday, or even before that to give Parliamentarians at least an opportunity to contact their provincial counterparts and the various farm organizations in this country to seek their support and advice.

[*English*]

The Minister of State for Agriculture talked about the fruit and vegetable industry being guided into the 21st century by this legislation. I do not intend to delay this any longer than I have to, but I must protest with the Minister the manner in which he and his Government have dealt with this issue today, a manner which is disrespectful of this parliamentary institution.

The Government talks about guiding this industry into the 21st century. Let me remind Hon. Members that McCain Foods, earlier this year, wrote to the then Minister for International Trade to tell her in no uncertain terms that the fruit and vegetable industry would be totally devastated by the actions of this Government. Mr. McLean of McCain Foods can hardly be considered to be someone who is a partisan of my political Party. As a matter of fact, he indicates in his own correspondence that he has been a supporter of the Conservative Party in the past.

Mr. McLean states that he cannot support this kind of legislation because it would totally destroy the Canadian agricultural industry. I have his letter here in front of me. In the interests of time, I will not read it into the record, but I do want to tell Hon. Members that Mr. McLean has indicated very clearly, as a supporter of the Conservative Party and as the representative of the largest food processing company in Canada, that this trade deal is not good for him.

We are talking about leading the fruit and vegetable industry into the 21st century, but we will certainly not be doing that with the Prime Minister's trade deal. That trade deal means total devastation for that industry. The Government knows it. It has chosen to sacrifice the fruit and vegetable industry, the grape growers of the Niagara Peninsula and the Okanagan Valley and several others in the agricultural sector deliberately in order to obtain that trade deal that the Prime Minister wants so badly.

That being said, I will end my remarks by again indicating to the Government that this Roy McMurtry syndrome from which it suffers has to be put out of its misery very soon, and an election should do it.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. Danis in the chair.

Mr. Lewis: Mr. Chairman, in view of the time and the fact that I believe the House would normally rise at 1.37, I think I can speak for Members on the government side when I say that we would be prepared to not see the clock to allow for my colleagues opposite to put as many questions as they like in Committee of the Whole House, with a view that perhaps, in accordance with discussions earlier, we could try to get through all stages of the Bill. The officials are here and we could go right through until two o'clock in an effort to allow for as much time as possible. If everyone would agree to that suggestion, we could move ahead.

The Chairman: Is there such unanimous consent?

Some Hon. Members: Agreed.

The Chairman: Order. House in Committee of the Whole on Bill C-141, an Act to regulate the marketing of agricultural

products in import, export and interprovincial trade and to provide for national standards and grades of agricultural products, for their inspection and grading, for the registration of establishments and for standards governing establishments.

I would suggest to the Hon. Member for Algoma that if the committee agrees, we could probably proceed with questions from Members and then we could carry all the clauses unanimously at the same time. Is that agreeable to everyone?

Some Hon. Members: Agreed.

Mr. Foster: Mr. Chairman, the key question about this legislation concerns especially the consignment selling and the bulk shipments provisions of the Bill, and I wonder what commitment the Minister can make with regard to implementation of these provisions. Does the Government intend to proclaim the Bill or will it become law the moment it is passed? What commitment can the Minister give to putting the regulations in place, and how long will that take?

[*Translation*]

Mr. Blais: Concerning this matter which is certainly important, Mr. Speaker, I can assure my colleague the Hon. Member for Algoma that this Bill will be promulgated as soon as it has been signed by the Governor General and there will be no problem.

• (1330)

[*English*]

Mr. Foster: Since the Minister has his officials with him, can he estimate when the regulations will be put in place and become effective? I am asking this because of what happened last year with the sour cherry crop.

Mr. Blais: Mr. Chairman, it will be within two weeks, no question about that. We will work very soon on that matter, within two weeks.

Mr. Foster: With regard to the consignment selling issue, can the Minister clarify whether the powers proposed in this legislation under Section 32(l)(3) are identical to the powers which previously existed under Fruit, Vegetables and Honey Act Regulations 56 and 57?

Can he also comment regarding container shipments under Section 32(l)(4) and whether the regulations drawn there to control bulk shipments are identical and that these powers will not be struck down by the trade agreement?

Mr. Blais: Mr. Chairman, I can assure the Hon. Member that those regulations will be exactly the same as what we already have, in both areas, bulk and consignment.

Mr. Foster: With respect to the disputes handling mechanism, is the board of arbitration given the same powers it had under the existing legislation?

Mr. Blais: Yes, those powers are exactly the same as they were before.

Mr. Foster: Referring to Section 15 of the National Trade Mark and True Labelling Act, will a producer in, say, Prince Edward Island who is carrying a national trademark on his product be subject to federal Government inspection and investigation simply because the agricultural product carries a national trademark regardless of whether it has moved into interprovincial trade or not?

[*Translation*]

Mr. Blais: This being a provincial matter coming under provincial jurisdiction, national trade marks will only be used when they come under national responsibility. On the private and provincial levels, federal jurisdiction will not apply.

[*English*]

Mr. Foster: My question was this. As long as the product is carrying a national trademark and is considered eligible for interprovincial or international trade, is it subject to all the inspection and investigative powers provided under this Act regardless of whether or not it has moved into interprovincial or international trade?

[*Translation*]

Mr. Blais: Mr. Speaker, if national grades are used, they must be in accordance with the grading standards even if it's at the provincial or international level.

[*English*]

Mr. Foster: Since this brings in a whole new barrier to interprovincial trade, I wonder if the Minister can identify which provincial Governments and which provincial marketing boards have been consulted and are aware of what is proposed in this legislation?

[*Translation*]

M. Blais: Mr. Speaker, because of the specific objectives of this legislation, all the provinces have been consulted and have agreed to it.

[*English*]

Mr. Foster: Can the Minister identify which marketing boards for fruits and vegetables have been consulted and those which object to the powers given under this legislation?

[*Translation*]

Mr. Blais: Mr. Speaker, in the case of marketing boards, growers' associations from all regions have been consulted concerning the commodities involved, but not the national marketing boards. I am speaking of the growers' associations in the sectors involved.

[*English*]

Mr. Foster: Are the powers given under this legislation approximately the same as those in the U.S. as far as limiting bulk shipments and consignment selling is concerned? I realize of course that more fruits and vegetables flow to Canada than flow the other way, but I would be interested in knowing whether these powers are similar.

[*Translation*]

M. Blais: Mr. Speaker, there are two distinct aspects here. In the United States, they control quality and price. In Canada, we only do quality control.

With regard to quality control standards, they are the same on both sides of the border, Mr. Speaker.

[*English*]

Mr. Foster: Since we have not had the advantage of a committee hearing or investigation, can the Minister indicate if the powers of search and seizure and investigation are similar or equivalent to those powers granted under the Meat Inspection Act which did go through a proper parliamentary hearing process? Can he also tell us where they differ and which ones are greater?

[*Translation*]

Mr. Blais: Mr. Speaker, yes they are similar in all respects and it is also worth mentioning that we have also checked to see whether they were in agreement with the Charter of Rights and Freedom.

[*English*]

Clauses 2 to 42 inclusive agreed to.

Clause 1 agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the Bill be read the third time? By leave, now?

Some Hon. Members: Agreed.

Mr. Blais moved that the Bill be read the third time and passed.

Motion agreed to and Bill read the third time and passed.

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

At 1.40 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O.21

[*Translation*]

OFFICIAL LANGUAGES

OFFICIAL LANGUAGES BILL—AMENDMENTS PROPOSED BY CERTAIN CONSERVATIVE MEMBERS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have read with astonishment, not to say disgust, the 136 amendments tabled by the Conservative members who want to sabotage the Official Languages Bill. I think those amendments are bad, racist, and full of hatred.

Mr. Speaker, the Liberal Party of Canada would never have let its members say such divisive remarks. I do not understand, Mr. Speaker, how the Prime Minister (Mr. Mulroney), who himself negotiated the Meech Lake Accord, can keep those members in his Party.

Is the Prime Minister ready to repudiate once and for all those members for their actions and to stop trying to convince Canadians that the Conservative Party is for official languages. When he talks to the French Community, he says he is for, when he talks to the English Community, he says he is against.

Mr. Speaker, could the Prime Minister please make up his mind, it is important for our country!

* * *

[*English*]

NATIONAL DEFENCE

LIBERAL PARTY POLICY

Mrs. Shirley Martin (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, exactly four years have passed since the Leader of the Opposition (Mr. Turner) took over the reins of the Liberal Party, and still they have no defence policy. In fact, searching for the Liberal defence policy is like trying to catch fog in a butterfly net. Not a single original thought has clouded their minds on this vital public issue since 1971 when their last White Paper was tabled.

The NDP, to their credit, have put their few thoughts on paper in the form of a "red" paper on defence. Confused, self-defeating, and ever changing though it may be, the NDP has had the courage to put it forward and face public ridicule. Say what you will about the NDP, they have never been afraid of looking foolish in front of the ordinary people.

The Liberal defence policy, however, seems to be "What we don't know can't hurt us".

If ignorance is bliss, the Liberal caucus must be the happiest group of politicians in Canada. They dither, they ponder, they offer platitudes, but in the end they have no policy and no ideas. They remain as unconvinced and unconvincing as ever. The only defence policy the Liberals have is kept by their Leader to use against his caucus. That, Mr. Speaker, is not good enough for Canadians.

MUNICIPAL AFFAIRS

CALL FOR FEDERAL GRANTS TO MUNICIPALITIES

Mr. Jack Harris (St. John's East): Mr. Speaker, in the riding of St. John's East there is a crying need for assistance for municipal services. The City of St. John's desperately requires sewage treatment facilities to stop the flow of raw sewage into the St. John's Harbour. This will cost about $50 million.

In the Town of Paradise, believe it or not, open ditches are a health hazard because of sewage pollution. The Town of Conception Bay South, the fourth largest community in Newfoundland, needs $55 million now to answer the urgent needs for water and sewage facilities and another $60 million to complete its system.

The Federation of Canadian Municipalities has been fighting for years to get the Conservative Government to contribute to an aid program for Canadian cities and towns. We in the New Democratic caucus support their proposal and believe the federal Government's one-third contribution ought to be in the form of grants to municipalities. The Federation of Municipalities has shown the economic viability of such a program and the returns to the economy.

Why is the Conservative Government turning its back on Canadian cities and towns? I call on it now to provide the communities of Canada with the help they so desperately need.

* * *

SENIORS

HOUSING OF YOUNG ONTARIO PSYCHIATRIC PATIENTS IN SENIORS' BUILDINGS

Mr. Jim Jepson (London East): Mr. Speaker, many seniors in my riding of London East have expressed concern about the fact that the Ontario Government is now housing young psychiatric patients released from hospital, as well as disabled and handicapped young people, in apartment buildings which were originally designated for seniors only.

It is important that we meet the needs of these young people, but many of the seniors have expressed concern about excessive noise from rock music and late night parties, as well as theft and violence.

I ask the Minister of State for Seniors (Mr. Hees) to raise this matter with his provincial counterparts in the Peterson Government who are responsible for management of these buildings. I believe that this matter should be resolved as quickly as possible.

[*Translation*]

OFFICIAL LANGUAGES

REQUEST THAT BILL C-72 BE PASSED

Mr. Jean-Claude Malepart (Montréal—Sainte-Marie): Mr. Speaker, on June 30, 1988, the French-speaking people of Canada cannot but be disappointed, especially the ones from Quebec like me, who fought in the last referendum to stay in Canada.

When we see on the Order Paper of the Canadian Parliament, where we have fought for equality of both official languages, motions by 25 Conservative Members proposing that, in case of doubt, the English language shall have precedence over the French language . . .

They go so far as to ask that the language of work in the National Capital, where my collegues from Ottawa—Vanier and elsewhere have fought for years so that the French-speaking Québec side would get its fair share, should be English only . . . And these people have the nerve and the lack of courage . . . knowing the attachment the people of Quebec have for Bill 101, to ask that the federal Act take precedence over Bill 101, Mr. Speaker.

Let's hope that the new Mr. Clean from Lac-Saint-Jean will show his mettle and will bring these 25 Members in line. And let's hope that the Prime Minister will stop doing somersaults and invoke closure so that we can pass Bill C-72, the Official Languages Act, and get these stubborn Conservatives off our backs.

* * *

[*English*]

ARMS AND ARMAMENTS

ARMS SALES—RANKING OF COUNTRIES

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, in the international arms bazaar just who are the super salesmen?

Perestroika notwithstanding, the U.S.S.R. comes in first by a wide margin with annual arms exports of $120 billion. Yankee traders manage only a little less than half of this. France, with its Mirage jets and Exocet missiles, comes in third at $30 billion.

The prize for most improved performance goes to China, at $11 billion, which has now cornered some 80 per cent of the lucrative Iraq-Iran market.

These countries must certainly be very proud of their contribution to world peace.

S. O. 21

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—JOHNNY CANUCK CRUSADE

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, in 1911 Oliver J. Wilcox, Member of Parliament for North Essex, was one of the Conservatives who defeated the Laurier Liberals on the issue of free trade. Today his great-grandson, John Wilcox of Salt Spring Island, fights to save Canada from the Mulroney-Reagan trade deal.

On April Fool's Day, a significant date, Mr. Wilcox assumed the identity of Johnny Canuck, the mythical Canadian hero who appears whenever Canada is threatened. Starting from Mile 0 of the Trans-Canada Highway at Victoria, Johnny Canuck drove his rebuilt 1941 Maple Leaf Chevy half-ton truck across Canada to warn Canadians about the loss of sovereignty if the trade deal goes through.

Johnny Canuck will be in Ottawa tomorrow to celebrate Canada Day. We welcome Johnny Canuck to our nation's capital and, with millions of Canadians from coast to coast, we join with him in the struggle to keep Canada "the true North, strong and free".

* * *

[*Translation*]

NEW DEMOCRATIC PARTY

CANDIDATES' BACKGROUNDS

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, does the leader of the socialist party read the background of his party's candidates in the upcoming elections? Does he condone their behaviour when they join his party's ranks? Has he read in the July 1977 issue of *Chatelaine* the article in which his candidate for Chambly, Mr. Phil Edmonston, gives advice on organizing demonstrations? Let me quote, for example, his advice no. 19:

> Destroy the company's property.

This is advice no 36:

> Organize civil disobedience through illegal ways.

Advice no 37 goes like this:

> Destroy property illegally.

This instructive article contains 50 such pieces of advice. It makes us understand better why the shadow and the blessing of the socialist leader lurk behind every illegal demonstration in this country.

To make a name for oneself, everything goes: illegal acts, destruction of property, and I include the recent incident in New-Brunswick. Such is, Mr. Speaker, the hidden side of the leader of the professional agitators, the Member from Oshawa (Mr. Broadbent), Mr. Speaker.

[*English*]

HOUSING

MEASURES URGED TO OVERCOME SHORTAGE IN TORONTO

Mr. Sergio Marchi (York West): Mr. Speaker, following the International Year for the Homeless it is disturbing to learn from an Ontario government report that 200,000 families in the province lack appropriate housing. Unfortunately, this is not news to those living on the streets, in emergency shelters, and those in sub-standard accommodation.

The escalating problem of unattainable housing for the poor, coupled with unaffordable housing for the working middle-class families in Metro Toronto, cries out for immediate federal leadership and co-operation with the municipal and provincial levels of government.

The federal Downsview Airport base, vacant postal lands, and surplus federal properties should be made available for home construction at once. As well, a first homebuyers program, and action on speculative transactions which grossly inflate the prices of homes, should be initiated in order to encourage the availability of reasonable homes at reasonable prices.

The federal Government has ignored this dangerous housing crisis for far too long. It is now time that the Conservative administration exercise its responsibilities if we are to avoid turning the dream of owning a home in Metro Toronto into an ugly nightmare.

* * *

• (1410)

NATIONAL DEFENCE

LIBERAL PARTY POLICY

Mr. Patrick Crofton (Esquimalt—Saanich): Mr. Speaker, today the Hon. Leader of the Opposition (Mr. Turner) will be celebrating the fourth anniversary of that fateful day when he became Prime Minister. We all know what the Canadian people thought of that idea.

One item not to celebrate today, however, is his defence policy because he has yet to offer one. We can only look to the sorry past of former Liberal Governments, and the Liberal defence record can be summarized in three words: shame, shame, and shame!

The right hon. gentleman's defence policy remains one of our nation's best kept secrets. He opposed Cruise missile testing because his own caucus was planning to use the Cruise on their Leader if he did not toe the line. He opposed nuclear powered submarines, presumably to uphold the Liberal tradition of rust-out of our navy. But what do the Liberals favour for our defence?

It is perhaps most telling to observe the actions of his loyal friend and defence spokesman, the Member for Sudbury (Mr. Frith). That Hon. Member, in the next election, has decided that the best defence is to be on the fence, choosing the life of paid lobbyist over explaining the unknown, his Leader's defence policy.

When voting Canadians concerned with our sovereignty ask what is the Liberal policy in the next election, the answer is clear: more of the same, more of nothing, more shame.

* * *

[*Translation*]

OFFICIAL LANGUAGES

PLACE OF FRENCH IN CANADA

Hon. Jean Lapierre (Shefford): Mr. Speaker, 136 amendments were introduced today which should put the Conservative Party to shame.

Those documents reveal the true nature of the beast and make us realize that the Conservative Party has remained anti-French. I hope that the Prime Minister will be as courageous as his predecessor, Mr. Stanfield, when he got rid of the Hon. Member for Moncton. I think that some of the amendments introduced go against the letter and the spirit of what the Prime Minister himself is spreading across the country. They go against the basic principles, if any, on which the Prime Minister got elected and against his perception of Canadian society and I consider them unacceptable.

Therefore, it remains to be seen if the Prime Minister will intervene to make his party recognize the Canadian duality over the precedence of the English language in Canada. Failing to do so would be unacceptable to all French Canadians. I hope that Conservative Members such as the Hon. Member for Duvernay (Mr. Della Noce) will rise and ask those involved to withdraw from their caucus because their views are unacceptable in Canadian society.

* * *

[*English*]

TORONTO ECONOMIC SUMMIT

CANADIAN WINES SERVED AT FUNCTIONS

Mr. Joe Reid (St. Catharines): Mr. Speaker, the Economic Summit has come and gone, leaving behind a number of pluses and credits.

The first is to the Prime Minister (Mr. Mulroney) for his leadership and direction resulting in a successful summit conclusion.

The assembled G-7 leaders tackled many different social and economic problems. Realistic solutions were sought and practical plans were developed.

A big plus must also go to the summit food and drink organizers. Ten years ago, indeed five years ago, no thought would have been given to serving Canadian wines at such an international dinner. But this week was Toronto's week, Toronto's summit. Instead of the usual imports, Canadian wines complemented the summit menu, and were presented with pride and confidence.

Salute to the government advisers, the leaders and their spouses for their support of the Canadian wine industry.

Salute to the Canadian wine industry, the wines and wineries which have, at last, received the reputation that they so well deserve.

* * *

EMPLOYMENT EQUITY

WAGE GAP BETWEEN MALE AND FEMALE PUBLIC SERVANTS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, yesterday we heard the Government mislead the House by stating that the Employment Equity Act is working to bring equality to the Public Service and in companies under federal jurisdiction. Today we learn that the wage gap between men and women federal public servants actually is widening.

In 1987 the average male public servant made $9,300 more than his female counterpart, an increased wage gap of almost $3,000 since 1981. Why the persistence of this wage gap? Not only are the few women in high level administrative jobs paid less than their male colleagues, female public servants continue to be ghettoized in clerical support jobs, jobs which are low paying and offer few opportunities for advancement.

Canadian women deserve employment equity legislation that works, legislation that applies to all levels of the Public Service, and that includes mandatory pay equity.

* * *

ENVIRONMENTAL AFFAIRS

THINNING OF OZONE LAYER—CANADIAN RESEARCH

Mr. Bill Tupper (Nepean—Carleton): Mr. Speaker, the world community is concerned about a thinning of the ozone layer and its consequential effects on all forms of life. Environment Canada is monitoring its status and conducting research relating to the chemical processes in the stratosphere, with investigations to confirm the presence of an ozone hole in the Arctic region, in co-operation with other countries.

The Department has been operating ground based ozone observing stations since 1957. It has developed a modern ozone measuring instrument which has been exported to over 10 countries in recent years. Also, since the late 1950's, Environment Canada has operated the World Ozone Data Centre for the World Meteorological Organization which provides data for scientists on an international basis.

In September, 1987, Canada signed an international agreement, the Montreal Protocol, along with 24 other countries, to control substances that deplete the ozone layer.

Canada is working with its international partners to address this crucial issue, which has to be a fundamental priority for all of us in the global community.

* * *

NATIONAL PARKS

SOUTH MORESBY—NEED FOR AGREEMENT WITH HAIDA PEOPLE

Mr. Jim Fulton (Skeena): Mr. Speaker, the prospects of a successful agreement on South Moresby grow dimmer. Despite a unanimously recorded vote of this Parliament, the Prime Minister's Office has chosen deliberately to ignore that resolution of May 14, 1987.

A Memorandum of Understanding was reached between Canada and British Columbia last July at a cost of $106 million. Consultations have been pursued in good faith between the Council of the Haida Nation and Crown Canada as represented by the Minister of the Environment (Mr. McMillan). Sadly, these have led nowhere and this is confirmed by the Prime Minister's Office this week insofar as those discussions were and are limited to the context of the National Parks Act only.

I believe that Section 35 of Canada's Constitution means what it says. The rights of the Haida in South Moresby are recognized and affirmed. I believe a unanimous vote of this Parliament means what it says, that the Haida be involved in matters affecting South Moresby. I believe that a consent agreement can and must be reached with the Haida Nation and be further negotiated through a framework agreement.

South Moresby will be preserved forever as a direct result of the will of the Haida people and their supporters across Canada. The Prime Minister (Mr. Mulroney) should recognize and affirm reality through a Canada-Haida agreement. The Haida people, Canada, and South Moresby deserve respect.

[*Translation*]

ADMINISTRATION OF JUSTICE

ASSISTANCE FOR VICTIMS OF CRIMES

Mr. Vincent Della Noce (Parliamentary Secretary to Secretary of State and Minister Responsible for Multiculturalism): Mr. Speaker, on Thursday June 9 last, an escape took place, shots were fired and hostages were taken in my riding as three dangerous convicts escaped from the Saint-Vincent de Paul maximum security detention center in Laval.

During this multiple escape, two hostages were taken, a corrections officer and a resident of my riding, Mrs Georgette Richard, who was fortunately released on the same day as a result of a well thought out operation by the Quebec Provincial Police. The three escapees were captured 90 hours later.

I am shocked and astounded to find out that victims such as Mrs. Richard, a law abiding citizen, received no form of help whatsoever. Indeed, prisoners are better treated than victims. The prisoner who was wounded during the incident was taken immediately to hospital and cared for without having to stand in line. When our victim, Mrs. Richard, whose car was used for the escape and later declared a total loss, asked for a means of transportation to IVAC, an aid agency for victims of criminal violence, some 46 kilometers from her home, the only answer she got was that she should take the bus to get there.

Mr. Speaker, it is crucial that we correct these and other criticized flaws in the administration of justice and that victims be afforded adequate humanitarian, medical and financial support.

ORAL QUESTION PERIOD

[*Translation*]

OFFICIAL LANGUAGES

DEMAND THAT AMENDMENT NO. 11 BE WITHDRAWN

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I would like to put a question to the Minister of Justice.

On today's *Order Paper and Notices* of the House, there are 136 proposed amendments to Bill C-72 respecting the Official Languages Act. Those amendements are moved by 15 Conservative Members.

Mr. Speaker, I must say to the Minister that those amendments are an insult to the dignity of all Canadians. We have here tangible and concrete evidence that an important number of Conservative Members are against the bilingualism policy we have here, in Canada, and do not believe in it.

Will the Minister of Justice require of his Conservative colleagues that they withdraw the shameful amendment, and I

quote number 11, which says: "If the two versions of this Act differ . . . "

• (1420)

Mr. Speaker: I regret to interrupt the Right. Hon. Member, but I think he should ask his question directly.

M. Turner (Vancouver Quadra): Mr. Speaker, will the Minister request that his Conservative colleagues withdraw the shameful amendment, namely Motion No. 11 which appears on this morning's Order Paper and which reads: "If the two versions of this Act differ, preference shall be given to the English version."?

[*English*]

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I think Bill C-72 represents a very substantial advance in recognition of the bilingual status of Canada. The Bill is one which has the full support of the Prime Minister, the Government, and the caucus of this Party, the government Party. It is a Bill which has received very careful attention on the floor of the House of Commons. Amendments have been put forward by members of the right hon. gentleman's own Party.

I do not think it is appropriate for me to make comment with respect to every amendment. I think it is the right of Members of Parliament to bring forward amendments as they see fit. I may disagree profoundly with the principle stated in that matter. I can tell the Right Hon. Member that we will have a chance to analyse the amendments that have been placed, on the question of dealing with the admissibility of some of these amendments, and whether they are appropriate.

Let me tell the right hon. gentleman that this Prime Minister and this Government have done more to enhance the understanding between the two founding groups in our country. It is a commitment we hold very dearly and one we are going to carry out.

[*Translation*]

Mr. Turner (Vancouver Quadra): Mr. Speaker, in 1969 I had the honour to introduce Canada's Official Languages Act, and I find these amendments insulting.

ALLEGED ATTACK ON FRANCOPHONE RIGHTS—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Why did the Minister of Justice and his leader, the Prime Minister of Canada, as well as his colleague the Deputy Prime Minister, an Albertan, fail to have the Conservative caucus withdraw these amendments?

Mr. Speaker, the Conservatives who are against bilingualism have already managed to make 52 amendments to the Official Languages Act, and now they want to add 136 more, including a discriminatory provision, and I quote Motion No. 39 which appears on this morning's Order Paper:

> English shall be the language of work in federal institutions within the National Capital Region . . .

> English shall be the language of work for all members of the armed forces of Canada . . .

The last of these amendments, Motion No. 136, maintains that Canada's two official languages are a source of divisiveness.

How can the Minister of Justice allow Parliament to waste time debating such a flagrant attack by the Conservative Members against the rights of French-speaking Canadians?

[*English*]

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, as the old hope would have it, I may disagree profoundly with the position the right hon. gentleman takes but I will defend with my life his right to express it. This is a democratic institution. I am opposed to those amendments. I make no secret of that. But what does the right hon. gentleman hope to accomplish by suggesting that we arbitrarily prevent people from moving amendments?

What did the right hon. gentleman do with respect to the dissidents in his own caucus on Meech Lake? Why does he not tell those people, who are against the inclusion of Quebec in the Canadian federation, to sit down or get out of the House? If he is so smart about his own Party, maybe he had better start getting his own act in shape.

POSITION OF MINISTERS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, these antediluvian Conservatives opposite are so desperate to destroy the official languages policy in our country that they are even willing to sacrifice English-speaking Quebecers.

I want to refer to amendment No. 39: "French shall be the language of work in federal institutions in the Province of Quebec". It is right on the Order Paper this morning. How else can one explain that type of amendment?

I want to say to the Hon. Minister that if Parliament has to debate every one of these 136 amendments under the current rules of the House it would take a full year. Will the Minister explain how the Prime Minister and the Deputy Prime Minister and he himself could allow their colleagues to put forward such offensive and discriminatory amendments on the Order Paper of this House?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I just want to make one thing very clear to the right hon. gentleman. This Party and this Government are going to move forward with this legislation. We are going to have it brought down and passed on third reading and send it to the Senate. I hope the right hon. gentleman has some influence in that place to make sure it gets through the other place.

Mr. Gauthier: He has spoken in the debate. You guys didn't.

Mr. Hnatyshyn: I want the right hon. gentleman to know that all of us in this country understand the principles of democracy with respect to the ability of people to put forward their points of view. I may disagree, very profoundly disagree, with the position put forward by Members on this side occasionally and very often with Members on the other side of the House, but we are determined to get this Bill passed into law and we are going to want the assistance of the Opposition in that respect.

[*Translation*]

OPPOSITION OFFER—MINISTER'S POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, the Minister of Justice just told us that the Government is determined to have the Official Languages Act, or Bill C-72, passed by this Parliament, by this House before the next election. If I understand him well, he asked for the help of the Opposition. Well, I want to offer him that help. On behalf of the Liberal Party of Canada, I would like to give the consent of the Official Opposition to time restriction under Standing Order 115. I am sure the New Democratic Party would also consent to limit the debate on Bill C-72, because we know very well that a clause-by-clause debate of those 136 amendments would put that off indefinitly. Is the Government willing to accept that offer?

[*English*]

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, if the hon. gentleman was less interested in grandstanding than he was in making progress, he would have already discussed this matter with the House Leader. It is a little bit of show business for that Hon. Member to stand up and suggest he was prepared to do a certain thing in a procedural way. This is Question Period.

If the hon. gentleman wants to know where we stand on this Bill, we stand behind a Bill that has been described across the country by editorialists and thinking Canadians as being a fair and equitable piece of legislation, one that deserves the support of all Members of this House of Commons, and we intend to get on with the job.

OFFER TO APPLY TIME ALLOCATION TO DEBATE

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I think everyone understands that these 136 amendments are just dropping out of nowhere. We did not know about them yesterday. We did not know about them two days ago. So I am making the offer in all honesty because the Government is telling us it wants to pass Bill C-72, the official languages amendment Bill, before the next election. I am saying right now that we will agree under Standing Order 115 to apply time allocation to this Bill to ensure that it passes before the next election. This is an offer which is made not behind the curtains, not under the table like the way in which the dinosaurs move their amendments—it is made in the open. Just say yes or no.

• (1430)

Some Hon. Members: Hear, hear!

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I guess I have heard it all. Here is the Liberal Party in the Opposition who attempted to filibuster this Bill at second reading.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: They did everything possible to stop the Bill from getting into committee.

Mr. Gauthier: It was for two days, for God's sake. What a lot of nonsense.

Mr. Hnatyshyn: They forget now, Mr. Speaker.

If the hon. gentleman is really serious, then maybe he can talk to his House Leader to take this matter up with the Government House Leader. They can put forward the proposition. The House Leaders have meetings on an ongoing basis. If they want to co-operate with this Government on this progressive legislation, it is about time.

[*Translation*]

BILL C-72—QUERY WHETHER CONSERVATIVE CAUSUS DISCUSSED AMENDMENTS SERIOUSLY AND COMPLETELY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the minister of Justice. A few weeks ago, we learned about the possibility of such amendments. When I asked the minister about it, he answered that these were only rumours. They are not rumours any more but the strict reality. My question is simply this: Can the minister tell the House of Commons whether the Conservative caucus has fully and seriously discussed these unacceptable amendments?

[*English*]

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I think the role of Question Period is to question the Government with respect to government policy, not what goes on in caucus.

I ask the Leader of the New Democratic Party this. What is he suggesting to me? Is he suggesting that in his Party there is only one point of view and it is his point of view, and that whatever his Members do they have to get his permission before they even move an amendment? Is he saying that everything that is done by a member of the New Democratic Party on the floor of the House of Commons by way of amendment has to have his seal of approval, and that he has complete control over his caucus? I would be interested in hearing his answer.

GOVERNMENT POSITION ON AMENDMENTS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, not that it is relevant, but I would say to the Minister that one would expect a government caucus not to be presenting as amendments principles or ideas that are completely contradictory to

the laws of Canada which the Government itself says it accepts. I want to say in that context that that is certainly the rule in our caucus. We do not propose amendments that are not consistent with the policy or program of our Party; nor should the government side be doing that.

Former leaders of Governments, and I think particularly of the Hon. Bob Stanfield, at one time in the history of the country all federal Leaders and all Parties—were solidly behind the Official Languages Act. Does the Minister think that it is compatible with government support for this law to be so acquiescent in accepting as proposals from government back-benchers amendments that would destroy the Official Languages Act?

Mr. Speaker: The Chair is having some trouble with the line of questioning. First, I am not at all sure that it is completely appropriate to be putting questions to the Government in terms of what any Private Member may do with respect to an amendment to a Bill.

Some Hon. Members: Right on!

Mr. Speaker: I am certainly not going to stop the Minister from answering. However, I want to indicate to the House that I think this line of questioning is getting us into some procedural difficulty.

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, Canadians know where this Government stands. We have brought forward the most progressive legislation that has ever been brought forward in this area by any federal Government. The Hon. Member has a very selective memory. I remember distinctly when the whole western caucus of his Party bolted and repudiated him with respect to his position on the Constitution.

Mr. Broadbent: That is absolutely false.

Mr. Hnatyshyn: That is absolutely right, Mr. Speaker. But I did not hear him beating his chest and saying: "You're either going to come with me or you are out of the Party". I do not recall that happening. I remember him acquiescing to his western Members.

In this particular case I have said that our Party policy is quite clear. We have a difference of opinion. I do not deny the position or the right of any Private Member to bring forward amendments. We are going to vote against them if they are inconsistent with the principles of the Bill. We have made a great many amendments to clarify and strengthen this Bill through the committee process. We think it is a balanced Bill, one which protects all Canadians. We want to see it through as the law of this country.

Some Hon. Members: Hear, hear!

REQUEST THAT GOVERNMENT INTRODUCE CLOSURE ON DEBATE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I want to say to the Minister that there was a time when a former Leader of his Party publicly disavowed a potential candidate and said that that candidate would be unacceptable in the Conservative Party because of the position he took on this type of issue.

Since both opposition Parties are prepared to expedite a Bill that the Government says it stands by, will it for once use a closure motion in support of opposition Members—

Some Hon. Members: Oh, oh!

Mr. Broadbent: —and in support of a principle to get something that is desirable adopted as a law of Canada, to get Bill C-72 passed as quickly as possible?

Some Hon. Members: Hear, hear!

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I can only reiterate the answer that I gave to the Hon. Member for Saint-Jacques. If the Leader of the New Democratic Party is really serious in wanting to help put through legislation in the House of Commons, from what I hear from the Government House Leader on the basis of what has happened with every other piece of legislation, this would be a complete 180-degree turn.

Mr. Broadbent: We are talking about what you support, you dolt!

Mr. Hnatyshyn: The Opposition has spent its whole time on pointless delays and debates so that we cannot get on with the legislation we want.

Mr. Broadbent: Two Bills were passed this morning.

Mr. Hnatyshyn: Why does the Leader of the New Democratic Party not clean up his own act, get a little co-operation going in this House to get some of these Bills through that are in the interest of Canadians, including this legislation?

* * *

EMPLOYMENT EQUITY

WAGE GAP BETWEEN MALE AND FEMALE PUBLIC SERVANTS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I think what discourages Canadians in this case and in others is the web of contradictions that seems to emanate from the Government. We saw another contradiction this morning.

Many women remembered in the last federal election when the Prime Minister made a great many promises about how he was going to move quickly. One commitment was: "We are committed to making the federal Public Service a model to be

followed with regard to the equality of women in the workplace".

Can he explain why almost four years into his mandate that model now means that the wage gap between men and women working for the federal Government is actually getting wider? Can he explain why, just because a person happens to be a woman, she can expect to be paid $9,300 a year less than a man working for the federal Government?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, first, one of the things that happened with the publication of this story today is that there was a mixing of apples and oranges in terms of average wages and pay equity.

Some Hon. Members: Oh, oh!

Mr. Nunziata: You're selling your soul, with your dishonest Leader.

Mrs. McDougall: Let me also point out that in the numbers that were published there was virtually no difference. In statistical terms there was none. That does not mean to say that we are not anxious to see this situation improved, because we are. That is why we have employment equity legislation.

In terms of the legislation and its impact, this study was done before the impact of the legislation was felt in the Public Service.

GOVERNMENT EXAMPLE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, is the Minister suggesting that a woman is an apple and a man is an orange? What is the difference? Just because a person happens to be a woman there is no reason why this Government should countenance a wage gap which has actually increased by $3,000 in seven years.

Some Hon. Members: Hear, hear!

Ms. Copps: I would like to ask the Government why yesterday—and perhaps the Minister who seems to be the expert on this can respond—we heard the Government beating its chest about the success of its private pay equity program, a 1,000 employers out of 30,000 had finally signed up. Can the Government explain to the private sector how we can go and ask the private sector to come forward with affirmative action and contract compliance when in our own backyard our own federal Government's salary and wage policies are discriminatory? What kind of an example is that for the private sector?

• (1440)

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, there is a member of a Party that did absolutely nothing about affirmative action or employment equity. That Party never once introduced it.

Mr. Axworthy: You are lying on the floor of the House.

Miss MacDonald: More important, in the area where they had control, where they could have made some difference with regard to women participating, what did they do with regard to Governor-in-Council appointments? Of the appointments that they themselves could have made as a Government, 15 per cent of the appointments were women. Over 30 per cent of the appointments that this Government has made, that this Prime Minister has made, have been women. That is double the record of that crew opposite.

Mr. Axworthy: Ever heard of the Abella Commission? Who set that up?

* * *

[*Translation*]

OFFICIAL LANGUAGES

PROPOSED AMENDMENTS—MINISTER'S POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Minister of Justice, and it concerns the proposed amendments to the Official Languages Act.

Does the Government agree with the principle in Motion No. 39 which says, and I quote: "English shall be the language of work in federal institutions within the National Capital Region."? Does the Government agree with the principle in amendment 5 which says: "English shall be the language of work for all members of the armed forces of Canada who may directly or indirectly participate in combat."?

If not, is the Minister prepared, on behalf of the Government, to repudiate the dinosaurs who sit on the backbenches, the Conservative Members who have put forward that amendment and similar other amendments to Bill C-72?

[*English*]

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, on behalf of the Government I will simply reiterate the point that we do not accept the amendment raised by the Hon. Member. I do not know what else the Hon. Member wants me to do about this. Is the Hon. Member suggesting that somehow the New Democratic Party's position would be that unless you vote with your Leader you are expelled from the Party? Is this roughly the position that he is taking?

In this particular case we in the Government have a position which is reflected in Bill C-72, the Official Languages Bill. It is a fair and equitable Bill. It commends itself to the support of all Members of Parliament, and I am going to urge everyone to support the principles there. That is the position of the Government. It is progressive legislation. That is something that the New Democratic Party has not been in a position to bring forward. I hope members of the New Democratic Party support us in trying to bring a better and more equitable law to Canada.

GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, in my Party we vote for party policy and vote with our Leader in order to put into place party policy.

Mr. Broadbent: It's the policy that counts.

Some Hon. Members: Oh, oh!

Mr. Cassidy: We as a Government would not tolerate a situation where a certain number of our deputies were allowed to send a hidden message to people who are language bigots across the country, such as saying that English only should be the language of the Armed Forces, or the language of the National Capital Commission, or saying that the Government will simply ensure that no anglophone has the right to services in English in the Province of Quebec. That is the position that the Minister should repudiate.

Mr. Speaker: I would like the Hon. Member to put his question and try to keep it within the bounds of government policy.

Mr. Cassidy: In view of the danger that these amendments pose to the policy of bilingualism, which is a corner-stone of our national unity, and in view of the fact that a government Member is even proposing that English not be allowed as a language in which to serve the public in Quebec, is the Minister, on behalf of the Government, now prepared to repudiate the dinosaurs in his backbenches who have put forward this series of 136 objectionable and unacceptable amendments?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I have already indicated the view of the Government with respect to that particular provision.

An Hon. Member: What is it?

Mr. Hnatyshyn: We do not accept it, it is very simple.

I ask the Hon. Member is he going to stand up now and insist on the repudiation and rejection from his caucus, and to sit as independents, the Hon. Member for Burnaby, and the Hon. Member for Vancouver Kingsway, because they did not support their Leader with respect to bringing Quebec into the family of Confederation?

The same applies to the Liberal Party. Is it going to repudiate those people who took a negative and, I say, destructive and divisive position against the Meech Lake Accord which will at last bring unity to Canada by allowing us to have Québec within the family of Confederation?

I think the Hon. Member has a double standard. I will not call him a hypocrite, because it is not parliamentary.

ROYAL CANADIAN MOUNTED POLICE

COMMISSIONER'S STATEMENT ON INQUIRIES CONCERNING PMO OFFICIAL

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Minister of Justice. Yesterday in the House of Commons in his capacity as Acting Solicitor General, the Minister of Justice said that there was no ongoing RCMP investigation involving officials in the Prime Minister's Office, as reported on television yesterday.

Late last night the RCMP Commissioner, in a news release, confirmed that an investigation had taken place involving officials in the Prime Minister's Office.

Could the Minister of Justice clarify his answer today, and confirm that, according to the RCMP, there have been inquiries concerning an official within the Prime Minister's Office? Can he confirm that? Yes or no?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, what we have here is an example of what I would call selective reading by the Hon. Member of the Opposition. Why did the Hon. Member not read the following paragraph from the Commissioner's statement which reads as follows: "The Commissioner also confirmed that in the spring of 1986 the RCMP made inquiries concerning an official within the Prime Minister's Office based on information—"

Ms. Copps: That's not what the Minister said yesterday.

Mr. Kelleher: Before you crow, listen.

"—presented to the force alleging a possible breach of the law. The investigation was concluded in the fall of 1987 without any evidence of wrongdoing or impropriety being disclosed".

PLACE VINCENT MASSEY LEASE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am glad that the Minister has clarified the modification here.

My supplementary question to the Minister is the following. Could the Solicitor General, or perhaps the Minister of Public Works, explain to the House why it is then, if there was such an investigation, as the Solicitor General described, from March, 1986, until the fall, 1987, that the lease which I have in hand here for the Place Vincent Massey Building in Hull was signed in the middle of that investigation? If the investigation was going on about this case, why was the lease signed in the middle of it giving a $30 million gift to a friend of the Conservative Party?

Mr. McDermid: Let's go outside the House and make that accusation, you scumbag, and you are not even an honourable scumbag.

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, if I may correct the Hon. Member, as is certainly necessary from time to time when he makes allegations—

Mr. McDermid: All the time.

Mr. Kelleher: —it was not an investigation. He made inquiries and it was concluded there was no evidence of any wrongdoing or impropriety disclosed.

Quite frankly, I am getting a little sick and tired of this Hon. Member standing up and making vague allegations, besmirching reputations, with no evidence whatsoever. If he has evidence, please bring it forward.

* * *

BANKS AND BANKING

BANKS' SERVICE CHARGES—GOVERNMENT REGULATIONS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of State for Finance. It has to do with the statement that the Minister made today with respect to bank service charges, a statement that many Canadians hoped would give them justice when dealing with banks.

Two weeks ago today in the House in response to questions from members of the Opposition regarding the Go-Go Pizza that paid 40 cents to get a roll of 50 pennies, and Mrs. de Gruchy who paid $2 to get $10 in quarters, the Minister of State for Finance said the following. "I should also remind the Hon. Member who just asked the question that the Bank Act will be changed with regard to these matters. The regulations will be changed, and that will be coming very, very soon".

• (1450)

In light of the statement today about the coming legislation, what is it legally that banks cannot do tomorrow that they did two weeks ago?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, you might be interested to know that the announcement this morning has been very well received—

Some Hon. Members: Oh, oh!

Mr. Hockin: —and the johnny-come-lately Member from Nickel Belt is trying to get into a popularity contest with regard to this issue. Let me tell you with regard to your question.

First, we have enhanced disclosure even beyond that which the committee recommended, a committee of which you were a part. That helps Mrs. de Gruchy and the Go-Go Pizza.

Mr. Speaker: I would ask the Hon. Minister to address the Hon. Member through the Chair.

Mr. Hockin: The second part of the Bank Act changes that we are making is to require pre-notification, pre-notification of 30 days for regular accounts, 60 days for other accounts. That is very important and is part of the Bank Act.

Third, we have a complaints and procedure process that will be established as part of the Bank Act. That will help the Mrs. de Gruchys, the Go-Go Pizzas and every Canadian when they go to their branches. If they have a complaint, they will be able to get an answer. If they do not get an answer they can take their complaint to the boss of the banks, the Superintendent of Financial Institutions. Plus, and more important, we have voluntary compliance from the banks and the trust companies, with one exception, to provide a basic account and to ban all of the charges which the committee wanted banned.

OMBUDSMAN PROPOSAL

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have a supplementary question for the same Minister. The Minister of State for Finance was absolutely correct. His statement today was well received. It was well received at the banks. They are breaking out the champagne. The Minister had a wonderful opportunity to choose between consumers and his banking friends. Whom did he choose?

Some Hon. Members: His friends.

Mr. Rodriguez: Of course his friends.

One of the recommendations we looked forward to seeing the Government's response on was the whole question of an independent autonomous ombudsman as recommended by this Party. Even in Margaret Thatcher's Great Britain, even in Ronald Reagan's America, there are bank ombudspersons who have the responsibility and the power to mediate and referee.

Does the Minister not believe that, in fact, his statement today completely ignored the need to establish an independent, autonomous ombudsman, a position supported by 80 per cent of Canadians according to a recent poll, and that at least should have been the bottom line for this Government with respect to the interests of consumers?

Hon. Tom Hockin (Minister of State (Finance)): What has been provided, Mr. Speaker, as the Hon. Member knows, is a very, very powerful mediator on behalf of consumers.

Some Hon. Members: No.

Some Hon. Members: Oh, oh!

Mr. Hockin: First, when a customer goes into the bank, there is someone designated in the branch—

Mr. Rodriguez: Oh, yes?

Some Hon. Members: Oh, oh!

Mr. Hockin: Mr. Speaker, if the Hon. Member will listen to the answer, he will get an answer to his question. Each branch

will have an officer to deal with the complaint. Then it will go to somebody further within the bank if that is needed.

Mr. Fulton: Marvellous.

Mr. Hockin: Then it goes to the Superintendent of Financial Institutions who will mediate on behalf of the customer.

Mr. Fulton: Does it take 60 years?

Mr. Hockin: As a result of this, Mr. Speaker, we have a situation whereby we will have immediate and powerful action now on behalf of the consumers—

Mr. Fulton: Send him a pension cheque.

Mr. Hockin: —rather than as the Hon. Member wants—

Mr. Rodriguez: What legal basis?

Mr. Hockin: —which is to create another bureaucracy, another huge department of government which will not necessarily promote the consumers' interests one bit, and slow down the whole process.

[*Translation*]

GOVERNMENT DIRECTIVES CONCERNING BANKS—MINISTER'S POSITION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would like to ask the Minister of State (Finance), who seems to want to defend the banks, that considering the Government has decided to trust the banks and is using persuasion instead of legislation, asking financial institutions to adhere to a reasonable, charge-free basic services policy, and my question is this: When does the Minister intend to bring in a policy with teeth? Today we heard Toronto-Dominion thumbed its nose at the Minister and the Government and said it would not conform. What is the Minister going to do to make the banks fall in line with the Government's directives?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, we had five problems. First, the lack of information about existing charges. In this respect, we went beyond what the Committee recommended.

Second, we had the lack of notice of charge increases. We took action in this respect.

Three more points: We have made arrangements to ensure the provision of basic banking services. That is something the Committee asked for. We did it. We also got rid of unacceptable charges. The committe asked for that as well. We also put in place a complaints procedure. That is in the Bank Act.

We acted on all the things the Committee asked for. We even went beyond that.

[*English*]

VOLUNTARY COMPLIANCE—PROTECTION OF CONSUMERS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, the Government proposes voluntary compliance, that is, leaving it up to the banks. That is the position of the Government. On the other hand we have the New Democrats who said this morning the option was to nationalize the Toronto-Dominion Bank.

Mr. Rodriguez: That is a lie. That is a lie.

Some Hon. Members: Oh, oh!

Ms. Copps: That is exactly what he said.

Mr. Rodriguez: I never said that. That is a lie.

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Member for Ottawa—Vanier has the floor, but I would point out that the Hon. Member for Nickel Belt, is more than upset—

Some Hon. Members: Oh, oh!

Mr. Speaker: —about the preamble it might be helpful if the Hon. Member for Ottawa—Vanier thought through his preamble and put it in such a way that it would not cause as much a fuss.

Some Hon. Members: Oh, oh!

Mr. Gauthier: But he stated that this morning, Mr. Speaker. He is the one who said a few minutes ago that they always follow Party lines. That is in their handbook.

Some Hon. Members: Oh, oh!

Mr. Gauthier: Here we have the Government with voluntary compliance. Here we have the socialists and we will all get nationalized. Will the Minister take the middle of the road, reasonable Liberal position, and legislate consumer protection into the Bank Act so that Canadians are protected from now on?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I am very sorry to hear this lovers' quarrel between the two colleagues.

Some Hon. Members: Oh, oh!

Mr. Hockin: The Hon. Member's colleague, the Hon. Member for Trinity, was a part of the standing committee which recommended voluntary compliance, and only if voluntary compliance could not be arrived at should there be legislation. We arrived at voluntary compliance. We are in total consistency with the Hon. Member for Trinity. We believe that we have taken the middle course. We have taken the responsible course and we are going to monitor what we have done.

INDUSTRY

MASSEY COMBINES—REQUEST FOR RETENTION OF TECHNOLOGY IN CANADA

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I would like to put a question to the Minister of State for Science and Technology. Two and a half years ago Massey Ferguson, now the Varity Corporation, was bailed out by this Government through Massey Combines being spun off and a debt of $207 million being lost to Varity Corporation as a result. Now with Massey Combines bankrupt, Varity in the United States is buying back the conventional combine technology.

• (1500)

I want to ask the Minister if, to express concern about keeping this technology in Canada, his Government will act to see to it that this combines technology is kept in this country in production for Brantford workers so that there is a future for them and their company.

Hon. Frank Oberle (Minister of State (Science and Technology)): Mr. Speaker, yes, the Government is concerned not only about the technology that is involved in this unfortunate situation which was brought about for reasons with which most of us are very familiar, but we have three main concerns. The first of course is for the workers of the Brantford facility. The second is for the farmers who require parts and tooling for the existing equipment, and finally there is the concern about the technology.

In terms of the technology, there are two types of technologies. One is the conventional technology which is now transferred to the United States, as the Hon. Member rightly states, but in return we have a guarantee that Canadian farmers will have access to parts and replacement systems they need for their existing combines. The technology that was paid for and developed by Canadians with the assistance of the Canadian Government will stay in Canada and indeed has been transferred to Vicon Corporation in Manitoba.

Mr. Speaker: I recognize the Hon. Member for a very short supplementary question and that will close off Question Period.

REQUEST FOR GOVERNMENT ACTION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the City of Brantford has asked the federal Government at least to seek a delay in court approval of this corporate shell game. Will the Government request the three-month delay for which the City Council of Brantford has asked, for the sake of Massey Combines workers and pensioners?

Hon. Frank Oberle (Minister of State (Science and Technology)): Mr. Speaker, I have told the Hon. Member that the dossier is at the very top of the desks of the Ministers who have jurisdiction in this area, in both the federal and provincial Governments. As the Hon. Members know, the workers are uppermost in our minds as we look at the pension rights that have been earned, and all of the facilities and the programs of the federal Government have been mobilized to ensure that the workers' rights and their particular interests are being protected in this case.

Mr. Speaker: I wish to advise the House that, as Hon. Members know, there is an order that the House will adjourn at three, and I want to make it clear that I have received several points of order and questions of privilege. With the co-operation of Hon. Members I will defer hearing those applications until Monday. However, there is one Hon. Member who cannot be here on Monday, and I have indicated to that Hon. Member that I will hear the application at another time. All of those matters will be taken into account.

Before we adjourn, I think it is appropriate to hear a point of order on some matters between the Parties.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I would like to ask the Government House Leader to tell us what business he is planning to bring before the House of Commons early next week.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I wish to advise that on Monday and Tuesday of next week we will continue the debate on the free trade Bill.

I want to indicate to the House that there have been the usual consultations between the Parties, and because an agreement could not be reached under the provisions of Standing Orders 115 and 116 in respect to proceedings at the second reading stage of Bill C-130, the free trade Bill, I will be proposing a motion during Government Orders on Monday to allot one additional day for the consideration of and disposal of the proceedings at that stage.

I want to wish everyone a safe journey home and a happy Canada Day.

[*Translation*]

Mr. Guilbault (Saint-Jacques): Mr. Speaker, to continue on the subject of the business of the House, I would like to ask the Minister, the Government Deputy House Leader, to tell us what his response is to our offer to co-operate on time allocation for Bill C-72, the Official Languages Bill. That offer is now supported by the Leader of the New Democratic Party (Mr. Broadbent), and since it was made over three-quarters of an hour ago, perhaps the Minister has had time to think about it. He has shown us he can move for time allocation. He just did so with the free trade agreement Bill. Would he be

prepared to do so on Bill C-72? In that case, he would have the Opposition's consent to limit debate.

[*English*]

Mr. Lewis: Mr. Speaker, in keeping with the traditions of consultations between House Leaders, those are consultations which we will have at the appropriate time, and I will be glad to get back to my hon. friend.

Business of the House

Mr. Speaker: It being three o'clock p.m., pursuant to Order made Thursday, June 23, 1988, this House stands adjourned until Monday, July 4, 1988, at eleven o'clock a.m., pursuant to Standing Order 3(1).

The House adjourned at 3.06 p.m.

HOUSE OF COMMONS

Monday, July 4, 1988

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to Petitions Nos. 332-4618, 332-4678, 332-4819, 332-4831, 332-4835 and 332-4837.

[*Editor's Note: See today's Votes and Proceedings.*]

* * *

POINT OF ORDER

REQUEST FOR INDEX TO BILL C-139

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, on June 30, 1988, the Government tabled Bill C-139, an Act to amend the Income Tax Act, the Canada Pension Plan, the Unemployment Insurance Act, 1971, the Federal-Provincial Fiscal Arrangements and Federal-Post Secondary Education and Health Contributions Act, 1977, and certain related Acts, a brick of some 500 pages.

I find that not only is it complex and difficult but, to make matters worse, the Government did not append an index to this Bill. For those of us who are not specialists in this field, it is next to impossible to read the Bill. I know that members of the Government sometimes read Bills, and that sometimes Ministers use Bills to inform us as to what is in them. However, I wonder if you, Mr. Speaker, having read this Bill, found it easy to read such a Bill without an index.

In days gone by, members of the Conservative Party would have given hell to the Liberals if we so much as came in with a Bill that did not have an index in it, a Bill one third the size of this Bill. As a matter of fact, the Government has the habit of putting in an index. That is what it did with respect to Bill C-72, the official languages Bill. In this Bill of 500 pages, which is enough to raise oneself up by an inch and a half, at least, to give one some extra height, there is nothing in here that allows—

Mr. McDermid: Tear it up.

Mr. Gauthier: Try to tear it up. We cannot tear this up, Mr. Speaker. We cannot even read it because there is no index.

I ask the Government to ask its specialists in the next few days to give us an index to this Bill so that we can explain it, read it properly, assess it properly and possibly comment on it intelligently, which is more than the Government can do.

Mr. Speaker: I should advise Hon. Members that the Hon. Member for Ottawa—Vanier (Mr. Gauthier) indicated to me last week his unhappiness with this particular Bill, Bill C-139.

I want to advise Hon. Members that I have looked through it, but I have not read all of it. I will now hear the Hon. Minister of State (Mr. Lewis) on the matter.

• (1110)

Mr. Lewis: I do not remember any income tax legislation as progressive from the previous Liberal administration. Second, I do not remember any indexes.

I will make inquiries to see if it is possible to prepare an index, if one is not already in existence, and report back to my hon. friend and the House.

Mr. Speaker: Perhaps on that the matter could rest, at least for a while. The Government is probably procedurally sound in presenting the Bill. However, there is something to be said for the fact that when Bills are introduced, especially of such complexity, those of us who have had to practice in the field of income tax law know that even with indexes it is not easy to find one's way through those Bills. I am pleased that the Hon. Minister of State has indicated that perhaps he can find some way to accommodate the Hon. Member, although I believe the Government is probably within the rules procedurally.

Mr. Lewis: Since this matter has been raised, Mr. Speaker, it has come to my attention that there is a bit of a jam-up in printing, that there is an index being prepared and it should be available very soon.

Mr. Speaker: I thank the Hon. Member for Ottawa—Vanier for raising the matter, and I thank the Minister of State for responding so expeditiously to the wishes, I am sure, of all Members.

Motions

BUSINESS OF THE HOUSE

AGREEMENT TO ALLOT TIME ON BILL C-72

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I wish to advise the House that there have been discussions among the Parties. I thank my colleagues opposite for their assistance. Under the provisions of Standing Order 115, I wish to state that the representatives of all Parties have reached an agreement with regard to a proposed allotment of time for the disposition of report and third reading stages of Bill C-72, an Act respecting the Status and use of the Official Languages of Canada.

I therefore move:

That, in relation to Bill C-72, an Act respecting the Status and use of the Official Languages of Canada, one day shall be allotted to the consideration of the report stage and two hours to the consideration of the third reading stage of the Bill, and

That fifteen minutes before the end of the sitting day allotted to the report stage consideration, and the two hours allotted to the third reading consideration of the said Bill, any proceedings before the House shall be interrupted, if required, for the purpose of this order and, in turn, every question necessary in order to dispose of the said stages of the Bill shall be put forthwith and successively, without further debate or amendment.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Mr. Stewart: No.

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

Some Hon. Members: Yea.

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

Mr. Stewart: Nay.

Mr. Speaker: In my opinion the yeas have it. I declare the motion carried.

Mr. Lewis: I wish to reiterate my appreciation for the expeditious manner in which this was handled by the opposition Parties. I want to advise the House that the report stage of Bill C-72 will be on Wednesday afternoon of this week, and that we will call third reading on Thursday morning of this week.

* * *

PETITIONS

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I wish to present a petition which is signed by citizens of Saint John, New Brunswick, and a number of adjoining towns and townships. The petition has been certified correct as to form and content. It indicates that when the issue of such fundamental importance to the future of Canada as the proposed trade pact with the United States of America comes before Parliament, it is the opinion of the petitioners that the people of Canada should be permitted an opportunity to vote to accept or reject such a trade pact before it is put into force.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I have two petitions to present today. The first petition deals with the trade deal between Canada and the United States. It points out that the Prime Minister (Mr. Mulroney) had no mandate to negotiate this deal, that it would reduce Canada's ability to plan economic, social, and cultural programs, and that it would integrate Canada further into the North American defence industrial base.

Therefore, the petitioners call for a national debate on the trade deal, and that this debate result in a national general election before the agreement comes into effect.

LOW-LEVEL FLIGHTS OVER GOOSE BAY, LABRADOR

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, the second petition deals with low-level flight training of pilots of NATO at the Canadian Forces Base at Goose Bay, Labrador. The petition points out that it disrupts the way of life of the native people, that hunting, fishing, tourism, and mining can provide more stable, healthy, and peaceful employment than this type of training, and that this training is provocative in terms of flying under radar in eastern Europe, and therefore endangers world peace.

The petitioners call upon Parliament to ensure that the Prime Minister (Mr. Mulroney) ends all low-level flight training at the Goose Bay Canadian Forces Base.

CANADA-U.S. FREE TRADE AGREEMENT

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have the honour to present four petitions signed by residents of the cities of Winnipeg and Brandon, and towns and villages including Dugald, Selkirk, and Seven Sisters.

The petitioners state that the Conservative Government had no mandate from the Canadian people to conclude a free trade agreement with the United States. The petitioners state that the proposed trade agreement would deny Canada policy freedom to determine its own economic future, and undermine our ability to build a society distinct from that of the United States.

Therefore, the petitioners humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the privilege and the responsibility to present a petition signed by residents of Toronto, Ontario. The petitioners point out that the Mulroney-Reagan trade deal would reduce Canada's ability to plan the economic, social, and cultural programs that

we need. Furthermore, this deal would integrate Canada further into the North American defence industrial base.

The petitioners call for an election in order that the people of Canada can decide once and for all whether or not they want to enter such a deal.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have the honour to present a petition signed by a number of Canadians from British Columbia to Halifax, and many other parts of the country in between, who are concerned that the Conservative Government has no mandate from the Canadian people to conclude a free trade agreement with the United States. The petitioners are concerned with the threat to Canadian sovereignty in the trade negotiations. They believe that the trade agreement would deny Canada the policy freedom to determine its own economic future, and undermine our ability to build a society distinct from that of the United States.

Therefore, the petitioners pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

• (1120)

[*Translation*]

Mr. Speaker, I also have the honour to submit a petition signed by a number of residents of Quebec and my Ottawa-Centre constituency who also believe the trade agreement between Canada and the United States creates a situation in which Canada would lack the policy freedom to determine its own economic future. They believe that hundreds of thousands of jobs are jeopardized by the trade agreement and they call upon Parliament to dissolve and give Canadians the opportunity to determine the country's economic future in a general election.

[*English*]

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, I have the responsibility to register with you a petition that comes from Toronto, Scarborough West and surrounding municipalities. According to Standing Order 106, the attached petition is certified correct. There is also a translation in this petition in Chinese, so the signatories certainly did understand everything that they were signing. They feel very strongly that this Government has no mandate to negotiate a free trade deal with the United States, and that the Reagan trade deal would reduce Canada's ability to plan an economic, social and cultural program.

It would integrate Canada further into the North American defence industrial base, and for these reasons they would like Parliament to dissolve and have a general election.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, it is a holiday in the United States—Independence Day—and I am pleased to table petitions calling upon the Government to withdraw its Bill and cancel its agreement with Mr. Reagan.

The petitioners humbly declare that the Mulroney Government has sold Canada out without obtaining anything in return; Canadian industries are not always protected against American trade laws; the United States got everything it wanted in every important sector, including agriculture, energy, automobile trade, financial services and investment; the jobs of thousands of Canadians are threatened; and the Conservative Government has not made provision for any retraining assistance for Canadian workers.

The petitioners therefore humbly call upon Parliament to censure the Government for signing the Mulroney-Reagan trade agreement.

[*English*]

REQUEST FOR INSTALLATION OF SUPPLEMENTARY SAFETY DEVICES IN AUTOMOBILES

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, I have the honour and the duty to table a petition signed by 228 residents of St. Hyacinthe, Sorel, Longueuil and Mont St. Hilaire. These 228 petitions are added to the previous ones tabled in the House, making a total of 33,168 petitions.

The highway safety campaign continues because the petitioners hope that car manufacturers will soon incorporate their request in the production of future cars. Since 1974, the highway safety regulations allowed the installation of air bags for drivers of passenger cars in the belief that this device would reduce the number of serious injuries on the road. For these reasons the petitioners humbly ask Parliament to order car manufacturers to install air bags in the front seats of cars and to install adjustable seat-belts with shoulder straps for rear-seat passengers.

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, it is my honour and duty to present a petition on behalf of a number of citizens of Alberta—Edmonton, Fort McMurray, Calgary, St. Albert, Leduc, Spruce Grove, Edson—who call upon Parliament to dissolve and to allow the people of Canada an opportunity to accept or reject the proposed free trade agreement during a national general election. They point out that the free trade agreement did not give Canadians what they were told they could get and that the Government did not have a mandate to proceed with this agreement.

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I have the honour to present a petition on behalf of residents of the Province of Saskatchewan who, in response to the proposed trade legislation, petition this House with regard to the sell-out of Canadian natural resources in the oil and gas area, agriculture, trade, financial services and investment.

They ask the House to denounce the Government for signing the Reagan trade agreement. This petition is presented on

behalf of some 30 to 40 residents on behalf of the Province of Saskatchewan.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I have two petitions here from constituents of mine concerning the Government's proposed trade agreement with the United States. My constituents object to the devastation that is going to be caused to Canadian agriculture and the energy sector. They complain about the one-sided nature of this agreement whereby the United States will gain much and Canada stands to gain practically nothing and, in fact, lose a great deal. I would submit this to the House for its consideration.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I have two petitions here, one from people of Ontario in the Brampton area, Mississauga and Bramalea, who petition Parliament against the Mulroney-Reagan trade deal. They feel that Canada has certainly received the worst side of this deal, particularly in the areas of agriculture, in energy, in trade and financial services, in the areas of investment, and that this will hurt Canadian jobs, particularly in the area of energy where Canadians have spent a lot of money developing hydroelectric power in this country. Now Americans can buy energy from us at the same price Canadians will have to pay for it at a time when the Americans have no investment in the industry at all. This is totally unfair for Canadians.

These people from British Columbia and Ontario petition Parliament to reject the Conservative trade deal.

[*Translation*]

REQUEST FOR RETENTION OF TEN-WEEK QUALIFYING PERIOD FOR UNEMPLOYMENT INSURANCE

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, it is also my duty to present petitions signed by residents of certain communities in New Brunswick including Saint-Antoine, Saint-Paul, Notre-Dame, Sainte-Marie, Saint-Louis, Saint-Edouard, Cocagne, Sainte-Anne and Côte Sainte-Anne.

The petitioners deplore the dicision of the federal Department of Employment and Immigration to increase the qualifying period for unemployment insurance from 10 weeks to 16 weeks and they deplore the fact that the Government has failed to consider the situation in rural New Brunswick.

The petitioners therefore humbly call upon Parliament to restore justice to the situation by maintaining the 10—week qualifying period for the rural areas of New Brunswick.

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, I also have a petition concerning the Mulroney Government's agreement with the United States. Again, the petitioners are from New Brunswick, particularly Edmundston, Saint-François, Saint-Hilaire and Saint-Jacques.

The petitioners humbly declare that the Mulroney Government has sold Canada out without obtaining anything in return; the jobs of thousands of Canadians are threatened; and the Conservative Government has made no provision for retraining assistance for Canadian workers.

They therefore call upon Parliament to censure the Government for signing the Mulroney-Reagan trade agreement.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, if Questions Nos. 318 and 340 could be made Orders for Returns, the returns would be tabled immediately.

Mr. Speaker: Is it the pleasure of the House that Questions Nos. 318 and 340 be deemed to have been made Orders for Returns?

Some Hon. Members: Agreed.

[*Text*]

FEDERAL EXPENDITURES IN VARIOUS CONSTITUENCIES

Question No. 318—**Mr. Blackburn (Brant):**

In the fiscal years ending March 31 (*a*) 1985 (*b*) 1986 (*c*) 1987 (*d*) 1988, excluding statutory transfers to provinces and individuals, was money spent in the constituencies of (*i*) Brant (*ii*) Oxford (*iii*) Haldimand—Norfolk (*iv*) Hamilton—Wentworth and, if so, in each case, by which departments and in what amounts?

Return tabled.

FEDERAL EXPENDITURES IN YORK SOUTH—WESTON

Question No. 340—**Mr. Nunziata:**

For (*a*) the period between September 4 and December 31, 1984 (*b*) 1985 (*c*) 1986 (*d*) 1987 (*e*) 1988 to date, have any departments or agencies of the government spent money or provided grants in York South—Weston and, if so, in each case (*i*) by which department or agency (*ii*) in what amounts (*iii*) under which categories and programs was the money spent?

Return tabled.

[*Translation*]

Mr. Hawkes: Mr. Speaker, I request that the remaining questions be allowed to stand.

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

• (1130)

[*English*]

PRIVILEGE

WITHDRAWAL OF UNPARLIAMENTARY LANGUAGE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have a question of privilege. First, I want to apprise the House of a word which was used by a Member of this House as recorded in *Hansard* at page 16989. In a response to a question put to my colleague, the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria), the Hon. Member for Brampton—Georgetown (Mr. McDermid) made an intervention which I will quote:

> Let's go outside the House and make that accusation, you scumbag, and you are not even an honourable scumbag.

My friend from Glengarry—Prescott—Russell did not appreciate the accusation. I looked up the word in Beauchesne.

An Hon. Member: You had to look it up?

Mr. Gauthier: I had to look it up, yes, because that is not the kind of language I would use.

Some Hon. Members: Oh, oh!

Mr. Gauthier: I looked it up in Webster's Dictionary. Webster says "Scum: impurities that rise to surface of liquid—worthless person—worst—"

Mr. Speaker: Perhaps I can help the Hon. Member for Ottawa—Vanier (Mr. Gauthier). It is the opinion of the Chair that that word, if used, is unparliamentary. I don't need any more authority.

Mr. McDermid: Mr. Speaker, on the same point of order—

Mr. Gauthier: Mr. Speaker, I want the Member to withdraw that word if it is unparliamentary. The Member knows, just as well as anyone in this House, that such allegations are uncalled for. The Hon. Member for Glengarry—Prescott—Russell usually backs up his statements in the House. I would like the Member for Brampton—Georgetown to withdraw that uncalled for comment.

Mr. McDermid: Mr. Speaker, I abide by the decision of the Chair and I withdraw the remark.

Mr. Gauthier: Mr. Speaker, I have another question of privilege arising from *Hansard* for Thursday, June 30. On page 16991 in a question I put to the House regarding the—

[*Translation*]

> Voluntary compliance. Consumer protection . . .

and what the Government intended to do about bank charges. I asked the Government and I quote:

> Mr. Speaker, the Government proposes voluntary compliance, that is leaving it up to the banks. That is the position of the Government. On the other hand we have the New Democrats who said this morning the option was to nationalize the Toronto-Dominion Bank.

And then the Hon. Member for Nickel Belt (Mr. Rodriguez) said:

> That is a lie. That is a lie.

Mr. Speaker, I do not appreciate being called a liar. I was at the press conference that morning when the Member for Nickel Belt said publicly to the media that one of the options being considered by the NDP was in fact to nationalize the banks.

I also object to the use of such unparliamentary words as "lie" in reference to a Member in this House.

[*English*]

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, in light of the comments which the Hon. Member for Ottawa-Vanier (Mr. Gauthier) made when he put his question to the Minister of State for Finance (Mr. Hockin), I was properly incensed because the nationalization of the Toronto-Dominion Bank was not an option that I had put forward at the press conference.

An Hon. Member: Which bank was it?

Mr. Rodriguez: I was asked by the chairman of the press conference whether I thought the Toronto-Dominion Bank should be nationalized because it stayed out of the agreement, not to go along with the Government's proposals. I said, "No, that was not an option at this time". If you look at the transcript of the press conference, that is exactly what you will see, Mr. Speaker. I was incensed by the preamble of the question put by the Hon. Member for Ottawa—Vanier when he said, as recorded at page 16991 of *Hansard* for Thursday, June 30:

> On the other hand we have the New Democrats who said this morning the option was to nationalize the Toronto-Dominion Bank.

That is not true, Mr. Speaker. I know that it is not parliamentary to use the word "lie" in this House. Maybe it is too blunt a word to use to describe something that is not the truth. I will withdraw the word lie and say that the Member uttered a terminological inexactitude.

Mr. Speaker: Sir Winston Churchill managed to withdraw by using that exact term and I suppose that is a precedent. In the opinion of the Chair, the Hon. Member for Nickel Belt (Mr. Rodriguez) has withdrawn and has done so in a Churchillian manner.

Some Hon. Members: Oh, oh!

Time Allocation

GOVERNMENT ORDERS

[*English*]

CANADA-UNITED STATES FREE TRADE AGREEMENT IMPLEMENTATION ACT

ALLOCATION OF TIME TO CONSIDER SECOND READING STAGE OF BILL C-130

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)) moved:

That, in relation to Bill C-130, an Act to implement the Free Trade Agreement between Canada and the United States of America, one further sitting day be allotted to the second reading stage of the Bill; and that, at fifteen minutes before the expiry of the time provided for Government Business on the above mentioned sitting day, any proceedings before the House shall be interrupted, if required, for the purpose of this Order and, in turn, every question necessary in order to dispose of the said stage of the Bill shall be put forthwith and successively, without further debate or amendment.

He said: If you find the motion to be in order, I would like to make a few remarks.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Lewis: Mr. Speaker, in case there had been some request for debate, I prepared a few remarks that I would like to put on the record now.

I think it is fair to say that the subject of free trade has been in the public domain for some time. The issue has been studied by two parliamentary committees which held extensive hearings and travelled across Canada. I do not think in my meagre experience in this House there has been any issue that has so consistently dominated the period for Standing Order 21, the Question Period, Opposition Days, and speeches on various Bills. The issue of free trade has very definitely been in the public and in the parliamentary forum. I would say that this time allocation debate and motion is not about five days debate on Bill C-130, it is about the conclusion of the debate on the issue of free trade.

We on the government side, Madam Speaker, feel it is time to decide. I would point out that the by the time we are finished debating this Bill we will have had four long days—excessively long days because we are in a period of extended hours—and one short day. When we originally discussed this matter with counterparts opposite, the Opposition House Leaders, we offered three long days and two short days under the usual formula of time. We did that with a view to receiving a counter-offer. At no time did we receive a counter-offer which we could then mull over and come back to the House Leaders, our caucus and Cabinet with. No counter offer was made.

Mr. Cassidy: We are prepared to debate it all summer.

Mr. Lewis: The early reply was procedural tactics which delayed proceedings on anything substantive.

The delays took place from 11 a.m. to 1 p.m. every day and at three o'clock we were at Orders of the Day. Those delays in effect curtailed time on debate.

• (1140)

We have delivered on our promise. By the time we debate this today, and we intend to allocate tomorrow to this debate as well—

Mr. Cassidy: Your promise was not to bring in free trade. That was the Government's promise.

Mr. Lewis: We have delivered on our promise.

Mr. Cassidy: The Prime Minister (Mr. Mulroney) was against it in 1983.

Mr. Lewis: I see the ex-Leader of the NDP in the provincial legislature here today. I would hope that he would see fit to enter into the debate today and to participate during the time allocated.

Because my time is limited to 10 minutes and I may not have an opportunity to participate in the debate, I want to say something about the issue of free trade, if I may. There are two points that I want to make, and they are connected to why we have to decide this now. Our opponents are wrapping themselves in the flag and declaring that we have sold out our sovereignty. That is nonsense. Years after the creation of the European Common Market, there is still a Spain, a United Kingdom, a Germany and an Italy.

Those opposite call themselves nationalists and say that they are the only true Canadians. The Canadians who are going to build a stronger Canada, the Canadians who have some faith in the future, are the Canadians who are in favour of this Bill. We do not have to take a back seat to anyone when it comes to sovereignty because our record is full of initiatives which establish our sovereignty as a country.

I am talking about the multiculturalism Bill which is at report stage, I am talking about the Official Languages Act, Bill C-72. We announced a water policy. We have an Environmental Protection Act which was passed and given Royal Assent. The Atlantic Opportunities Agency, the Western Diversification Fund, the National Defence White Paper and the construction of an Arctic-class ice-breaker are on the record.

This Government awarded for the first time the contract to monitor our North Warning System to a Canadian firm. We took it away from the Americans who had it for 30 years under previous Liberal administrations. That is sovereignty. Sovereignty means being able to look after yourself. It means believing it and demonstrating it. Strong countries execute international agreements with other countries. Weak countries are afraid.

That brings me to the comments of the Prime Minister (Mr. Mulroney) who said that this agreement is a declaration of confidence in ourselves, of confidence in our ability to compete with the best in the world, of confidence in our ability to adapt in a tough and demanding international environment.

I would ask my friends what is the concept of Canada that they have. Big Canada welcomes the challenges and the opportunities of the free trade agreement. Small Canada is afraid. There is small Canada right over there. Big Canada says we can compete with the Americans and small Canada has a massive inferiority complex. Big Canada says we can coexist with our neighbours and small Canada wraps itself in the flag and says it is afraid. Big Canada looks to the free trade agreement as a basis for prosperity and little Canada has no alternative.

This is an agreement for the 21st century. It is time our industries started to grow from a Canadian base, to encourage new investment and jobs, to create a more stable and certain framework between these two great countries. The opposition Parties have battled against the concept of free trade from day one. Nothing we can do in this debate will change their minds. They represent the *status quo*. There they are, the Parties of the *status quo*, afraid of the 21st century, afraid to compete, afraid.

I say in closing that we intend to look to the future with Bill C-130. We intend to execute an agreement with our biggest trading partner which will mean prosperity, opportunity and jobs for Canadians. I suggest that we get on with the debate, close it off and send the matter to committee so that we can pass this Bill which will mean increased prosperity and opportunity for all Canadians.

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Madam Speaker, we have all just returned from celebrating July 1. I think it is important to note that this is an important day in the history of Canada. We all recognize the disappearance of one of the most useful and valuable institutions that has helped build Canada over the last 121 years, and that is the Progressive Conservative Party of Canada. It has disappeared. It has been replaced by the Republican Party of the North.

We now have in Canada a Government that is headed by someone who ran a branch plant. He now has a branch plant Party. He wants to turn Canada into a branch plant country. The Progressive Conservative Party, the Party of John A. Macdonald, the Party that used to stand for Canadians' opportunity to make choices of their own, that used to use the instruments of Government as an effective way to build a nation, has now disappeared into the branch plant Republican Party of North America.

The Progressive Conservative Party which used to stand for the rights of Parliament, for the concept of open debate, for the concept of free dialogue and for the opportunity for Canadians to be heard, has also disappeared and been replaced with a Party that simply uses its majority in a tyrannical fashion to suppress debate, to close off dialogue and to ensure that Canadians will not have an opportunity to be heard. I am here partly to lament the passing of that institution, because it did represent something that was important. I disagreed with its policies, but at least it had Canadians roots and Canadian outlooks and it respected Parliament.

Now that that institution has disappeared and we have this Republican Party of the North appearing in the House, we have to recognize that the only way to deal with it is simply to say that it is an alien force with a series of alien ideas and a very alien attitude. The real victim is the place in which we stand today, our own Parliament. The Republican Party of the North does not recognize the value of a parliamentary system. It does not recognize the opportunity that Canadians must have for a proper debate.

The Minister of State (Mr. Lewis), the Government House Leader, has tried to perpetuate the myth that there have been all kinds of opportunity for debate. Let us look at the record. A committee in the summer of 1985 looked at two issues, the star wars issue and the concept of free trade. The recommendations it brought to the House were all rejected by the Government. Not one was adopted. The primary recommendation was that there should be a parliamentary debate in the House of Commons to establish a mandate for the Government to negotiate a trade deal in order to ensure that before the negotiations even began, there would be the opportunity for Canadians to know what they were getting into. That recommendation was rejected by the Government.

The first committee was thrown in the ashcan in typical fashion. The second committee to which the Government House Leader referred was established just before Christmas before it had the final agreement. It did not even have the details of the agreement. It did not know what kind of arrangements were going to be made.

We have to recognize that there is a major difference between the concept and the application. A real estate agent might say to me: "I would like to sell you a house," and I would say "I would like to buy a house". However, before I buy it, I look at the contract. I see what interest rates I am paying. I see what the terms of payment will be. I see what the obligations of the buyer and the seller will be. However, this Government does not want us to look at the contract. It does not want us to see what the specific obligations, rights and duties will be.

The Government is saying that this is just a debate about the concept of free trade, a debate about the concept of motherhood, fatherhood or sisterhood. The fact is that we have to see what the deal is. No Parliament has yet had the opportunity to look specifically at the deal that is now on the table.

The Government is giving us a couple of days to have a few rounds at it. The Minister for International Trade (Mr. Crosbie), Canada's answer to illiteracy, is now saying that he will not even allow the committee itself to cross the country to

ensure that Canadians from New Brunswick to British Columbia, Canadians who will be directly affected, will have the opportunity to be heard.

• (1150)

When I say "the Republican Party of the North", there can be no clearer evidence of that than the total rejection of parliamentary procedure which we see in front of us today. No committee has had an opportunity to look at this agreement. Parliament is being short-changed in its attempts to debate this issue. Already we have the threat of the Government using its majority to simply ride roughshod over the right of Canadians to have their case heard and representations made on their behalf.

The Government is trying to defend the indefensible. It is trying to put forward a case that somehow or other a Bill that goes to the very heart of this country can be dismissed as a peripheral or marginal matter. We have spent more time in this House debating a sales tax on dog food than the Government will allow us to debate this country's future. That is the hard reality. We can cite Bill after Bill where this Parliament has had a fair opportunity to be heard. Members have had a fair opportunity to put forward the case for their constituents region by region, community by community. Yet an omnibus Bill which will affect 28 Acts of Parliament covering energy, investment, agriculture, natural resources, indeed every part of Canada, will not be debated because there is insufficient time for Members to make their case. That is an incredible example of the kind of arrogance and indifference the Government shows toward the parliamentary process.

There is no way it can be sugar coated. There is no way the Government can create the big lie that there has been a full opportunity to be heard. I defy any member of the Conservative Party to stand up and tell us how much time we have spent in debate on the hundreds of pages of the Bill now before this House. I will tell them. Less than two days. That is the sum total of time allocated for debate on a document affecting the future of this country.

I think members of the Conservative Party should be well aware of the latest poll published on Friday which shows that since they announced this initiative two and a half years ago, when they had 70 per cent in support, their support has dropped to a minority. With each week and month that goes by they lose support. This latest poll shows the opposition are now in the majority and that is why we have closure. They know the longer this Bill is debated, the more opportunity Canadians will have to see what is in it and the quicker the Conservative's case will be lost.

I remind the House that two and a half years ago, when the Government put forward its original proposal, we saw a cabinet document on the communications strategy. That document said the only way to still this deal is not to tell Canadians what is in it. The only way Conservatives could make sure of their case was to hide the real implications.

Mr. Kempling: Produce the document.

Mr. Axworthy: I have the document and I will table it. I will be glad to table it. I hope the Hon. Member for Burlington (Mr. Kempling) will read it. The document said that the more Canadians know about the deal, the more opposition there will be. They were right.

The Government is using the traditions of this House in its attempt to sell a bad deal which it knows cannot stand up to the light of public exposure. We know once this Bill is in committee there will be a further effort to steamroll over the rights of Parliament and deny Canadians the right to be heard. We have seen it before in committee and we will see it again.

We say regardless of the merits of the issue, which must be debated, what must be respected are the rights of this institution. Yet the Conservative Party of Canada is trampling on those rights. That is why there is no longer a Progressive Conservative Party. They are acting as the Prime Minister (Mr. Mulroney) has always acted, as a branch plant of the U.S. Republican Party.

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, my grandfather, when he was 22, I think, joined the Conservative Party because he saw it then as a party of decency and honesty, a party that would stand up for the rights of this country. He saw it as a Party that believed in the independence of this country, one that could make its way in this world on its own, with pride, self respect and a sense of confidence. If he were alive today this would be a tragic day for him.

To try to convince me to become a Conservative, he looked at the pipeline debate in 1956 and the Liberal Party. He said that is the kind of Party that will do this sort of thing to this country. It will sell us out to the Americans; it will run roughshod over the rights of Parliament. The Conservative Party, he said to me, and I remember it very clearly, would never do that to the rights of Parliament and the rights of the people of Canada. Yet here today we have the final act in a shameful set of episodes which have marked this Bill's passage, this accord's development, this concept's progress throughout the last two and a half to three years. It is shameful.

The Government is making a complete U-turn with respect to the commitments it made before the election. It is shamefully ignoring the recommendations of committees that looked at this issue in detail. It is shamefully and desperately trying to keep every possible piece of information hidden from the public. It is shamefully running roughshod over the rules of Parliament to extend this sitting just so it can please its friends in Washington.

Mr. Rodriguez: Its bosses.

Mr. Langdon: Perhaps, but I think the Conservatives have taken the position they have not because they have been ordered to, but because they have lost their confidence in this

country. Why? For reasons that, fortunately, the opposition Parties have not been able to follow along with.

• (1200)

We see a shameful, disgraceful performance which has wiped out, at each stage throughout this discussion, the democratic rights of the people of Canada. This is the most anti-democratic process which I, as an economic historian, have seen take place in this country since it was formed 121 years ago. This anti-democratic process now meets its culmination in the decision that, after two and one half days of debate on the 27 different Bills which are amended by this piece of legislation, the Government has decided it has had enough.

I can understand why the Government has had enough, because it is losing the debate and being hurt by it. The consequence, as seen in the polls, is that the overwhelming position of support with which the Government started out has shrunk to a minority of Canadians, which minority, I predict, will shrink further and further as people find out more and more about the ridiculous sell-out which the Government is now forced into by this motion. We cannot stop it. You cannot stop a raging mad elephant when it is charging.

We must recognize, however, that this is what is behind the laugh. The Government decided it would try the Minister for International Trade (Mr. Crosbie), that he would get the country laughing so much that it would forget what was happening to it, that the country would laugh itself into dependence, laugh itself into becoming a colony. It did not work. Instead, I predict that the Minister will laugh himself into political oblivion with statements such as that he had not even read what he was responsible for trying to tell the nation as being for its very best, for its very future.

It is a sad sell-out, a sell-out which cannot be defended by the weak and ridiculous arguments of the Deputy House Leader who has tried to tell us a set of things, only one of which is true. He said that big Canada is in favour of this Bill and small Canada is against it. Well, I am pleased and proud to be able to speak for the small people of this country, for the small towns, and for the small cities. These are the people who stand for the true values of this country and have stood for them since Borden had to fight Laurier. They have stood for them throughout the course of our history and will stand for them in the future. This fight is not finished. This fight is just moving into its next phase and it will ultimately demolish the Government rather than demolishing this country.

[*Translation*]

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): Madam Speaker, unfortunately, in opening this debate or sharing my comments with you, I must, like you and, I assume, all the other persons present here today, conclude that the reaction of our opponents, the opponents of the Free Trade Agreement and of prosperity for Canada, has not been very original and has provided few surprises today. I cannot say we are really surprised by what we have just heard from the representative of the Liberal Party of Canada, and even less by what the New Democratic Party's representative has said. There was very little originality in their statements.

[*English*]

I was a bit amused by the comments of my two colleagues who preceded me. The Member from the Liberal Party was full of secret documents. For a while I thought he would get out his secret decoder ring and give us an idea of what is really in those documents. As for the NDP, I guess the attitude has not changed. The Member only repeated today what they said from the very beginning, that they would fight this concept in any way imaginable and would use every tactic in the book to do so. That is what the NDP is on the record as saying, so this was really no surprise today.

When my hon. colleague, the Deputy House Leader, said that those who think we should have a small Canada are opposed to the trade agreement, he was referring to people like those within the Liberal and New Democratic Parties who would rather have a small Canada, a Canada which has no ambition and which does not want to prosper. That, and nothing else, is what he was referring to. We very proudly represent in this House all Canadians from all parts of Canada.

[*Translation*]

Madam Speaker, to understand fully the meaning of our debate, I think it would be worth taking at least a few minutes to see exactly what is involved, and it cannot be pointed out too often that Canada is an exporting country. In referring to this debate and the Free Trade Agreement, this basic fact must be borne in mind. Canada is probably the country whose gross domestic product depends most on its exports. That means Canada is probably the country that depends most on its exports to put bread and butter on the table. That, in essence, is Canada. And everyone agrees that this is so; even my colleagues in the federal Liberal Party and my colleague in the New Democratic Party agree. The fact is that more than one of every three jobs in Canada depends on exports.

Plainly the issue we are debating today is by no means an insignificant one for us, for our country. That is clear. If more than one Canadian in three depends on exports for their jobs, then this question is of the utmost importance. It is a question of the utmost importance when you look at our relations with the United States, because 80 per cent of our exports go to the United States. Around 23 per cent of our gross domestic product here in Canada depends on our trade with the United States. That is what we are talking about today. So it is a question of the utmost importance.

Madam Speaker, the three federal political Parties agree on the fact that Canada is an exporting country, and that it must remain an exporting country. The divergence of opinion comes when we discuss the means that must be employed to try to maintain our existing export capacity.

In recent years there has been an important change of perspective, I think, a change that must be taken into account and that must be explained more clearly, so that the people of Canada can understand their government's motivation. I am referring here to our attitude, if you like, our political will, our approach to trade, from the Second World War to roughly the 1980s. During that period, that is to say since World War II, there has been an intensification of the economies of Canada and the United States, which was accelerated by the war effort.

From that time to the 1980s, Canada's perspective on its trade relations was always more or less the same. Our intention, our will, were always directed toward being able to diversify our trade relations, because we realized that we were very dependent on a single market, that of the United States. To give you an idea of the form this took, in 1960 Prime Minister Diefenbaker wanted to diversify our trade relations toward Great Britain, arguing that we should not put all our eggs in one basket. That was the political thinking of the day. In 1976, the Trudeau government signed a general agreement with the European Economic Community, with about the same aim in view as Mr. Diefenbaker had had: to diversify our trade relations toward partners other than the United States, because we were largely dependent, and at the time thought to be too dependent, on that one market.

In 1980 the so-called third option was formulated, that is to say, an attempt to step up trade relations, this time with the developing countries, with, as always, the additional objective of making ourselves less dependent on the American market.

Madam Speaker, the great change occurred in the early years of this decade, particularly after the recession. The approach changed, and instead of having a continental vision of its trade, Canada has slowly but surely developed a more global vision of its policy and international trade.

The first sign of change occurred in 1982, when a Senate Committee, mandated in 1974 to study our relations with the United States, published a report which I can only assume my Liberal colleagues know well, since it was they who published it in 1982. This report recommended that the government of the day sign a free trade agreement with the United States.

So this is not a new proposal. And when my colleague from Winnipeg tells us that he has not studied the report, and that this is a question that has simply appeared from nowhere, and that we are going into it with our eyes closed—well, then I think there is quite a gap between that and the facts, Madam Speaker. Already in 1982 there was a Senate Committee, chaired by a Liberal Senator, recommending unanimously that we sign a free trade agreement with the United States.

And what did the Liberal government of the day do? In 1983 it issued a discussion paper on that very topic, Canada's trade relations. Again in 1983, in one of its Speeches from the Throne, the Liberal government of the day announced its intention of undertaking sectoral negatiations, Madam Speaker. What a surprise! Already, in 1983—wait for it, I'm getting there—

Some Hon. Members: Oh, oh!

Mr. Charest: —I'm getting there. Already, in 1983, Madam Speaker, let's see what came of those sectoral negotiations, since my Liberal friends are wondering.

In a speech made in Washington on October 11, 1985, a speech given by none other than the Honourable Marc Lalonde, a Cabinet Minister in the same Liberal government I referred to a minute ago, Mr. Lalonde explained why the sectoral negotiations had not been successful: First of all he explained in his speech, which I have here, Madam Speaker, that because of the very nature of the negotiations, it was very difficult to reach an agreement, because one sector was connected to the next. The second reason, he said, was that basically the negotiations had never really got off the ground. This second reason reflects the fact that there was little political will on either side of the border in favour of a deal of this kind. So those were the reasons given by Marc Lalonde, Minister of Finance at the time, to explain why the federal Liberals' initiative had failed.

Next stage: in 1985, the Prime Minister and the President of the United States met at the Irish Summit and mandated their respective Trade Ministers to undertake consultations on the possibility of reaching an agreement.

At that point, Canada's Minister of International Trade did an extensive tour throughout the country to find out from business people and all the other interested groups what they thought about free trade and any other proposals they wanted to discuss. In 1985, Madam Speaker! In the summer of 1985, an initial Parliamentary Committee was set up to study the question. In the fall of 1985, more presicely in the month of September, that Parliamentary Committee submitted its report, recommending the signing of the free trade agreement. The two Ministers, American and Canadian, submitted their reports to their respective Heads of Government, the Prime Minister and the President, recommending that they undertake negotiations with a view to signing a free trade agreement. But the final touch was undoubtedly the publication of the Macdonald Commission report, on September 5, 1985. This Commission was chaired by a former Liberal Finance Minister, Donald Macdonald, who recommended unequivocally that the Canadian government undertake negotiations to reach an agreement on free trade with the United States.

I will point out in passing that Mr. Macdonald, your former Liberal Minister of Finance, today supports the free trade agreement that we are recommending to the country.

So no one can say now that this came out of nowhere. That's crazy! It's poking fun at the people of Canada. Basically that's what you're doing today. You're making fun of the people of Canada and denying they have any brains, when you try to make out that they haven't been consulted about this. But this isn't the first time, either.

Madam Speaker, our colleagues tell us today that they haven't been consulted and so on. Fine. Then can the Leader of the Liberal Party of Canada (Mr. Turner) tell us to what extent he had consulted the people of Canada when he got up in this House the day the Agreement was signed to say he would tear it up? An Agreement supported by Mr. Bourassa, Premier of Quebec, Mr. McKenna, Premier of New Brunswick, Mr. Parizeau of Quebec, the Consumers' Association of Canada?

Madam Speaker, ordinary common sense means that the people of Canada will accept and welcome this Agreement, because Canada's economic future depends on it.

Madam Speaker, I see my time is already up. May I request the unanimous consent of the House so that I may complete my comments?

• (1210)

[*English*]

Mr. Hovdebo: Madam Speaker, I rise on a point of order. The Hon. Member has spoken over his time.

[*Translation*]

Mr. Charest: Point of order, Madam Speaker.

The Acting Speaker (Mrs Champagne): On a point of order, the Honourable Minister of State for Youth and Minister of State for Fitness and Amateur Sport.

Mr. Charest: At the moment my colleague from Prince Albert rose to point out that my time was up, I had already asked the House for unanimous consent to my completing my remarks.

As you see, the Opposition refuses to hear me. They don't want to hear what I have to say. I regret that very much. You are afraid to hear what we have to say.

Hon. Herb Gray (Windsor West): Madam Speaker, I oppose this motion and I must begin by saying that it is shocking to see a Minister of the Crown treating a question of such great importance to our country with such lightness and frivolity.

We have in front of us the most important issue on which any Parliament in our entire history has had to make a decision. And all we get from these Ministers are weak jokes, instead of a debate on the substance of the question before us. And that question is: should we limit to only one more day debate on second reading of Bill C-130?

Madam Speaker, the Minister who just spoke, and the Acting Parliamentary House Leader, spoke of question periods, they spoke of committee studies, they spoke of discussions with the public, but there is a large hole in their argument because none of this public consultation, none of these Royal Commissions, none of these Senate Committees, none of these Committees, none of these discussions, dealt with bill C-130 or, more importantly still, with the Mulroney-Reagan Free Trade Agreement which the Bill attempts to bring into effect.

[*English*]

The Deputy Government House Leader and the Minister of State for Youth (Mr. Charest) have given us a long catalogue of events at which time they allege there was discussion of the free trade deal with the United States, entered into by the Conservative Government.

I suggest that there is a fundamental flaw in that argument. None of those committee hearings, none of those royal commissions, none of those exchanges in Question Period dealt in any way, shape or form, in a parliamentary sense, with the deal signed by the Conservative Government and the Government of Ronald Reagan. Specifically, they did not deal in any formal, parliamentary way with Bill C-130. It is a Bill designed to change 28 Acts of Parliament in order to make that trade deal with the United States come into effect.

• (1220)

What the Government is saying is that not only does it have no respect for the sovereignty and independence of the country, but at the same time it shows this by saying that it has no respect for the fundamental means of operation of our parliamentary institutions. If it had respect for the parliamentary institutions of the country, and therefore for the sovereignty and independence of the country, it would not try to choke off debate on the most important question to come before this House since Confederation after only four or five days of debate.

What does the Government have to fear by allowing the same type of discussion to carry on that the Conservative Party, when it was in opposition, insisted on and received from other Governments on measures far less important, far less serious than the trade deal with the United States? I remember the months and months and months that the Conservative Party took on measures such as the National Transportation Act and the Crow rate, both very important measures, but certainly not as fundamental as this trade deal with the United States. It would not accept this type of limitation. Yet measures of the type I have mentioned, as important as they are and as important as they were, were not as broad-ranging and as fundamental as the Government's trade deal with the United States.

I give you, Madam Speaker, one example of the absolute folly, the foolishness of the Government in trying to choke off debate on second reading of its trade deal with the United States. As yet there has not been presented to the Congress of the United States the American legislation to implement its side of the trade deal. We do not know yet exactly what it will be. We have seen the drafting instructions. But these drafting instructions are subject to negotiation between the Congress and the President. This legislation was promised to the Congress weeks ago but we have not seen it yet. We do not know exactly when it will come forward. We do not know to

what extent it will tilt the Government's trade deal with the United States even further in the direction of the United States than the deal does already.

Surely it is the height of folly, a lack of real concern for the well-being of this country to try to proceed with the Bill to implement the trade deal with the United States before we know what this American legislation will state, and before we know how the Congress will react to it. This is exactly the same type of irresponsibility we have seen connected with the Government's approach to its trading relations with the United States from the very moment it came into office.

What we now have from the other side is nothing but a pile of stale jokes. First, just in the last few days we had the Minister who is in charge of this measure saying that he had not even bothered to read the deal all the way through and yet he expected Canadians to accept his salesmanship of this deal. He said that he used to sell vacuum cleaners but he never vacuumed a house. How shameful it is for the Minister for International Trade to deal with the future of the country in the same way he used to deal with vacuum cleaners. This country is more important, no matter what the Conservatives think, than a vacuum cleaner. However, when the next election comes the Conservative Party will be vacuumed up and right out of office.

If the Government really did not fear the reaction of the Canadian public to its legislation, if it really had a vision of a big Canada as distinct from a vision of a small Canada, it would say: "We don't mind that this debate goes on for several more weeks. We will also say that when this debate comes to a natural end we will allow full committee hearings across the country". In so saying this Government would say that it has confidence in itself, in its ideas, including this trade deal that it negotiated with the United States.

By trying to choke off debate at this point the Government is saying to the Canadian people that it lacks confidence in itself and in its ideas. It is saying that it knows the more the idea of the trade deal is studied and discussed and then understood by the Canadian people, the less the Canadian people will like it. This Government is showing its lack of confidence in itself. It is showing its lack of confidence in Canada. When it says, as the Minister says, that it stands for a big Canada, the vision of the Government of a big Canada is one absorbed into the United States so that there will be one big North American country dominated by Washington.

What happened to the vision of Sir John A. Macdonald which was brought forward so gloriously on July 1, 1867? What happened to the vision of successive Conservative Prime Ministers? Mr. Diefenbaker would not have gone for this deal. He would have stood up and said exactly what he thought of the cowardly and fearful Government that has replaced his vision. The current Secretary of State for External Affairs (Mr. Clark) did not do this. He would not have done this.

If we want to look at a non-parliamentary expression of this deal, if that counts as much as discussion and formal decision in Parliament does, then why does the Conservative Party not look at the words of its Leader when he was seeking to head the Party? He said that when it comes to free trade with the United States, it would undermine our sovereignty and he would have none of it now or at any other time. If non-parliamentary discussion counts for the Conservative Party, then let it give full weight to the words of its current Leader when he sought the leadership of his Party and when he seemed to be speaking for all time. We now see how empty those words were, just like everything else he has been saying ever since, just like everything the Conservative Party has been saying.

The Conservative Party does not care about Parliament. In presenting this motion it showed that it does not care about Canada. That is why we should vote against this motion and press the Government to call an election as soon as possible so that it can be shown that while the Conservative Party does not care about Canada, Canadians care about their country. They will get rid of the Government. They will be the ones who will save Canada.

Mr. Bill Vankoughnet (Hastings—Frontenac—Lennox and Addington): Madam Speaker, I welcome this opportunity today to speak on free trade and its significance in Hastings—Frontenac—Lennox and Addington. I certainly support the Government's initiative in time allocation.

It is important that people understand the benefits of free trade, the potential it offers for growth, for investment and for jobs. The federal Government sought an agreement that would limit trade harassment. We wanted to end tariffs between our two countries. We wanted an agreement that would govern the important areas of trade and services and government procurement.

From the beginning it was made clear what would not be at issue in the negotiations—our political sovereignty, our unique cultural identity, our social programs, or our commitment to fight regional disparities.

When the federal Government embarked on negotiating freer trade with the U.S. we understood that Canada, and all its regions, depend on trade for our prosperity. We set out to achieve a bilateral agreement with the United States, our largest trading partner, while at the same time pursuing global negotiations and initiatives.

In my view the freer trade agreement negotiated with the United States presents eastern Ontario with its greatest opportunity ever to catch up with other parts of this, our great Province of Ontario, and other manufacturing sectors. Furthermore, it allows us to maintain a share in high quality, high-skilled jobs which young people seek as their future career choices, their future career options.

That is the message I am hearing from business, from professionals and from academics in eastern Ontario. The people who understand what the vocal opponents of free trade do not is that in this modern world there are linkages between

trade, technology and investment which hold the key to prosperity—

• (1230)

Mr. Langdon: I rise on a point of order, Madam Speaker. This is a very important debate. Since there is such limited time, it seems to me that it is crucial that the people who take part in this debate actually deal with the subject matter of the motion in front of us, which is not what the Hon. Member is doing. The Hon. Member is not explaining why the Conservatives are cutting off debate.

Mr. McDermid: I rise on the same point of order, Madam Speaker. We have heard speeches from the Opposition today on their opposition to the free trade agreement. That is all we have heard from over there. The odd person has mentioned the debate. We have listened to the Opposition flail away at free trade. The Hon. Member has full rights to speak for free trade which is beneficial to this country.

Mr. Manly: I would like to point out, Madam Speaker, if we did not have this motion before us and allowed a full debate the Hon. Member would be able to speak on Bill C-130. At the present time we are debating a motion to bring in time allocation, and the Hon. Member should be speaking to that motion.

The Acting Speaker (Mrs. Champagne): Resuming debate with the Hon. Member for Hastings—Frontenac—Lennox and Addington.

Mr. Vankoughnet: I mentioned earlier that I favoured time allocation because we must move with this important trade legislation to get on with the governing of the country, not the frivolousness the NDP and its social policies. To date, opponents of free trade have fought this initiative not through engaging the federal Government in debate on the merits of what the agreement contains, but by raising the spectre of dangers that do not exist, a process designed to confuse the public.

Thomas d'Aquino, President of the Business Council on National Issues, has characterized those tactics as "intellectual terrorism". The opposition Parties would have the public believe that free trade is a threat to our culture, our social programs, our identity as a distinct people, and will inevitably lead to the loss of thousands of jobs.

This is not the first time that the federal Government has heard such criticism from the opposition Parties. One point that should be stressed is the opponents of free trade are largely those who said that our other policies would doom the nation; that the pursuit of deficit reduction was single-minded cruelty which would cost the country thousands of jobs. We endured that criticism then, and we persevered in our policies because we knew we were right. They said our policies would cost tens of thousands of jobs. We said our policies would create an environment in which tens of thousands of jobs would be created.

Over 1,228,000 jobs have been created since 1984. In my riding of Hastings—Frontenac—Lennox and Addington, unemployment is now at its lowest point in over a decade. With such new industries as Goodyear and D. & E. Wood and the multiplier effect that this will have, unemployment will be reduced and new economic activities will be created.

These are the national results of national policies. These are the job creating industries and are not only producing for Canadian markets, but for North American and world markets. The results will be a boon to eastern Ontario, and an opportunity for youth and for jobs in this country.

When people attempt to hold up government legislation as important as Bill C-130, I have no alternative but to support a Government that wants to get on with governing and doing what is right for the people of Canada who want to work.

Under the free trade agreement, for the first time, world-class Ontario businessmen and services will be able to expand and grow as they seize the new opportunities available through this agreement. The new rules governing services and regarding temporary work in the United States will put our service industries and professionals on a level playing field. There is no part of Canada better positioned to seize these opportunities than the border regions of eastern Ontario.

A second sector for opportunity in this area is our manufacturing sector. This agreement will enable the manufacturing sector to grow from its Canadian base, encouraging new investment in world-scale Canadian enterprises. No province has more to gain under free trade than Ontario. Its economy was built on trade with the United States. Today, 90 per cent of Ontario's exports go to the United States. In turn, the United States provides 83 per cent of Ontario's imports.

In addition to the benefits offered by free trade's phase-out of tariffs over 10 years, we stand to gain from the $4 billion U.S. government purchasing market which will now be opened to Ontario firms. This is of particular importance to eastern Ontario. We have sought this opportunity for more than 20 years, and firms, particularly in my riding, are ready and able to take advantage of it.

It should be no surprise then that spokesmen for our manufacturing sector have called this agreement a great agreement for Canada and welcome it with open arms. When I hear the enthusiasm of existing industries and their plans for expansion through a freer trade agreement, I am convinced that the days of eastern Ontario being short-changed in manufacturing and employment opportunities are numbered.

Another opportunity lies in resource industries, both agriculture and forestry. I recognize that some people were worried about free trade posing a threat to the dairy industry. It is not surprising that they were frightened. The critics of free trade were consciously raising that fear. Of course, they were the same people who said our economic program would cause a loss of thousands of jobs. They were wrong about the jobs, and they were wrong about marketing boards. As

promised at the outset of the negotiations, the marketing board systems with regulated returns and quota allocation are preserved under the free trade agreement. They were never at risk, except in the minds of people who wanted to scare the farm community. Dairy farmers will continue to enjoy the income stability of long term federal dairy policy which the Government has implemented.

In the forestry sector, industry should benefit from the gradual reduction of tariffs, barriers which have prevented us from processing wood even further prior to export—exporting jobs. That is extremely important for the region, because value added processing creates the potential for more jobs to be created here in Ontario.

Finally, a very important factor in the future development of eastern Ontario is small business development. The federal Government has introduced a variety of policies since 1984 to encourage small business development in Canada. We believe that the free trade agreement will further stimulate this growth. That is not only our opinion. It is the opinion of the Canadian Federation of Independent Business. Federation President John Bullock has stated that small business in this country should be excited about the opportunities for greater investment in Canada, terming the agreement a "once in a lifetime opportunity for Canada" which will also help us with greater European and Asian investment.

More important, secure access to the United States market means that future Canadian business growth can take place here in Canada. It means we should at least see an end to the exodus of eastern Ontario firms when wanting to expand, set up shop across the border as a means of getting around U.S. trade barriers. The free trade agreement secures the gains already made, and opens new windows of opportunity for greater growth.

I have outlined why I believe free trade is eastern Ontario's best bet for greater diversification and more growth, and why I support time allocation. I do so because I believe the greatest danger to our Canadian way of life lies not in the prosperity of freer trade, but lies in the property of protectionism, and our inability to afford regional development and social and cultural programs which reflect Canadian values.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Madam Speaker, I was pleased to hear the Hon. Member who just spoke debate the merits of Bill C-130. I wish that this motion had not been brought in that will limit this debate; that the Hon. Member would have been able to make his case when we are debating Bill C-130, instead of when we are debating this motion which will choke off that debate.

Parliament is a place for speaking, and parliamentary democracy is based upon the right of members of this House to be able to speak out on issues. There is no issue that has been before the Canadian people since Confederation, 121 years ago, that is more fundamental to our future as a nation than this, and yet this Government is choking off debate on this issue after we have had two and a half days of debate on it. It is the most fundamental question facing Canada today, facing us as to the future of our country, the future of our children, our grandchildren and our great grandchildren.

• (1240)

Speaking of great grandchildren, it is a pleasure to have in the gallery today the great grandchild of Oliver J. Wilcox, a member of the Conservative Government of Robert Borden, elected in Essex in 1911, that helped to defeat the Laurier Government on the issue of a trade deal with the United States. Because of his strong feelings, John Wilcox has made a pilgrimage across Canada with specialty licence plates from British Columbia saying "no deal", trying to alert Canadians to the danger of the trade agreement.

This Government wants to choke off that kind of process. It does not want people in Parliament to be speaking about this issue. It does not want the people of Canada to be talking about it. Instead, a strategy paper from the Government said:

> The strategy should rely less on educating the general public than on getting across the message that the trade initiative is a good idea. In other words, a selling job . . . Benign neglect from a majority of Canadians may be the realistic outcome of a well-executed communications plan.

In other words, this Government wants to sell Canadians on the idea of free trade in the same way that the present Minister for International Trade (Mr. Crosbie), who has not read the agreement, said the other day that he used to sell vacuum cleaners and encyclopaedias. They see selling Canada on the issue of free trade as basically on that level. We reject that. We see the whole way in which the Government has dealt with this process as being fundamentally dishonest. The dishonesty began back in 1983 when the present Prime Minister (Mr. Mulroney) was campaigning to be the Leader of the Conservative Party. He, along with the Minister of Finance (Mr. Wilson) and the Secretary of State for External Affairs (Mr. Clark), were asked what they thought about the idea of a trade agreement with the United States, about free trade. They rejected it. They gave good reasons why it should be rejected.

An Hon. Member: What did the Prime Minister say?

Mr. Manly: The Prime Minister pointed out that Canadians rejected free trade back in 1911 and they would reject it again in 1983. Of course, they will reject it in 1988, when they finally get an opportunity.

The first people that were betrayed by this Government were the members of the Conservative Party because the Prime Minister campaigned for leadership of the Conservative Party on a platform where he said that it would be foolish for Canada to enter into free trade. He was seconded on that by other Ministers in his Cabinet.

Then in 1984 we had an election. Did we hear anything from the Prime Minister about a free trade agreement with the United States? No. He promised that he was going to end

patronage. He promised that he would clean up corruption. He did not say we would be entering into this kind of trade agreement with the United States. He did not exactly keep the other promises either about the ending of patronage and the end of corruption.

In September, 1985, suddenly we were told that Canada had entered into negotiations with the United States on this agreement. For the next two years Canadians were basically kept in the dark about what was happening. It was the mushroom society that this communications strategy talked about.

An Hon. Member: Explain.

Mr. Manly: Do not educate the people about what is actually happening, just get across the idea that free trade is a good idea, then maybe the people will go to sleep.

An Hon. Member: Leave them in the dark.

Mr. Manly: It is the mushroom society. Keep people in the dark, feed them lots of manure and let the idea grow. The mushroom society is not good enough for Canada in 1988. The House was kept in the dark when we asked questions. Provinces were kept in the dark and, of course, the Canadian people were kept in the dark.

An Hon. Member: That is not true.

Mr. Manly: The Hon. Member says it is not true. When were we told that energy was part of this agreement? I remember a debate in which the former Minister for International Trade said: "I will tell you what is in the agreement". She did not mention energy. We were assured time after time after time that culture was not on the table and yet when we look at this agreement we see that it is very much on the table.

Last fall there was a last minute agreement. This Government was so anxious to get that agreement that it caved in on its fundamental concerns. It caved in on the energy issue caved in on culture. We did not get any guaranteed access to U.S. markets. We did not get any binding dispute settlement mechanism, which is what the Government was really seeking.

What we have is a document that gives Americans access to our country and gives us very little in return. It gives big business in Canada some access to markets in the United States, but what is that going to do for the average Canadian? Following that we had a charade of committee hearings; one day in British Columbia to hear all the concerns of British Columbians, pro and con, on this agreement. These committee meetings had to take place before the committee even had the final text of the agreement.

An Hon. Member: Shame.

Mr. Manly: That was only provided in the last two or three days of those committee hearings. They had this charade, this whistle-stopping across the country, setting up a dog and pony show in each of the provinces to hear for a few hours the concerns of the provinces about this trade deal. Then the Prime Minister signed it. He went through the committee meetings so that he could sign it on January 2. We were promised the legislation for February. The legislation was not tabled until May 24. Now the Government wants to rush it through. After only two and a half to three days of debate, it is introducing time allocation. They want to get this through as quickly as possible because they know that the more Canadians know and understand about this agreement, the more they will oppose it.

This travesty of a second reading debate raises some very serious questions about the way in which the legislative committee is going to deal with this debate after second reading. How is the committee going to handle it? Is it going to have the time to study adequately this Bill and its ramifications for the Canadian people? The Parliamentary Secretary nods his head. Well, we will be interested in the answers that the Government gives to this. Will we be able to look at all of the issues and not just, as the Minister for International Trade says, "kind of skim over it quickly"? Are we going to be able to travel coast to coast and to hear people—

An Hon. Member: He says no.

Mr. Manly: The Parliamentary Secretary says no. We will not be able to travel, according to the Parliamentary Secretary.

An Hon. Member: They are not interested in what the people think.

Mr. Manly: They are not interested in what the people of British Columbia say. They are not interested in what the people of Newfoundland say about this.

An Hon. Member: At least we listened to Canadians.

Mr. Manly: It goes back to what the Minister of State (Mr. Lewis) said, that this Government has listened to big Canada. They are not prepared to listen to small Canada, to the people in Kelowna and Penticton who are concerned about the wine industry. They are not concerned about listening to those people.

An Hon. Member: That is right.

Mr. Manly: They are not concerned about listening to the fisher people on the Pacific coast or on the Atlantic coast.

An Hon. Member: They are arrogant. They are as arrogant as Trudeau was.

Mr. Manly: They say big Canada favours this. Their notion of big Canada is big business. We are opposed to this time allocation because we believe this issue is so fundamentally important that all Members of this House should have the right to speak. The Canadian people should have the right to know what is in this deal and what is involved in this sell-out agreement.

An Hon. Member: And how it affects them. Right on.

• (1250)

The Acting Speaker (Mrs. Champagne): Point of order, the Hon. Parliamentary Secretary.

Mr. McDermid: Yes, Madam Speaker. Before you recognize the Hon. Member for Timiskaming (Mr. MacDougall) I listened with great interest to the Hon. Member's speech—

An Hon. Member: What is your point of order?

Mr. McDermid: I will come to my point of order in just a moment, and his point about allowing time to debate.

I am making an offer now that at one o'clock we do not see the clock and we carry on with this debate until the two hours are up. That will give the Opposition more time to debate Bill C-130 this afternoon, starting at three o'clock. If the Opposition disagrees with this offer it is, of course, cutting into its own debating time on the Bill.

Mr. Axworthy: Madam Speaker, there is only one group in this House who are cutting off debate and it is the Parliamentary Secretary and his colleagues. We will not agree and be complicit in their further frustration and dereliction of responsibility in this House.

Mr. Rodriguez: Madam Speaker, I think the House should be reminded that it was this Government that brought in the closure motion here today. If the Government were really interested in Members of Parliament expressing their views on Bill C-130, the Government should not have brought in the closure motion, and should allow Members of Parliament to debate fully the whole free trade deal. That is what the Government should have done. It should not be putting this phoney suggestion forward—

The Acting Speaker (Mrs. Champagne): Resuming debate. The Hon. Member for Timiskaming. The Hon. Member for Essex-Windsor on a point of order.

Mr. Langdon: A point of order, Madam Speaker. This kind of grandstanding ploy—

Mr. McDermid: There is no point of order. It was turned down.

Mr. Langdon: —on the part of the Parliamentary Secretary may look to people who are watching or reporting as if somehow he has made some—

The Acting Speaker (Mrs. Champagne): Order. The Chair fails to see the point of order in the Hon. Member's intervention at this time. Resuming debate. The Hon. Member for Timiskaming.

Mr. John A. MacDougall (Timiskaming): Madam Speaker, what I want to contribute to this debate today is an Ontario perspective. As the Member of Parliament for Timiskaming, I have focused a great deal of my attention on the merits of free trade in northern Ontario.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Essex-Windsor on a point of order.

Mr. Langdon: If I recall, Madam Speaker, you recognized the Parliamentary Secretary without him saying anything about a point of order.

Mr. McDermid: I was on a point of order.

Mr. Langdon: The Member did not say that at the start of his intervention. You simply recognized him, Madam Speaker. I think that, in fact, is the Conservatives' chance to make a contribution to the debate.

The Acting Speaker (Mrs. Champagne): The "blues" will show that the Hon. Member had risen on a point of order. I certainly recognized him on a point of order. I would suggest to the Hon. Member that we both wait until the "blues" are ready. If necessary, we can discuss the matter again. The Hon. Member for Timiskaming. The Hon. Member for Essex—Windsor.

Mr. Langdon: Madam Speaker, if you are reserving judgment in this case, as it appears to me you are until we see the "blues", it would seem that one would then have to go to the next representative of a political Party who has the right to speak other than someone from the Conservative Party. If the "blues" show that, in fact, the Parliamentary Secretary did rise saying "a point of order", then that can be made up for later. I think if you are reserving judgment one would have to follow that course of action.

Mr. McDermid: On the same point of order, Madam Speaker.

The Acting Speaker (Mrs. Champagne): On the same point of order, the Hon. Parliamentary Secretary.

Mr. McDermid: Madam Speaker, my hon. friend is an Hon. Member. I think he will accept my word. I rose and said "on a point of order" and "Before you recognize the Hon. Member for Timiskaming". That is what I said. If he does not want to take my word, that is fine. The light may not have been on when I did it, but I did say it.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Essex—Windsor.

Mr. Langdon: Madam Speaker, I have no problem with the Parliamentary Secretary thinking that that is what he sought to say.

An Hon. Member: You are eating up your own time.

Mr. Langdon: But he did not, in fact, say so, at least as far as I heard it, and I have heard a great deal from him this morning from across the floor. He is not one of the least quiet of the Members in this Chamber.

I would respectfully suggest that if you are, as you suggested, reserving your decision that it should now be a member of the Liberal Party who gets the floor.

The Acting Speaker (Mrs. Champagne): I can assure the Hon. Member that I recognized the Hon. Parliamentary Secretary on a point of order. I heard him say so. What I merely suggested to the Hon. Member for Essex-Windsor was that he may want to wait until he sees the "blues" and he would say that it was on a point of order that the Hon. Member was recognized. After recognizing many Hon. Members I gave the floor to the Hon. Member for Timiskaming who I think would like to continue with his intervention after being interrupted on quite a few occasions. The Hon. Member.

Mr. MacDougall: Madam Speaker, I did not realize this was going to be such an important speech with all of the points of order that we have heard.

Today I would like to take more of a province-wide perspective. Trade is an issue of considerable importance to Ontario, particularly the trade deal with the United States. Fully 90 per cent of all Ontario's exports go to the United States while 83 per cent of this province's imports come from south of the border. That is why the Canada-U.S. Free Trade Agreement is so important for Ontario.

We sought an agreement that would secure and enhance our access to the vital U.S. market. We fought hard for Ontario's interest and we have a great deal to show for our efforts. Unfortunately, there is some misunderstanding about the agreement in Ontario, especially with Queen's Park—

The Acting Speaker (Mrs. Champagne): The Hon. Member for Essex—Windsor on a point of order.

Mr. Langdon: Madam Speaker, it is absolutely scandalous in my view that the Conservatives should use up this short period of time which is given over to discussing their anti-dictatorial behaviour by putting speeches on the record with respect to the trade deal itself. There should be lots of time to make that sort of speech in the future. The Member is not addressing what this Government is doing to Parliament and the rights of Canada. It is crucial for you to instruct the Member to make his speech with reference to the motion on the floor.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Timiskaming.

Mr. MacDougall: Madam Speaker, I have always thought that we had the freedom of choice to speak in a debate. I can see here again where the elements of the socialist Party are different from the elements of ours. What I would like to say—

The Acting Speaker (Mrs. Champagne): The Hon. Member for Essex—Windsor on a point of order.

Mr. Langdon: First, Madam Speaker, the Member has attributed certain motives which is against the rules of order of this House. Second, the Member has still not recognized the fact that the motion we are debating is the motion to limit time to talk about the trade deal, it is not the motion to talk about the trade deal itself. I ask you to rule on that point of order, Madam Speaker.

The Acting Speaker (Mrs. Champagne): I am sure that if the Hon. Member for Essex—Windsor and other Hon. Members had shown a little bit of patience, the Hon. Member for Timiskaming would have found a way to make a link with the motion in front of the House. I think that for the Chair to be that strict on the point of relevancy at this point would only scuttle the debate, which is not what any Hon. Members of this House want to do at this time.

As it is one o'clock, I will now leave the chair until two o'clock p.m.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

EXTERNAL AFFAIRS

DOWNING OF IRANIAN AIRLINER BY UNITED STATES NAVAL VESSEL

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the destruction of 290 lives aboard an Iranian passenger plane as it crossed the Persian Gulf yesterday is an action that cries out to heaven. For its cruel and final nature, it ranks with the shooting down of the Korean airliner in 1983 when innocent lives were also taken for the same argument, namely, that the off-course airplane allegedly posed a threat.

There is a peculiar similarity between the two superpowers in reacting to the two tragic events. Both expressed regret about the shooting, but still defended the legitimacy of such an act. Where the similarity ends is with the unwarranted presence in the Persian Gulf of the U.S. fleet engaged in a role that endangers more the seeking of peace in that region than it prevents war.

As a parliamentarian, I wish to put on record my sense of grief and horror at this senseless act in the hope that you, Mr. Speaker, will transmit it to Iranian and American parliamentarians. Our sorrow is about the fact that such a tragedy can still happen, that innocent civilians die because of unjustifiable and condoned acts of war-mongering.

S. O. 21

PERFORMING ARTS

MONTREAL INTERNATIONAL JAZZ FESTIVAL

Hon. Bob Layton (Lachine): Mr. Speaker, more good news from Montreal, Canada's international city. Along with Expo 67, the Olympics in 1976, and its international image in so many fields, this week Montreal celebrates—

[*Translation*]

. . . the ninth *Festival international de jazz de Montréal.*

Mr. Speaker, what a show!

In fact, it's not one show but a whole series of shows in various theatres, at the Place des arts, in small nightclubs and even on the streets.

[*English*]

This year's festival will attract over half a million local and international visitors to Montreal's St. Denis district, and all Montrealers can be proud knowing that our city is recognized around the world as a vibrant and exciting host and cultural wonderland.

[*Translation*]

I would like to mention the tremendous work done by Alain Simard, founder and president of the *Festival de jazz de Montréal*, by André Ménard, Daniel Harvey and the 500 members on the team who help to make this event such a success.

[*English*]

It is a success, with the sounds of the world's best jazz performers, including some home-grown talent like Trevor Payne and the Jubilation Gospel Choir, Karen Young, with Michael Donato, and Oliver Jones, to name but a few. To all the organizers and participants—

[*Translation*]

Congratulations and have a wonderful festival!

* * *

[*English*]

IMMIGRATION

TREATMENT OF WEALTHY PROSPECTIVE IMMIGRANTS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I rise on behalf of the thousands of Canadians, many of whom live in my city of Winnipeg, who are seeking to reunify their families through the legal procedures set down in our Immigration Act. They follow the law despite knowing that reunification will face long delays because Immigration Canada is woefully understaffed, particularly in Asiatic countries.

If a would-be immigrant is a wealthy business person, the story is quite different. There are immigration consultants and lawyers in Canada who are busily soliciting clients in places like Hong Kong, offering Canadian citizenship for those wealthy enough to qualify for the business classification. Yet these same business people are told by their advisers that Canadian law is so full of loopholes that it is not necessary to give up present citizenship, to set up legitimate investments in Canada, or even to live in Canada at all.

Is this the kind of law we want for persons entering Canada? Is this the kind of person we want entering Canada? Is this fair treatment for the thousands of Canadians who are following the law to get family members into Canada? The answer to these questions is an emphatic no, and the Government must implement a fairer system for all future Canadians.

* * *

AGRICULTURE

WESTERN DROUGHT—FEDERAL ASSISTANCE FOR LIVESTOCK PRODUCERS

Mr. Jack Scowen (Mackenzie): Mr. Speaker, it is with a great deal of pride, as a Conservative, that I rise today to bring to the attention of the House that the Government is to provide up to $76.5 million to help western livestock producers cope with the drought that is devastating the Prairies. Together with the provincial Governments, this initiative will assist producers with up to $153 million. This will include a payment for breeding livestock in severely hit areas of up to $60 per head.

The Saskatchewan producers will receive up to $39 million under this plan. For Alberta and Manitoba, the figures are $44 million and $17 million.

The drought relief package will also provide payment of $15 an acre for greenfeed assistance, up to a total of $53 million. This is a boost to the supply of feed and a help for soil conservation.

Together the programs address the drought situation in a comprehensive way and the per head payment allows producers themselves to act in a way that best suits their individual operations. The Government has once again illustrated its strong commitment to the needs of Canadian agriculture and will continue to do so in the future.

* * *

HEALTH

CALL FOR ESTABLISHMENT OF ROYAL COMMISSION ON BIRTH TECHNOLOGY

Mrs. Lucie Pépin (Outremont): Mr. Speaker, for months now, researchers in the fields of medicine, ethics, and the law have been calling on the Government to set up a Royal Commission to explore the emerging field of birth technology.

I personally have called upon the Government to react to these calls in this very House.

I rise again today because, tragically, we have reached a point where our scientific knowledge exceeds our abilities to make decisions in this field, and some form of action must be taken. This is a moral, social and political issue that cannot be ignored. To do so would be to condemn our society to live with the consequences of the unregulated contracting out of wombs, the possibility of unregulated fetal experimentation, and the commercialization of our most basic relationships. Once again I call on the Government to set up a Royal Commission in the hope that it will address its responsibilities.

* * *

AGRICULTURE

DROUGHT ASSISTANCE PACKAGE WELCOMED

Mr. A. H. Harry Brightwell (Perth): Mr. Speaker, I rise to commend the Government for proving again that it supports Canadian farmers. As is the habit of this Government, it has consulted broadly with provincial officials and the producers before announcing its part of the $153-million drought aid package. This package is designed to help all livestock producers and allows them to choose from an array of options.

Producers can decide if they wish to transport cattle to feed or feed to cattle. They can choose to sell their cattle and restock next year without a tax penalty. Late seeding to produce greenfeed is encouraged.

Grain farmers in western Canada and Ontario still face the damage brought on by this drought. Last week the drought damage in my riding was severely compounded by frost. I know that grain farmers can expect a reasoned response from the Government.

As a member of the Ontario caucus, I applaud the actions of the Government and its support of western farmers. This Government has shown farmers again that when it states its commitment to farmers it can be believed without question.

* * *

CANADA POST CORPORATION

POLL FAVOURING IMPROVED SERVICE OVER PROFITS

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, Saturday's Montreal *Gazette* reported on a public opinion poll which indicated that 70 per cent of Canadians want Canada Post to put improved service before profits. It went on to indicate that the survey, conducted by Angus Reid Associates, found that the vast majority would prefer to receive the best possible postal service, even if it means a post office budget deficit that would have to be covered by tax dollars.

There has been a battle of the polls with the Government. This is a scientific poll done on a random sample basis. The kind of polls the Government has been quoting have been done in selected communities and are not random samples. As well, the questions have been biased. It is time for the Government to recognize that Canadians want good postal service. Canadians want the Government to watch the pennies, but they want it to provide service as the number one priority.

To be fair, the poll also indicated that 22 per cent said that the Crown corporation's top priority should be to avoid losing money. That is the portion of the population that the Government is playing to, the portion of the population that will support the cuts in rural services and discriminatory policies in suburban locations.

It is time for the Government to get its priorities straight, to hear what the Opposition is saying and to understand that the Opposition is reflecting public opinion. It is time the Government stopped accusing us of lying when we represent the majority in Canada and we ask for service to be the number one priority at the Post Office rather than the under-cutting of the service Canadians receive.

* * *

IMMIGRATION

SENATE'S DELAY IN PASSING AMENDING LEGISLATION

Mr. John Oostrom (Willowdale): Mr. Speaker, as each day passes, the backlog in Canada's refugee processing system grows larger. The backlog could reach 80,000 by the end of the year, and if an election were to be held now, government Bills C-55 and C-84 presently in the Senate would die. The backlog would double before new legislation could be drawn up and passed.

• (1410)

The Liberal controlled other place is responsible for making Canada a haven for bogus refugees, as well as harming our integrity and reputation in the world community. The Canadian taxpayer is footing the full bill for these individuals, of whom the overwhelming majority are liars and cheaters.

What a shame that the Liberal controlled other place, after a year of studying the two Bills, is placing cheap partisan politics above the interests of Canada and Canadians.

S. O. 21

[*Translation*]

UNEMPLOYMENT INSURANCE

REQUEST THAT 10-WEEK ELIGIBILITY PERIOD FOR BENEFITS BE RETAINED

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, the people of South East New Brunswick still have no news about the eligible period for unemployment insurance. Since May 10, when the Department of Employment and Immigration extended the eligible period from ten to sixteen weeks, residents of South East New Brunswick have been signing endless petitions to object to this decision. Workers in South East New Brunswick want the Minister to know how hard it is to find employment for more than ten weeks. Those who work in fish processing plants cannot work for more than ten weeks because in some cases the fishing season only lasts that long.

The New Brunswick Minister of Labour, the Hon. Mike McKee, has met the Minister in order to discuss this problem and find a solution. The Minister of Employment and Immigration must realize that she will make things very difficult for workers in New Brunswick if she still decides to change the eligible period. I suggest the Minister should find a way to apply separate standards for urban and rural areas. The unemployment rate in rural areas is three times as high as in urban centres.

* * *

[*English*]

AGRICULTURE

WESTERN DROUGHT—FEDERAL ASSISTANCE FOR LIVESTOCK PRODUCERS

Mr. Bob Porter (Medicine Hat): Mr. Speaker, on Thursday, June 30, a program relating to livestock producers affected by the drought was announced by the Minister of Agriculture (Mr. Wise). To help producers maintain breeding herds the program will provide $100 million in per head payments for breeding stock in designated drought areas, as well as $53 million in payments on a $15 per acre basis for greenfeed and late seeded crops.

While the funding will be helpful, a most important aspect of the program was the announcement of tax deferral for producers who have to deplete their breeding herds as a result of these drought conditions. For many years the Canadian Cattlemen's Association requested a program of tax deferral in circumstances such as we now face. When forced sales of breeding stock take place the tax triggered makes it difficult if not impossible to rebuild the herds when conditions improve.

This is a common sense, practical approach in the best long-term interests of the industry. It does not cost taxpayers money. It does not avoid taxes. Most important, it gives the individual livestock producer an opportunity to make the right management decision in his particular circumstances.

These changes are long overdue and I commend the Government and the Minister of Finance (Mr. Wilson) for responding to a legitimate concern of the industry with a simple, straightforward and practical solution.

* * *

EXTERNAL AFFAIRS

DOWNING OF IRANIAN AIRLINER BY UNITED STATES NAVAL VESSEL

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, on behalf of the NDP I wish to express shock and disapproval at the downing of an Iranian civilian airliner by an American warship in the Persian Gulf yesterday. I wish to express profound regret at the tragic loss of over 290 lives.

While the full facts behind this incident have yet to be revealed, we urge the Canadian Government to join in calling for an emergency meeting of the UN Security Council and for a full UN sponsored inquiry. Both sides must co-operate in the full disclosure of messages, perceptions, and decisions made in the crisis moments leading up to the shooting. Canada must clearly communicate its disapproval to the Iranians over any acts of retribution.

This indefensible incident raises the question of U.S. deployment of air and naval forces in the Persian Gulf. Rather than discouraging attacks on shipping, they have led to increased instability and greater mutual threat. With the destructive power deployed and the tensions rampant in this region, such incidents are likely to recur.

A common security framework for the Persian Gulf must be pursued, rather than mutually antagonistic military postures. UN Resolution 598 calling for a ceasefire in the Gulf war must be reinforced with strong and comprehensive sanctions, including an arms embargo.

* * *

[*Translation*]

AGRICULTURE

FEDERAL-PROVINCIAL ASSISTANCE PROGRAM TO COMPENSATE FOR CATTLE LOSSES CAUSED BY DROUGHT

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I want to take this opportunity today to inform producers that towards the end of September they will get their first payment under the federal-provincial assistance program for loss of livestock due to drought. The second payment will depend on enrolment in the crop insurance program for 1989.

I would also like to point out, Mr. Speaker, that payments will be deferred so that the authorities can inspect the fields in the fall and assess the damage caused by drought.

We also want to give producers in other areas the assurance that Agriculture Canada is keeping a close watch on the situation in Central Canada and the Atlantic Region and also in British Columbia.

The announcement about the assistance program demonstrates this Government's commitment to producers across Canada.

* * *

[*English*]

THE ECONOMY

CRITICISM OF GOVERNMENT POLICIES

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, deregulation, privatization, and Americanization are the package which the Government has developed as a vehicle for putting Canada under the economic control of American multinationals. All three moves are based on an ideology which accepts the tenet that large corporations have the right to direct the economy of the country, indeed of the world.

Which of these policies is going to help the ordinary Canadian achieve a better life? Who do these policies benefit? Deregulation allows multinationals to operate with fewer controls. Privatization allows the Government to pass over to its multinational friends the fruits of the taxpayers' development of many years. Americanization is the Mulroney-Reagan trade deal which turns over Canadian resources to prop up the faltering economy of the U.S.

Deregulation, privatization, and Americanization, the three horsemen of the Conservative Party in power.

* * *

AGRICULTURE

FRUIT INDUSTRY—AMENDMENTS TO LEGISLATION WELCOMED

Mrs. Shirley Martin (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, it is with pleasure that I rise in my place today to draw Canadian's attention to yet another accomplishment by this Government on behalf of Canadian agriculture. Last year the Government made a commitment to protect Canadian agricultural producers through amendments to the Act. On Thursday the Government met this commitment and delivered on that promise, one that is important to the tender fruit industry in Lincoln.

Through the consultative process the Government was able to develop a package of amendments in tune with the needs of the industry. In short, the amendments to the Act will provide the Government with the conditions it needs to ensure a safe wholesome supply of products for consumers while, at the same time, allowing the industry to market its products in an equitable and profitable manner.

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

DOWNING OF IRANIAN AIRLINER BY UNITED STATES NAVAL VESSEL—REQUEST FOR UN EMERGENCY SESSION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I would like to direct my question to the Acting Prime Minister. We learned yesterday of the tragic downing of an Iranian airliner in the Persian Gulf. I think I can speak for all Canadians in expressing deep sympathy and regret over this terrible incident. We also recognize that it raises serious questions about further escalation of the conflict in that area and the potential danger this represents to the security of the international aviation system.

In 1983, when we experienced the horrible tragedy of the downing of the Korean airliner, this House unanimously endorsed the actions of the Government, which were to call for an emergency session of the UN Security Council as well as special sessions of the International Civil Aviation organization to investigate the incident and deal with the problems it posed for international aviation. Does the Government intend to take similar measures in this case and ask for an emergency session of the UN Security Council and a special session of ICAO to investigate this terrible and tragic incident?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the Government of Canada issued a statement and I would like to repeat it.

We learned with shock and profound regret of yesterday's loss of life aboard the Iranian airliner and we extend to the bereaved our deepest sympathy. This tragic event is a grim reminder of the dangers of continued instability in that region. All concerned must recognize the need to pursue with a greater sense of urgency efforts to bring this conflict to an end.

With respect to the incident itself, we have made no decision to take either of the actions which the hon. gentleman mentioned. We will see what the countries immediately involved suggest should be pursued.

• (1420)

The U.S. claims that the aircraft was mistakenly identified as an Iranian F-14 on a direct course with U.S.A. warships which were at the time engaged with five Iranian gunboats which had attacked American forces in the region, and that the Airbus failed to respond to repeated warnings issued by the U.S. vessel on both military and civilian channels.

We were shocked by this but there is no reason at this time to doubt the description of the events as provided by the United States. We will continue to look into this with great interest. We will take a position when we have all the facts.

REQUEST THAT GOVERNMENT ACT TO ENSURE IMPARTIAL INVESTIGATION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, the question I asked was on exactly that point, that is, to get the facts, to have a proper inquiry and investigation into all the circumstances surrounding this, based upon the representations of the countries affected the United States, Iran, and other countries in the Persian Gulf.

I do not understand why the Government is not prepared to take action now when we were able to take in 1983. The United Nations was able to respond as was the International Civil Aviation Organization. Proposals were put forward.

Considering the precedent set and the unanimous support it received in this House, why will the Government not take measures to ensure proper, effective, impartial international investigation of this tragic circumstance?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I believe that if we wish to be fair we will see that the circumstances surrounding the Korean incident and those surrounding this most unfortunate incident yesterday in the Gulf are hardly similar. It was difficult to tell, for a number of days, what had happened to the Korean aircraft. There are a large number of dissimilar circumstances.

We will take a position and exercise our responsibilities as members of ICAO or as members of the United Nations if and when the matter comes before either of those bodies. We will then support what seems to be the correct and best course of action to take in the interests of humanity and the interests of Canadians. That is our duty and that is what we will do.

We are not a party immediately involved in this incident. We will do what is best for the international community of nations when this matter comes forward and is brought to the attention of these bodies by the countries immediately involved.

REQUEST THAT CANADA UNDERTAKE INITIATIVE

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, does the Minister not believe that the best course of action would be to try to get a resolution of the circumstances and that, rather than being passive and taking no action at all, it would be far more appropriate for Canada, with the reputation which we have in ICAO and in the United Nations, to undertake an initiative before the problem escalates, before there is further retaliation, and before there are further threats and damage to the international civil aviation system?

For the life of me, Mr. Speaker, I do not understand the position of the Government in totally refusing to take positive, constructive action to find out the causes and to put forward proposals and measures which might prevent these kinds of incidents from happening in the future.

Are we prepared to propose that there be special meetings to investigate? Are we prepared to ask the countries to ratify the amendments of the Chicago Convention which would provide better rules for the interception of civilian aircraft? Why will the Government not take the appropriate action to forestall future escalation of this conflict?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I have explained our position and it is a sensible, reasonable, and responsible one. We have no reason to doubt the U.S. version of what occurred yesterday in the Strait of Hormuz.

As members of ICAO and the United Nations we will support whatever responsible action either of those agencies feels it is necessary to take. I believe that Iran has brought this to the attention of ICAO and has asked for an extraordinary session.

We will play our role when the time comes to play that role. In the meantime, we have no reason to doubt that the United States has given a version of the events which is incorrect. There is no evidence that its version is incorrect. I see no similarity between this and the Korean air incident. At that time it was not even admitted by the U.S.S.R. for a number of days that a Korean airliner had disappeared.

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[*Translation*]

OFFICIAL LANGUAGES

BILL C-72—PROPOSED AMENDMENTS—QUERY WHETHER PRIME MINISTER WILL DISAVOW CERTAIN CONSERVATIVE MEMBERS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is directed to the Government and I suppose that the Minister of Justice will attempt to reply to it.

The Prime Minister and the Government are tolerating a certain number of Conservative Members who are anti-francophone, anti-bilingualism and almost anti-Canadian, as they are advocating linguistic separatism. Those Conservative Members are always trying to start quarrels on bilingualism and they want to divide the country over language. The one-hundred and thirty-six amendments to the Official Languages Act that were tabled are the proof of this.

Officially, the Conservative Government supports the Official Languages Act, but on the other hand, it allows its Members to move one-hundred and thirty-six regressive amendments that are unacceptable because they derive from hatred. It is insulting and demoralizing, Mr. Speaker, to read all of the proposed amendments.

Can the Minister tell the House whether the Government or the Prime Minister will have the courage to take a stand, as

did Robert Stanfield, a former Leader of the Conservative Party, and disallow those Conservative Members who are proposing anti-bilingual, anti-francophone and anti-Canadian measures?

[*English*]

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, our Party is the Party of national unity and the Party of healing. Those who would try to use the issue of bilingualism for their own partisan purposes do so not only at their own peril but at the peril of all the people of this country. I would remind the hon. gentleman of that.

Some Hon. Members: Hear, hear!

Mr. Crosbie: The policy of our Party with respect to bilingualism is contained in Bill C-72 as amended by the committee which studied it for a number of weeks. Under the McGrath reform rules Members of this House now have the opportunity to put forward their own views and ideas. They are not circumscribed and entirely subservient to the leadership of the various Parties in this House, as we have all noticed in the last few months.

Not only is it our express policy to extend the principle of bilingualism in Canada, our Prime Minister gave a magnificent demonstration of his belief in those principles in Manitoba before we ever came to power. He is going to continue to give demonstration after demonstration of his belief in those principles, and we will be backing him all the way.

[*Translation*]

QUERY WHETHER THE GOVERNMENT WILL TAKE DISCIPLINARY MEASURES AGAINST CERTAIN PARLIAMENTARY SECRETARIES

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I want to put a supplementary question, and I will address it to the Minister who knows the issue, the Minister of Justice.

Some Conservatives speak out for bilingualism in certain regions of the country, but other Conservative Members are using the language issue to divide electors and to feather their electoral beds, in their areas, in their ridings, by making statements that are anti-Francophone, anti-bilingualism, and, I feel, anti-Canadian.

Take for example the case of the Parliamentary Secretary who has sworn an oath of loyalty to the Government and who says that the Minister of Energy, Mines and Resources should not hire Francophones, and that is just one instance. Other Members support him.

And so I ask the Minister: When will this Government put an end to this foolishness, this stupidity, and impose sanctions on its own Parliamentary Secretaries and bring them to their senses?

[*English*]

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, how short the hon. gentleman's memory is. A number of members of his caucus voted against the amendments to the Constitution, known as the Meech Lake amendments, which were endorsed and supported by us for the very reason that we wanted to ensure that Quebec is satisfied and is welcomed into the full constitutional panoply of Canada.

A number of the members of the hon. gentleman's Party, 12 or 14 if I remember correctly, voted against it, as did several members of the New Democratic Party, one of whom was permitted to campaign against the very Meech Lake amendments which the Leader of her Party says he believes in.

The hon. gentleman now wants to raise the point that several Members of our Party have a different view on some issue of government policy and that this is somehow nefarious. That is the pot calling the kettle black.

[*Translation*]

PROPOSED AMENDMENTS TO BILL C-72—GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Minister of Justice and does not concern the actions of the Conservative Party's or rather the Conservative Caucus' backbench dinosaurs. It concerns the silence of the Secretary of State who is responsible for bilingualism and that of the Prime Minister.

Could the Minister of Justice explain the silence that lasted for five days after amendments were moved by his colleagues in the Conservative Caucus, amendments that would make English the language of work in Canada's Armed Forces, in all federal offices in the National Capital region and even in the Outaouais, and that would only oblige the Government to provide services to the public in French in Quebec and in New Brunswick?

Why was there no reaction, no condemnation by the Secretary of State or by the Prime Minister? Are we to conclude that there is a substantial minority of Conservative Members who are opposed to bilingualism and that the Government prefers to tolerate their opposition instead of condemning it?

• (1430)

[*English*]

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, Bill C-72 is in my name on behalf of the Government. When I condemn the amendments as being contrary to the principles of the Bill, I speak on behalf of the Government. I have the full support of the Prime Minister and the Secretary of State, who all feel at one with respect to the position that we will not support any amendments that are contrary to the principles of this Bill.

Nothing would be a greater condemnation of the position put forward than for us to stand up and defeat the proposals put forward. Indeed, my colleague, the Deputy House Leader, today moved time allocation so that we will have these matters

dealt with expeditiously on Wednesday. I hope we can count on the Hon. Member's support.

[*Translation*]

ALLEGED SILENCE OF PRIME MINISTER—MINISTER'S POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, Canadians can depend on the New Democratic Party's support for Bill C-72, without amendment and as moved today in the House of Commons.

Could the Minister of Justice explain to the House why, for five days, we have been waiting to hear the Prime Minister condemn his backbench colleagues, the dinosaurs? He said nothing, and neither did the Secretary of State, the defender of Quebecers. We haven't heard a thing for five days. And with the passing of time, the damage being done to bilingualism increases.

Why has the Prime Minister remained silent on this matter?

[*English*]

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I made it quite clear on Thursday last that we are not going to support any amendments. In fact, we will defeat these amendments that have been put forward that are inconsistent with the principles of the Bill. That was a clear and categorical statement.

I think it has been pointed out by the Acting Prime Minister that the Prime Minister has shown exemplary leadership in this country with respect to the official languages. When he was Leader of the Opposition, I think he dealt with the matter in the Province of Manitoba with courage. He has led this Party toward very equitable and fair legislation that was never brought forward by our predecessor government. In fact, the Member for Ottawa—Vanier called for such legislation from his own Government which never responded positively.

We brought this legislation forward. We will see it through. We will give the leadership on this issue. The Prime Minister has been at the forefront of this particular matter and we should be proud of the role which he plays.

REQUEST FOR CLARIFICATION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, one expects that if a general or a prime minister is to lead, he will be heard on a particular subject. The Prime Minister was in Ottawa on Friday, and Canada Day was perhaps the day on which he could have spoken out or issued a press released indicating quite clearly his condemnation of the actions by the back-benchers who are trying to destroy bilingualism in this country.

Will the Minister of Justice clarify the situation? Is the Prime Minister leading on this particular subject, or is he hanging back because it is election time and he wants the Conservatives to take one message about bilingualism to Québec and another message about bilingualism to areas like Winnipeg— Assiniboine, Peterborough, and Calgary East, that it is okay to be opposed to bilingualism and vote Conservative?

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I think it is very sad that Opposition Members are again playing politics with an issue as sensitive as this one, and I am referring to matters that concern our two official language communities. I think the Government has given a very clear message, and that message is Bill C-72. The Bill was given unanimous passage on second reading by all Members of the House. Today, amendments have been proposed. You are being asked to wait and see what the Government's exact position is, and that position will be in line with the positions that have been taken by this Party since 1984. There have been problems with official languages before 1984. The Liberal Party did nothing about it. In fact, it always tried to evade the issue. Now I want to ask you one thing. Mr. Speaker, my question as a Member of this House and as a Minister of this Government is: When will you stop your partisan posturing and stop using official languages to set communities up against each other in this country?

* * *

[*English*]

EMPLOYMENT

JOB DEVELOPMENT PROGRAM—FUNDING OF LOW-LEVEL JOB OPPORTUNITIES

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. This morning *The Globe and Mail* confirmed the unanimous findings of the Standing Committee on Employment and Immigration when it said that too many of the job development projects are not training Canadians for a modern economy but simply subsidizing the payroll costs of certain private employers.

The Government is funding through these projects the hiring of waiters, clerks, cleaners, janitors, service station attendants and so on. How can the Government justify the funding of these projects when it has cut back legitimate training of Canadians in community colleges and CEGEPS? How does she justify that?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, many people who come to the Job Development Program would not really qualify for a community college program. The Job Development Program is designed to help the chronically unemployed. These are people who have real problems in the workforce, the long term unemployed, handicapped persons, and women who have been out of the workforce for a long time. They face particular barriers. To have a full-time job in a restaurant, or as a waiter

or waitress, is a real triumph. I think the Hon. Member should know that.

The important consideration is that we have got away from the short-term, make-work projects that existed before, in an effort to give people a real chance at employment they never had.

COMMITTEE REPORT RECOMMENDATION

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, it is very interesting to listen to the Minister today because she is changing the concept of the program that was introduced by the Member for Kingston and the Islands, the former Minister, who said that the program would have an element to give portable training skills to those who took training in these projects. Skill training was one of the objects of the program.

The unanimous committee report of April 13 said that: "Under no circumstances should subsidized training be used simply to lower the payroll costs of an employer". Will the Minister officially change the program to do what she says today, or will she change it to make sure that employers do not use these grants from the Government to subsidize their payrolls?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, we said at the beginning that we wanted private sector involvement in developing jobs, particularly in developing jobs where they are needed.

Let me refer specifically to the Job Development Program and the long-term, hard core unemployed. Three months after their training, 61 per cent had a job. Twelve months after training, 67 per cent had a job; 79 per cent used the training in their jobs.

Anyone who turns the page to read the rest of the story will see that it states:

> This is what happened at Casey's Restaurant in Etobicoke, Metro Toronto, where a mentally handicapped woman was hired to wash dishes and has stayed on as a regular, permanent employee.
>
> "It's worked out 100 per cent here"—

—the General Manger said. Let me quote again:

> In the end, however, a person who would not otherwise have received a job goes on to put something worth while on resume, which in turn leads to more challenging jobs.

I would like to know what the Hon. Member has against these people who have had great difficulty and are now getting the help they need.

[*Translation*]

CANADIAN JOBS STRATEGY—GOVERNMENT POSITION

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, my question is for the Minister of Employment and Immigration. We learned again today in the *Globe and Mail* that one out of six jobs created in the private sector through the Canadian Jobs Strategy program is poorly paid, unskilled and provides no opportunity for training. It is scandalous for the Government to spend $1.6 billion of taxpayers' money without being required to make public the results of this colossal expenditure. Is the Government trying to hide from Canadians that their money is being wasted on the Canadian Jobs Strategy program where the Government provides private sector employers with an almost unlimited pool of cheap labour?

• (1440)

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, that is the same question, but asked in French.

[*English*]

Let me repeat what I said the first time. First, it is a very small part of the Job Development Program, a very small part of the $1.6 billion, but an important part because it deals with a particularly difficult sector of the economy. We have made some changes to the Canadian Jobs Strategy. One of the reasons we came in with a flexible program that involves the private sector was to ensure that we can do some fine tuning because it is such a profound change from the kind of make-work projects that existed before.

The numbers used in the article are not totally accurate. It mentions 17,000 jobs. It is not that, it is 17,000 employers or projects. A very small portion is the individually sponsored ones which are the ones where this very hard core get one-on-one guidance in a job.

Some 84 per cent of the people who took this program have said that it helps them to find a job and keep a job. I think that is success for people who have been out of work for two and three years.

MONITORING OF PROGRAMS

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, my question to the Minister asked why is it that we have to depend on *The Globe and Mail* reporters to get this information through Access to Information. Why is it that the Canadian taxpayers cannot get this information through the statistics of our own Government?

Is the Minister willing to reinstate the cutbacks on the monitoring of these programs that she announced last week?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, we do some considerable monitoring of these projects, which is why I know that 84 per cent of the people who participated are able to say that they have helped them with their job training and helped them to keep a job. That is monitoring, and that is success.

We do follow up with the people who participate in this. We know that they have jobs. In fact, some 61 per cent have jobs after three months and 67 per cent after 12 months. For people who have been unemployed for a long period of time that is a real success story. I am very proud of it.

Oral Questions

HOUSE OF COMMONS

PRESENCE IN GALLERY OF FEDERAL REPUBLIC OF GERMANY PARLIAMENTARY COMMITTEE MEMBERS

Mr. Speaker: I wish to draw to the Members' attention the presence in the gallery of members of the Parliamentary Committee on Labour and Social Affairs from the Bundestag of the Federal Republic of Germany.

Some Hon. Members: Hear, hear!

* * *

ENERGY

RENEWABLE RESOURCES—RESEARCH PROGRAMS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in the absence of the Minister of Energy, Mines and Resources and the Minister of the Environment, my question is directed to the Deputy Deputy Prime Minister.

Given the importance of renewable resources of energy, and in light of the statement made by the Prime Minister in Toronto last week that his Government is committed to the protection of the environment, and given also the fact that since 1984 the Government has cancelled a $40 million renewable energy program of the National Research Council, as well as the Canertech Institution in Winnipeg, and it has reduced climate research programs in Environment Canada, and given the fact that the record of the Government is moving in a direction opposite to what it claims, will the responsible Deputy Prime Minister give an indication to the House with respect to whether the Government is willing to reverse this trend of cancellation in renewable resources research programs and launch a research program that is badly needed in light of the global atmospheric changes, the threat posed by the thinning of the ozone layer, and the environmental situation as it has emerged as a result of the conference?

Hon. Gerald. S. Merrithew (Minister of State (Forestry and Mines)): Mr. Speaker, the Minister of Energy watched the proceedings of that particular conference with a great deal of interest, as did most other Members of the House of Commons. I can tell the Hon. Member that in no way have we reduced the efforts of the Department of Energy, Mines and Resources and, indeed, of the Government, with regard to alternative energy sources. In fact, we are spending something in the order of $89 million on just the kind of items the Hon. Member mentions.

In addition, we can affirm to the House and to the public in general that a task force is undertaking a massive consultation program with the public. It is called "Energy Options". That report will be submitted to the Government some time later this summer.

If the Hon. Member has any excellent suggestions, we will be glad to hear them.

REQUEST THAT GOVERNMENT REVERSE DECISION PERTAINING TO RESEARCH

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the Hon. Minister has not answered my question. My question is very specific.

Will the Government reverse the trend of cancelling research, particularly research that is badly needed in the field of renewable resources of energy? Will it reverse its decision to close the marine ecology lab in Bedford and cancel the research programs in the National Research Council on renewable resources of energy? That is my question.

Hon. Gerald. S. Merrithew (Minister of State (Forestry and Mines)): Mr. Speaker, once again, in case the Hon. Member missed it the first time, I can tell him that the Department is spending as much as it ever did on renewable energy and alternative energy sources. I can tell the Hon. Member that we want to ensure that the programs that we do have are cost effective, and that they are suitable. We have reviewed some of those programs.

I can tell the Hon. Member that in no way have we diminished the efforts of the Government in terms of alternative energy sources.

* * *

IMMIGRATION

ADMISSION OF IMMIGRANTS UNDER OTTAWA-QUÉBEC PROTOCOL

Mr. John Oostrom (Willowdale): Mr. Speaker, my question is for the Minister of Employment and Immigration. I will not ask her any questions on employment since we have 1.3 million more Canadians working.

My question concerns immigration. Wealthy individuals who were initially denied immigration status by our immigration officials are using an agreement between Canada and the Province of Quebec to gain landed status in Canada. Once they are approved by Quebec these individuals can move and settle anywhere in Canada.

Will the Minister review the 1978 Protocol between Québec and Ottawa in order that one uniform policy can be applied to all of Canada?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, the people who come to Canada, whether under this program or under other programs, have to meet Canadian standards. The Cullen-Couture agreement falls beneath that national standard for immigrants.

Clearly, when people come to Canada for the first time to live they have the freedom under our Constitution to move to other parts of Canada should they so wish. We work very

closely with Quebec in terms of the Cullen-Couture agreement, the entrepreneurial program, and the investor program which is somewhat newer. We will continue to work with them. However, it is not my intention at this stage to alter the agreement with Quebec.

* * *

AGRICULTURE

GRAIN CROP PROJECTIONS—INITIAL PRICES—TIMING OF ANNOUNCEMENT

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is for the Parliamentary Secretary to the Minister of Agriculture. In the last couple of weeks projections of the yield of the grain crop on the western prairies have dropped to the point of suggesting that it will be only 50 per cent or less. Also, the asking price for wheat by the Canadian Wheat Board has increased by about 25 per cent. The price for barley has increased by about 50 per cent.

Given this information, does the Government intend to announce an increase in the initial prices as quickly as possible?

Mr. Lee Clark (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, as the Hon. Member knows, the crop conditions on the Prairies are very uncertain due to the very severe drought. As a result, the price of grain is very volatile. Certainly, we as a Government have been committed to continuing the policy of trying to ensure that as much of the farmer's money is made available to him up front when he needs it most. In other words, we tried to keep initial prices as high as possible.

If the crop conditions are such and the prices are such that it would seem as if an increase in the initial price would be warranted between now and the beginning of the new crop year, which is about four weeks away, then that announcement will be made as close as possible, I would assume, to the beginning of that new crop year to ensure that the price is accurate.

In the meantime I note, and I think most farmers are already doing this, that what little grain is left on the Prairies is very often being delivered. Storage tickets are being taken out to ensure that if there is to be a higher price in place at the beginning of the new crop year then the farmer would receive that.

I also note that some grain companies apparently are beginning to waive that storage fee as well to assist the farm community.

• (1450)

APPLICATION OF NEW PRICES

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, at present there is a considerable amount of grain still being delivered, approximately 700,000 tonnes per week. Is there any possibility of the Government increasing the initial prices for this period of time in order that producers who delivered grain during the last year will receive some benefit of the increased prices as quickly as possible?

Mr. Lee Clark (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, first, as I have already indicated, farmers delivering grain have the option of putting it in storage for the next four weeks and taking advantage of any higher grain prices that might be in place as of the beginning of the new crop year.

Second, prices are rising. Quite frankly, that is about the only good news in prairie agriculture these days. One would assume that those increased prices would certainly be reflected in a final payment. Therefore, farmers will benefit from that, on the assumption that prices are rising, as we anticipate that they are.

* * *

[*Translation*]

RAILWAY TRANSPORT

DANGEROUS GOODS—GOVERNMENT POSITION

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is directed to the Minister of Transport. In 1987, more than 20,000 Canadian National railway cars carrying hazardous materials used the CN track at Saint-Lambert. In Canada, the number of accidents or incidents involving hazardous materials increased from 108 in 1985 to 239 in 1987. I would like the Minister to tell us what he intends to do to guarantee the safety of Quebec's urban residents, especially those living on the South Shore, considering the risk of a disaster that is becoming greater every year.

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I agree that the transportation of hazardous materials, especially on Montreal's South Shore, considering the kind of factories and the nature of the economy in this part of Quebec ... I agree it has increased. However, the Hon. Member will recall that the Government introduced a series of measures when it tabled the new legislation on the transportation of hazardous materials, and these measures concern training the workers involved, taking preventive action and also measures that are necessary in case of a disaster. Fortunately, we have not had to face that kind of situation so far, but once again, I want to make it clear that with this Bill we have taken a hard look at the situation. We cannot eliminate the transportation of hazardous materials completely because

it would involve the loss of thousands of jobs, and once again, the important thing is to regulate the transportation of hazardous materials so as to eliminate the problems to which the Hon. Member is referring.

SAFETY REGULATIONS—POSITION OF CN

Mrs. Lucie Pépin (Outremont): Mr. Speaker, since the U.S. experience has shown that deregulation of railway transportation has brought about a decline in safety and maintenance standards, could the Minister give the House the assurance that CN is adhering strictly to the safety regulations for hazardous materials?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, the Hon. Member referred to deregulation. I am afraid I don't agree with her because improving safety conditions does not depend on whether we are regulated or not. Improving these conditions is necessary, and this applies to the agencies that must deal with the transportation of hazardous materials. The Government, especially considering its direct responsibility for Canadian National, is going to take care of this, and in fact we have already started. The new Railway Safety Act which, I believe, is now in the Senate, will make it possible for municipalities and other groups to apply for relocation of railway tracks to areas where they would represent less of a hazard for the community. Conditions have improved a great deal in the past four years, but it is a serious problem, and we are taking it very seriously.

* * *

[*English*]

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—COMMITTEE HEARINGS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is directed to my colleague, the fast reader, the Minister for International Trade.

The Government has released its paper the *Free Trade Agreement and Industry*. On page 39, as I am sure the Minister will have read, it admits that performance requirements, such as increased exports or domestic content levels, will not be permitted under the agreement.

In view of these types of concerns, will the Minister urge the legislative committee dealing with this legislation to hear witnesses as widely across the country as possible, to have expert staff attached to the committee, and to see to it that Canadians get a chance actually to speak out right across the country to this legislative committee on this trade deal?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, Canadians have spoken out across this country in support of, for the most part, and some in opposition to, the free trade agreement. There was a day of protest several weeks ago in which a heavily advertised meeting of those who are against the free trade agreement in St. John's, Newfoundland, drew 25 persons to the meeting out of a total population of 200,000, and across the country the same pitiful numbers turned out for those protest meetings.

If the House endorses the principle of this free trade Bill tomorrow, as I hope it will, the Bill will be referred to a legislative committee. My recommendation to it will be that there has already been a parliamentary committee that travelled across the country on this. There have been Senate committees. The Senate endorsed the free trade arrangement in 1982, and the Senate endorsed it in 1978. There have been five or six opposition days in the House on this very matter, and the same in the Senate. This matter has now been debated and discussed for a year and a half. We have had the text of the agreement since last December. We are ready now for action, and the Canadian people are ready for action.

MINISTER'S POSITION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the latest poll shows that 38 per cent of the people of Canada support this agreement, and 40 per cent are against it.

In view of the fact that there has not been a single bit of evidence or a single bit of testimony with respect to this actual agreement, will the Minister not retract that ridiculous statement and recognize that the Canadian people have a right to be able to speak out on this issue right across the country?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I recommend to the hon. gentleman that he read Mr. John Crispo's book: *Free Trade: The Real Story*, where he will find explained for him the free trade agreement in a way that he does not seem to be able to understand it as yet. These are independent authors who explain the document from cover to cover. If the Hon. Member reads it, he will find that he does not need to read every dot, jot, and tittle of the original agreement.

The position is that the House is now ready to deal with this matter. Hopefully a legislative committee will sit in Ottawa and will pursue any matters that people suggest should be pursued, or that the members want to suggest. We hope to have its report before too long, and send this matter on to the Senate. Canadians are waiting to get at the U.S. market with the new opportunities. Our 17 conferences across the country are proving to be very successful in that endeavour to help Canadians take advantage of these new opportunities in the U.S. market.

HEALTH

FOOD IRRADIATION—CLASSIFICATION AS PROCESS

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is directed to the Minister of Health. The Government has now classified food irradiation as a process rather than an additive. This is directly contrary to an all-Party committee of the House of Commons that stated if food irradiation was classified as a process rather than an additive, it would subject it to inappropriate toxicological testing.

At a time when 75 per cent of Canadians are opposed to irradiated food, why is the Government subjecting irradiated food to inappropriate toxicological testing?

• (1500)

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I find it rather odd that the Hon. Member would put it quite that way, because it was his Government that in fact approved irradiation of certain foods prior to the studies that have been committed.

I can say to the Hon. Member that under regular procedures the proposed regulations were gazetted on June 4 of this year. It was a 60-day period. Groups obviously have the right to put forward their comments during that period of time. But I say to him that, with not only the approval that his Government had given earlier and the changes that we made which he has put in his question, it would still have to be done on a case-by-case basis, and efficacy and health would have to be proven. So, even despite the points that he makes, those conditions are still in place.

PRIVATIZATION OF RADIOCHEMICAL COMPANY

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, the benefits of food irradiation are not going to be met if the Government is also not going to meet the concerns of the public. The public's concern is going to be heightened with respect to irradiated food. This is a very sensitive area. The Minister would admit that. Yet the Government is going to privatize the Radiochemical Company which deals with the irradiation of food.

Why is the Government, in light of the concerns of the public and the delicate nature of this whole question, going to privatize the Radiochemical Company by April 30th of next year, when, as he says, irradiated food is such a delicate subject and one that needs to be dealt with in such a careful manner?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am pleased that the Hon. Member, on behalf of his Party I take it—because he is the spokesperson for energy, mines and resources for the Liberal Party—has confirmed in his preamble today the value of irradiated food and irradiation as a process. I am pleased that he has done that.

Secondly, in respect to the report that has been put forward, I have given the details on it. Thirdly, in respect to any safety, if in fact the privatization takes place, I think as well that that is well covered by the regulations.

The last point that I would make to him, quite apart from what we have done in Canada, which his Government approved in fact and which has been done to this date—in fact, this Government has yet not brought any new processes into place, over all the former Government had in place—is that over 30 years of research has taken place on irradiated foods, for example, not only through the Atomic Energy Control Commission headquartered in Vienna, but also at Seibelsdorf, as well as work being through Third World countries which are looking for storage possibilities for food.

I am pleased that the Hon. Member, though he might disagree on some of the margins, has again endorsed the position that his Party had taken, both before and today.

* * *

TAX REFORM

DISABILITY DEDUCTION—CONVERSION TO TAX CREDIT

Mr. Patrick Boyer (Etobicoke—Lakeshore): My question is for the Minister of Finance. It relates to tax reform and arises out of Mona Winberg's column, "Disabled Today", that appeared in yesterday's *Toronto Sun.*

It is a matter of record that at least in two of the Minister's Budgets he has made changes that have marked significant improvements for Canadians with disabilities, who are taxpayers. In yesterday's column that I referred to, however, there is discussion about the shift of the disability deduction to a credit under tax reform. I will not give the contents of the column, but I did satisfy myself that the Minister has seen it.

The conclusions that were reached there were that by changing to a tax credit the Government is not taking fully into account the special needs of taxpayers with disabilities. My question therefore is to the Minister, to ask whether he can assure the House that Canadian taxpayers with disabilities, or with dependants who are disabled, will not at the end of the day lose these recent advances that have been made as a result of tax reform.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do appreciate the question of the Hon. Member who, as the Chairman of the Standing Committee on the Status of Disabled Persons, has shown a continuing interest in this particular problem. I might point out to him that two-thirds of taxpayers are in the low-income bracket which was, in part, the focus of this particular column. But 80 per cent of the claimants of the disability exemption—now a credit—are in that same tax category.

We have, I think, demonstrated an ongoing concern for the position of the disabled in the tax system. We have broadened the definition of "disability", we have expanded the list of items that are eligible for the medical deduction now to become a credit. We have also increased the size of the exemption in the previous Budgets by $250.

The over-all impact, we believe, on disabled people will be positive in tax reform if you take into account all the elements of tax reform, but particularly the effect on those in the lower-income bracket representing 80 per cent of claimants is clearly higher.

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HUMAN RIGHTS

WINNIPEG APARTMENT BLOCKS—REPORTED DISCRIMINATION AGAINST NATIVE PEOPLES

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my question is for the Minister responsible for housing, who has just evaporated. Perhaps I could go to the Minister of Justice then. In *The Globe and Mail* there are reports that human rights activists in Winnipeg indicate that apartment blocks have a no-native policy, that there is housing discrimination in Winnipeg against native people. When this was first documented in 1981 it was also shown that federal dollars were going into renovating these apartments, and after the renovations the no-native policy was established.

What I would like to ask of this Minister is whether, now that this has come to light again, he would be prepared to appoint an independent inquiry to get to the bottom of this no-native policy, rather than do what CMHC did in 1981, and that was simply to get a promise from landlords and from the people who got the money, that they would not discriminate, and these promises were not policed.

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I think the hon. gentleman has given a damning indictment of the Government which had responsibility for housing in Winnipeg and in Manitoba, namely, the New Democratic Government of the time, because the hon. gentleman will fully appreciate the fact that housing is essentially a provincial responsibility. We on the federal side, in particular my colleague, the Minister of Public Works responsible for Canada Mortgage and Housing Corporation, have had a policy with respect to our participation of non-discrimination. Obviously, we have done more than that. We have been pro-active with respect to our policies for native housing.

If the hon. gentleman would get to his socialist colleagues and tell them to shape up, it would be about time.

An Hon. Member: It is a Conservative Government in Manitoba. Shape up, yourself.

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—PARLIAMENTARY STUDY AND CONSIDERATION

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister for International Trade. I want to ask the Minister why he considers a general discussion of the principle of free trade to be a substitute for a full parliamentary and, specifically, House of Commons debate, and House of Commons committee study, of the detailed wording of the actual deal that his Government signed with the United States. Why isn't he willing to have a full and complete study of the actual wording of the deal signed by his Government with the United States, by a parliamentary committee, instead of giving what is an improper direction on the floor of this House to the members of the committee not to have such a study, a direction to the Conservative majority?

In short, why is something like Dr. Crispo's book a fit substitute for a full House of Commons committee consideration of the Government's trade deal with the United States?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, there we see the true labyrinthine mind of the Liberal at work. The hon. gentleman's Leader and his Party have said they are going to tear up the free trade agreement. If they are going to tear it up, why should they care what is in it any further? They have made their decision months ago. They have blindly said they are going to tear it up, and the Leader of the New Democratic Party says that they are going to tear it down. Then they ask for another year to study the Bill.

The Bill has been in the House now since May. The agreement has been before the Canadian public since December. The time has come for action, not a childish threat to tear something up. It is reprehensible. Never was there such an irresponsible statement made by the Leader of a Party. And then his House Leader asked for more time to study the document that they are going to tear up. Bosh!

Some Hon. Members: Hear, hear!

* * *

• (1510)

PRIVILEGE

CLARIFICATION OF COMMENTS DURING QUESTION PERIOD

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I asked a question of the Minister of National Health and Welfare (Mr. Epp) on a very sensitive matter. The Government has reduced the status of irradiated food from a process to an additive. In accordance with an all-Party committee, this is directly contrary to the recommendation. The committee said that to so reduce irradiated food from a process to an additive would subject it to insufficient toxicological test.

The Government is saying that there is a definite benefit for having irradiated food in Canada, particularly in the Third World. We really do not know what the benefits of irradiated food are as yet. I do not think this Party or anyone should be in a position to say that there are not benefits from irradiated food. They may not be in ways that the Government is using irradiated food at the present time. The benefits may lie in some other area. The changes which the Government has made may be injurious to the health of Canadians. I am not saying that to try to alarm Canadians, I am saying that to try to put the question in perspective because we do not have sufficient information. There are other very knowledgeable countries in the western world which have not as yet even contemplated changing irradiated food from a process to an additive, and with good reason, because they do not have the information. No country has the information as yet.

When I asked the Minister about this, he said that he was glad to hear that I was agreeing with the use and the benefits of irradiated food. But there was nothing similar or indicative in my question which would indicate that I was approving of irradiated food.

On behalf of the Liberal Party, I do not want to take the chance of losing something that could be beneficial. It is something that in other ways could be injurious to the health of Canadians. We should not be using it in a cavalier fashion. To dismiss testing would primarily perhaps injure the health of Canadians. Seventy-five per cent of Canadians object to irradiated food at the present time. The Government, if it wanted to use irradiated food in the most responsible manner possible, should be doing all the testing it possibly could until it had the information that met the criteria of Canadians and other countries throughout the world. The Minister should not say that we are approving, when we are not. He said that this is a sensitive issue. At the same time he said that he is representing a Government that is going to sell the Radiochemical Company, a division of Atomic Energy of Canada Limited, to the private sector which only feeds on the concerns of Canadians, and will jeopardize perhaps the health standards of this country.

Mr. Speaker: I have allowed the Hon. Member to go on. I know it is a matter which he, other Members and the Minister treat with importance. His point may be a point of order. It is not a point of privilege. I call upon the Minister who may want to comment.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member is an honourable person in this House and I respect what he said. The issue is moving from an additive to a process. The comments he made, and I think he has now said it again—I do not want to misinterpret him in any way—indicated that the Liberal Party still had an open mind on the issue. In many of the areas—and I say this directly to the Hon. Member—people do not take that position and that is what I meant in terms of that interpretation.

The testing will continue. There is a further safeguard with respect to irradiated food being approved on a case-by-case basis. The Hon. Member says that other countries have not yet moved in that direction. There is no doubt that Canada has been a leader in irradiated food and atomic energy research, including the associated safety measures. Those of us who know that industry are all proud of it. Having said that, obviously the Government will not move forward unless on a case-by-case basis both the testing and efficacy are approved.

Mr. Speaker: I think the Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan) has in a sense not risen on a question of privilege. His point more properly should have been a point of order or clarification. Normally I do not think the Chair would have allowed the point to go on, but it may well be that the exchange has helped to clarify the situation both for the Hon. Member and for the Hon. Minister. It is a matter of considerable concern across the country and in this Chamber.

I thank the Hon. Member, and I thank the Hon. Minister for his reply.

GOVERNMENT ORDERS

[*English*]

CANADA-UNITED STATES FREE TRADE AGREEMENT IMPLEMENTATION ACT

ALLOCATION OF TIME TO CONSIDER SECOND READING STAGE OF BILL C-130

The House resumed consideration of the motion of Mr. Lewis:

> That, in relation to Bill C-130, an Act to implement the Free Trade Agreement between Canada and the United States of America, one further sitting day be allotted to the second reading stage of the Bill: and
>
> That, at fifteen minutes before the expiry of the time provided for Government Business on the above mentioned sitting day, any proceedings before the House shall be interrupted, if required, for the purpose of this Order and, in turn, every question necessary in order to dispose of the said stage of the Bill shall be put forthwith and successively, without further debate or amendment.

Mr. Manly: Mr. Speaker, a point of order.

The Acting Speaker (Mrs. Champagne): A point of order. The Hon. Member for Cowichan—Malahat—The Islands.

Mr. Manly: Madam Speaker, just before we broke for lunch a point of order was raised as to whether or not when the Hon. Member for Brampton—Georgetown (Mr. McDermid) had the floor he had risen on a point of order or had risen to speak. I believe that you were going to check the "blues". Could you indicate at this time what the results are?

The Acting Speaker (Mrs. Champagne): I have not had the opportunity of actually seeing the "blues" but I can assure the Hon. Member, as I did earlier, that the Hon. Parliamentary

Secretary was recognized on a point of order, and he did say so at the time. I will ask for the "blues" to be brought to me during the Hon. Member for Timiskaming's intervention. He has been interrupted on quite a few occasions by points of order and I think at this time we should allow him to give his message.

Mr. John A. MacDougall (Timiskaming): Madam Speaker, I think mine will be one of the most protracted 10-minute speeches that will have been given in the House. I would now like to return to discussing Bill C-130. I think it has tremendous benefits for all Canadians and, in particular, for those living in Ontario.

Today I would like to take a province-wide perspective. Trade is an issue of considerable importance to Ontario, particularly trade with the United States. Fully 90 per cent of all Ontario's exports go to the U.S. while 83 per cent of this province's imports come from south of the border. That is why the Canada-U.S. Free Trade Agreement is so important for us here in Ontario. We sought an agreement that would secure and enhance our access to the vital U.S. market. We fought hard for Ontario's interests and we have a great deal to show for our efforts. Unfortunately, there is some misunderstanding about this agreement here in Ontario, especially at Queen's Park.

First, David Peterson said he would support free trade but only if certain conditions were met. Then, when those conditions were met, he still said, no, he could not support the agreement. Then he said he was going to do everything he could to fight the deal. Now, he says he will wait and see. As John Diefenbaker once said:

> The Liberals are the flying saucers of politics. No one can make head nor tail of them and they never are seen twice in the same place.

Today, Madam Speaker, I want to set the record straight for the people of Ontario about this agreement, beginning with the automotive provisions.

Naturally the automotive provisions are of keen interest to Ontario where the automotive industry is the largest employer in the province. The Premier has said he worries that the Auto Pact could be gutted. His worries have no basis in fact. From the outset of the negotiations we said that the Auto Pact was working well and that Canada would not raise it. We did not. The Government also said that if the Americans made proposals which offered the potential for more production and employment in Canada, we would listen to them. The Americans did have some ideas which we found to be a sound basis for discussion. The result is what has been described as Auto Pact Plus. We have kept the fundamental elements of the Auto Pact and added provisions in the agreement which will stimulate new opportunities for production and employment in Canada.

• (1520)

Let me be more specific. For Auto Pact producers, not much has changed. They can continue to operate as they have been and retain their third-country privileges which will now be denied to newcomers. For Canadian parts producers, this is a good package. For sales to the Auto Pact producers, the situation will be unchanged except that vehicles assembled in Canada will have to meet a higher standard of North American content to qualify for duty free entry to the U.S. This is a real incentive to procure high levels of domestic parts.

What about parts producers selling or hoping to sell to the transplants in North America? The rules of origin negotiated in the agreement and the end of the duty drawbacks will create a real incentive for assemblers to increase their sourcing of North American parts to qualify for the reduced tariffs. These are highly positive developments.

Just as positive are the provisions pertaining to agricultural trade. In essence, the agreement provides for agricultural trade a balanced deal which makes important gains for our primary exporters and at the same time safeguards our marketing board system for sensitive sectors such as dairy and eggs. Ontario's beef and meat processing industries will gain from the exemption from U.S. meat import laws. Fruit and vegetable producers will be protected for 20 years by special tariff measures which can be invoked when prices are abnormally low.

With respect to investment, David Peterson has expressed considerable concern about the levels of foreign investment, something which sounds a bit strange coming from the man who has thrown open the Ontario securities industry to foreign takeovers, as economist John Crispo has pointed out. The Premier's concerns are ill-founded. Canada keeps the right to restrict U.S. investment in key sectors such as energy, transportation and culture. we also retain our ability to review major direct acquisitions by non-Canadians.

Those who are defensive about foreign investment forget that Canada is now a major net exporter of capital and has been since 1975. As an importer and exporter of capital, Canada has much to gain from a secure and stable investment environment at home and abroad.

Increased investment is particularly important to northern Ontario's key industries such as mining. New investment means more jobs and more secure jobs, especially for northern Ontarians who make up 73 per cent of the province's mining workforce.

Let me move on to dispute settlement, an issue I hear a lot about in northern Ontario where there is concern about the impact of U.S. protectionism on our forestry and steel exports. As Ambassador Reisman has pointed out, our objective in the area of dispute settlement was to ensure greater certainty about the rules of the game. What we have achieved is binding objectivity in the application of anti-dump and countervail laws by both parties.

The dispute settlement provisions make Canada an equal partner in the resolution of disputes and provide for fair and effective solutions to difficult problems. Canadians will know

what the rules are and can be confident that they will have a voice in how they will be applied. How can anyone claim that this is not an improvement over what we have now?

For Ontario's service industries, there is also good news. The agreement will ensure that Canadian service businesses can compete with U.S. companies on an equal footing. Our entrepreneurs and businesses will have easier access to the U.S. to sell their goods and services and to supply after-sales service to their customers. This alone is a very practical achievement for Ontario with its large service sector.

With respect to financial services, the agreement promotes the Government's policy objectives for this sector that were set out last December. Those objectives are to increase competition, innovation and efficiency, to broaden sources of credit and options for consumers and to promote international competitiveness and domestic growth.

The agreement will open up a major new area of the securities market for Canadian banks in the U.S. At the same time, we retain the right to control entry of foreign banks into our financial markets and we keep full power to regulate chartered financial institutions operating in Canada.

What about jobs and free trade? Free trade critics claim that there will be many job losses. This is not so according to the Economic Council and the Conference Board, both of which predict increased employment as a result of free trade.

With respect to jobs and women, the Economic Council forecasts that half the new jobs created by this agreement will be in the retail and wholesale trade and in the commercial, personal care and business services. This is very favourable for Canadian women because 84 per cent of Canadian women work in service industries. The C. D. Howe Institute also agrees. It says that since women hold more than half the jobs in the services sector, they are well positioned to benefit from this employment expansion.

What about labour adjustment, another issue which has been brought up on numerous occasions? Critics ignore the fact that adjustment due to free trade will be small compared to normal labour adjustment that occurs each year in our economy. They also ignore the fact that the Government already has in place a wide array of labour adjustment programs. In addition, we have established the Advisory Council on Adjustment which will make an interim report this summer on the adequacy of existing programs.

An example that will need assistance is Ontario's grape and wine sectors which will need to adjust not just to free trade but also to the recent GATT panel ruling. Since December, we have been consulting extensively with provincial officials and the industry on an assistance package for these sectors.

Today, I repeat this challenge. I ask all the enterprising people of Ontario to help us take Canada forward to greater economic growth and prosperity for our sons and daughters.

• (1530)

[*Translation*]

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Madam Speaker, it is difficult for Canadians listening to the debates to know where the exaggerations are on both sides of the House. I myself have had great difficulty understanding the issues in this debate. Canadians are entitled to know why the Government has gagged the Opposition in the House of Commons during the free trade debate. This is the most important Bill before Parliament in the 121 years since Confederation.

Canada's independence and sovereignty are at stake in Bill C-130. We should start by solving our interprovincial problems before getting into free trade with the United States.

A construction worker from Ontario cannot work in the Province of Quebec. We do not even have free movement between the provinces of Canada. For example, professional associations and corporations are under provincial jurisdiction in Canada and state jurisdiction in the United States. We know that the professional corporations in Quebec have very strict prerequisites with which professionals from other provinces must comply if they come to Quebec. We also know that the Americans' prerequisites are less strict and exacting. So we wonder what kind of services we will have in Canada after free trade with the Americans. Are we ready to lower the quality of our services, are we prepared to decrease the health protection of Canadian patients? There are many other imponderables in this Accord. Many decisions will depend on the interpretation given to it. For example, in future, will we need American approval before deciding whether a Government can nationalize automobile insurance, as has been done in Quebec and Saskatchewan?

There are already several other irritants between Canada and the United States. For example, the Americans steadfastly refuse to admit they are partially responsible for acid rain, an environmental issue which could be the subject of long debates.

Hon. Members will recall as well that we lost the fight over Arctic waters sovereignty in 1985, particularly the stealthy saga of the American icebreaker *Polar Sea*. Mr. Reagan laughed in our Prime Minister's face (Mr. Mulroney) by having him sign the Arctic co-operation agreement. Just what is the meaning of a co-operation agreement? It means that the Americans are stubborn and that under no consideration whatsoever will they acknowledge our sovereignty in the Arctic waters and the Northwest Passage.

Signing the agreement was tantamount to the Conservative Government's admission of being powerless to control the ongoing activities of the American giant in the Far North.

Conservative publicity would have us believe that we are looking at the perfect recipe for happiness, a recipe which is being sold to the Canadian public just like a fairy tale we tell our children. Everything is beautiful, everything is fine, not to worry, everything eventually will turn out all right. No way!

Before going any further I want to make sure that Canadians who are listening realize that the Official Opposition is not against free trade, we are simply against this agreement bearing the signatures of Mulroney and Reagan.

Since the end of World War II the Liberal Party in office has always negotiated freer trade through GATT. It did so successfully and to the advantage of Canada. Nothing prevents Canada from continuing and even improving this kind of negotiations.

My leader, the Leader of the Official Opposition (Mr. Turner), stated in his speech on free trade that this agreement represents the largest sell-out of our sovereignty since we became a nation. He went on to say that with this agreement we are losing the ability and power to govern our own country, to choose our policies and to fulfill our national destiny as Canadians.

The Conservatives want us to believe that a general agreement with the United States is more advantageous because it would guarantee access to the huge American market. But, Madam Speaker, we already have access to a major part of the American market.

Since its creation in 1947 GATT paved the way for tariff reductions—then 40 per cent on average—to an average rate of 5 per cent now. Roughly 80 per cent of those products are already being exported duty-free to the United States. To put it another way, the Mulroney-Reagan general trade agreement is aimed at guaranteeing access to the rest of the market, only 20 per cent. That is clear enough!

The question is this: Does the agreement we have on the table guarantee the access the Conservatives have been striving to achieve? The answer is no, and there are three reasons for that. Last month the American Congress passed its omnibus bill, and henceforth this legislation will impose additional tariffs on all countries exporting to the United States, including Canada. Yet President Reagan had promised to veto this omnibus bill personally to protect Canada. He has yet to deliver and chances are we will face new tariff barriers on January 1, 1989 when the free trade agreement comes into force.

Furthermore, elements of this omnibus bill will be part of the next GATT negotiations. We will therefore not have access to these markets and we will have to renegotiate these items at the next round of GATT when we will already be bound by the Free Trade Agreement.

Second, the dispute settlement mechanism is deficient because we will be subject to U.S. laws.

Gordon Ritchie, ambassador and deputy chief negotiator at the Canadian Trade Netgotiations Office, admitted to the House of Commons Committee that Canada had not obtained any guaranteed access. According to him, U.S. law will continue to apply in this area. The Leader of the Official Opposition (Mr. Turner) pointed out to us that Article 1902(1) of the Agreement specifies that the United States reserves the right to apply its own legislation, its laws on anti-dumping and countervailing duties, to all products imported from the territory of the other party, namely Canada.

In the case of potash, steel and lumber, we have already paid the price.

Third, the dispute settlement mechanism is wanting. The three panels have no authority to enforce this Agreement.

It is mainly for these three reasons that we do not agree with this Agreement.

First, President Reagan has not yet exempted us from the U.S. omnibus trade bill; second, we are subject to American laws and third, the dispute settlement mechanism is ineffective.

Also, in the field for which I am a critic, the dispute on Class "C" plywood, which is of superior quality in Canada, and Class "D", which is an inferior U.S. quality, is a problem for Canada even before the Agreement takes effect. Although Canada offered to develop a test for the strength of Canadian plywood, the Americans still refuse to submit to it.

This dispute will particularly affect construction of public housing. The Americans are making a big issue of it and want us Canadians to lower the quality of our plywood. There is no question of Americans improving the quality of theirs. It is not as unimportant as it may seem because it shows what will happen every time the Americans want to have access to our Canadian market.

This can have serious consequences for public housing. For example, we have often heard very heated debates in this House when Members exposed the deplorable conditions of housing for native people in Canada.

Houses on reservations last about 15 years. If we lower the quality of the plywood used in building them, we are likely to have to replace them much sooner.

Public housing, which as we know is partly subsidized by the Canada Mortgage and Housing Corporation, will also be greatly affected by this U.S. decision. The Conservatives well know that I am watching them on this issue. I have made statements in the House, I have questioned the Minister responsible for housing and I do think that the Americans and the Government will pay attention, but we will have to keep on the lookout during the vacation period. It is very easy to have the wool pulled over you, as happened to Quebec, during the vacation period.

The Acting Speaker (Mrs. Champagne): I am sorry to have to interrupt the Hon. Member, but her time is up.

[*English*]

Mr. Murray Dorin (Edmonton West): Madam Speaker, we now have before the House a motion that will allow us to vote on a matter of vital importance to western Canada. We have heard much in this debate about free trade and its short-term impact on Canadian consumers, businesses and workers. We

have heard from those who want to promote Canada to the world and those who want to remove Canada from the world. I want to consider the free trade agreement in light of the long term opportunities it presents, especially for western Canada, and the step forward in global relations that it represents.

Free trade resolves at least one problem which has plagued western Canada for a century and responds to the future challenges the whole country will face. Ever since John A. Macdonald's national policy the tariff system in Canada has worked to the disadvantage of western Canada. We sold our products on the international market at low prices but had to buy goods on the highly protected domestic one. Free trade is about to change that imbalance.

• (1540)

With free trade, western businesses will continue to compete as they have all along and western consumers will have the advantage of access to tariff-free imports from the United States. We can look forward to a revitalized economy, modernization, and real income growth. No wonder Albertans are among the strongest supporters of free trade!

At the First Ministers' Conference on the economy in February, 1985, former Premier Peter Lougheed of Alberta presented his belief that free trade would create jobs and opportunities for Canadians. He had supported the idea at the 1977 Premiers of Canada Conferences and it was supported again in the provincial Government White Paper on Industrial and Science Strategy. This time, though, the federal Government gave some consideration to western ideas.

What was being suggested was a mutually beneficial package of reductions in tariff and non-tariff barriers and that is what has been negotiated. I cannot say that westerners are totally responsible for bringing about the free trade agreement, but former Premier Lougheed was certainly instrumental in getting it placed on the national agenda. I think it is a credit to the current Prime Minister (Mr. Mulroney) that he has pursued the matter.

At the 1985 First Ministers' Conference it was stated that: "From Alberta's perspective, a free trade arrangement is a viable method of overcoming obstacles to the revitalization of our economy. The benefits from expanded trade, the effect on industrial restructuring, rationalization, modernization, technological enhancement, productivity improvement, and real income growth can be realized if a free trade agreement is put into place... Federal and provincial Governments must now demonstrate their leadership and show that Canada has the self-confidence and political maturity to pursue a free trade arrangement with the United States".

The Alberta Government was saying then, and I am repeating now, that free trade is crucial for the economic future of the West, and, for that matter, all of Canada. It is also an indicator of the future economic policies that Canada must pursue. Canada dare not complacently accept the *status quo*. We must consider our own style of *perestroika*, our own methods of securing economic well-being into the future.

U.S. Secretary of State George Shultz spoke before the World Affairs Council in late 1987. He briefly mentioned some of the changes that he saw under way in technology, artificial intelligence, genetic engineering, and language. He concluded his overview with the comment that "in this time of profound change one of the hardest adjustments to make is intellectual adjustment. We must discard outdated habits of thinking and make room for new possibilities..."

We must consider that we are working today in measures of speed and magnitude that were only dreamt about a few years ago. Money now moves in international markets as quickly as it can be electronically relayed. We are using substances that were invented yesterday, not only resources that have been with us since the Earth was formed. Information changes as quickly as we can read it. These changes have implications on how we conduct our lives and how we must manage our governments.

Secretary Shultz suggested that countries which cannot or will not compete in the global market-place and interact with ideas from other societies will find themselves falling behind the advanced innovators and producers. Some may absorb these changes and benefit in a small way, others will simply become marginal. Free trade is only the first of many steps that Canada must take to meet the challenges of sharing ideas, coping with change, and being competitive enough to maintain our standard of living.

All countries face challenges, not only Canada. All are looking for solutions. It only follows that other countries have displayed an interest in our free trade agreement and have considered it as a model.

Members will recall the media controversy about the comments of British Prime Minister Margaret Thatcher when she spoke in this Chamber. Putting that controversy aside, I believe it is important to consider what she said and what it implies. The United Kingdom is our third largest trading partner, so she knows that Canadians can compete in the European market. She referred to the fact that Canada, with less than 1 per cent of the world's population, accounts for 5 per cent of its trade. On the basis of her country's experience within the European Economic Community, Prime Minister Thatcher applauded the agreement and the example it sets for other trading nations.

The free trade agreement is part of the Government's strategy to ensure Canada's continued success into the 21st century. It will increase Canadian business opportunities, make it easier for professionals to work on both sides of the border, and lower consumer prices for everyone. The free trade agreement is a triumph for the open market in Canada.

The free market cannot operate with stifling regulation, interference, or political difficulties. That is why our Government's policies, like decentralization, privatization, and

deregulation, have brought increased employment, investment, and record economic growth.

The socialists do not share the view that Canadian businesses can grow with increased market opportunities or that Canadian workers are skilled enough to compete. A few days ago we heard in this Chamber from Chancellor Kohl of West Germany who also spoke of the importance of trade and freer trade. He should know. West Germany is one of the most powerful economies in the world and has the highest percentage of Gross National Product dependent on external trade of all the industrialized countries. Canada is second. West Germany provides a valuable model with its expanding economy and stable position in the OECD.

The East German economy, on the other hand, is restricted by government control, enforced isolation, inefficiency, and a far lower standard of living. We, of course, are favouring the first; the socialists would have us adopt the second.

The socialists are wrong on two counts. First, they have assumed that independence is the ability to go it alone. This is a grave error. The independence of nations is not based on their protectionism or their retrenchment. It is based on their ability to assert themselves on the world stage, their ability to command international respect for their policies and actions. We are proud of leaders, not of hermits.

Second, the socialists have forgotten that education, transportation, communications, and technology are the determinants of the economy. Markets, not governments, determine economic results and there is no way to overrule the market more than momentarily in an age when goods, services, capital and technology flow across international boundaries.

The free trade agreement will provide the mechanism for open trade with the Americans. Beyond that is the fact that global economic power has been dispersing. Ours is no longer a bi-polar world with the United States and the U.S.S.R. determining military policy and economic conditions. Developing countries like Brazil, Korea, China, India and Israel have become important commercial powers. In this new environment it is important to remember that we are trading as parts of blocs, not as individual nations.

Europe is one market, so is the Pacific Rim. We must consider our place within our own corner of the globe then look outward for other opportunities.

We must also remember what Montesquieu said more than 200 years ago for I believe that it is still true.

[*Translation*]

"The natural effect of trade is to lead to peace. Two nations that negotiate together become mutually dependent: one wishes to buy, the other wishes to sell; thus, all unions are based on mutual need."

[*English*]

The natural effect of commerce is to lead to peace. In other words, our movement toward global trade can be an important step toward world peace. With a free trade agreement we have established our role within the North American economic unit. We have chosen to compete with the Americans on an equal basis. We are choosing to be active participants in this quickly changing world. This choice will make us better businesspeople, better workers, and better Canadians.

Mr. John R. Rodriguez (Nickel Belt): Madam Speaker, I know that I have only a short period of time and I want to make sure that I fill it with a lot of punch. I remind the House that we are debating a motion of the Conservative Government to stop dead in its tracks the debate in principle on Bill C-130 which Simon Reisman called the greatest deal of the century. Simon Reisman, the negotiator of the Mulroney-Reagan trade deal, said it was the great deal of the century. After two and one half days of debate the Government has brought forward a motion to stop debate dead in its tracks, to guillotine the debate.

What are the Tories afraid of? Are they afraid of the Opposition? No, I do not think so, they are 200 strong. Are they afraid of the Speaker? No, they are not afraid of the Speaker.

• (1550)

I will tell you who they are afraid of. They are afraid of the Canadian people. They know that Canadians would find out more about this deal through debate that would be coming to them on prime time television with the extended hours of the House. The Tories cannot stand the scrutiny of this Bill. This paltry, porous proposal of the Tories will not stand up to the scrutiny of a vigilant opposition. That is why they have come to close the debate. What a shameful performance.

Let us look at the history of this infamous Bill. First we have the man who signed for Colonel McCormick for $5, singing *When Irish Eyes are Smiling*, in Québec City for his American boss. They cooked up this deal.

The Prime Minister (Mr. Mulroney) has exhibited himself to be nothing but a lackey for the American power in Washington. He has switched from Colonel McCormick to Colonel Reagan.

We had the inimitable Solicitor General (Mr. Kelleher), formerly Minister for International Trade. Of course, they did not want that Minister handling international trade so it was put into the hands of that character from Dick and Jane. When the appointment was made the Prime Minister said: "I have given the ball to Pat. Watch Pat go. See Pat go. Jump Pat, jump. Run Pat, run." The Americans simply held up the hoop and said how high.

We were given an incongruous image of midnight approaching as the deal must be signed. Thank God Simon was not working overtime at $1,000 a day. As midnight was approaching, where was the Minister? She was on the beaches of Waikiki, unable to be there. What a mess. The former

Minister for International Trade was not there when she was needed the most. She was on the beach at Waikiki.

The Prime Minister took that portfolio from the Minister and gave it to the new Willy Loman of the Conservative Cabinet, the man who could not sell vacuum cleaners.

The Acting Speaker (Mrs. Champagne): Order. It being 3.54 p.m., the two hours provided for the consideration of the motion now before the House under the provisions of Standing Order 117 have expired.

Accordingly, under the terms of the Standing Order, it is my duty to interrupt proceedings and put every question necessary to dispose of the motion. The question is as follows: Mr. Lewis moved:

That, in relation to Bill C-130, an Act to implement the Free Trade Agreement between Canada and the United States of America, one further sitting day be allotted to the second reading stage of the Bill; and

That, at fifteen minutes before the expiry of the time provided for Government business on the above mentioned sitting day, any proceedings before the House shall be interrupted, if required, for the purpose of this Order, and in turn, every question necessary in order to dispose of the said stage of the Bill shall be put forthwith and successively, without further debate or amendment.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the yeas have it.

And more than five Members having risen:

The House divided on the motion, which was agreed to on the following division:

(*Division No. 417*)

YEAS

Members

Andre	Champagne (Champlain)	Domm
Attewell	Clark (Brandon—Souris)	Dorin
Bernier	Coates	Duguay
Binns	Comeau	Edwards
Bosley	Cooper	Ellis
Bourgault	Crosbie (St. John's West)	Fennell
Boyer	de Cotret	Ferland
Brightwell	Dick	Fretz
Brisco	Gray (Bonaventure—Îles-de-la-Madeleine)	Gagnon
Caldwell	Guilbault (Drummond)	Graham
Cardiff	Hamelin	Leblanc
Hardey	Lesick	Scott (Victoria—Haliburton)
Hawkes	Lewis	Scott (Hamilton—Wentworth)
Hnatyshyn	Lopez	Scowen
Horner	MacDougall (Timiskaming)	Sparrow
James	Mailly	Stackhouse
Joncas	Martin	Tardif (Charlesbourg)
Jourdenais	McCain	Taylor
Kelleher	McDermid	Towers
Kempling	McKinnon	Tremblay (Quebec-Est)
King	McLean	Van De Walle
Landry	Merrithew	Vankoughnet
Lanthier	Moore	Weiner
Lawrence	Nowlan	White
Layton	Oostrom	Wilson (Etobicoke Centre)—79
	Peterson	
	Plamondon	
	Porter	
	St. Germain	

NAYS

Members

Axworthy	Keeper	Robichaud
Baker	Killens	Rodriguez
Caccia	Langdon	Young—17
Dewar	MacLellan	
Fulton	Manly	
Gauthier	Orlikow	
Hovdebo	Pépin	

● (1610)

The Acting Speaker (Mrs. Champagne): I declare the motion carried. Orders of the day.

* * *

CANADA-UNITED STATES FREE TRADE AGREEMENT IMPLEMENTATION ACT

MEASURE TO ENACT

The House resumed from Wednesday, June 29, consideration of the motion of Mr. Crosbie that Bill C-130, an Act to implement the free trade agreement between Canada and the United States of America, be read the second time and referred to a legislative committee; and the amendment of Mr. Axworthy:

That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:

"this House opposes in principle and therefore declines to proceed with Bill C-130, an Act to implement the Free Trade Agreement between Canada and the United States of America, because that agreement, which was negotiated in a secretive and irresponsible manner in the absence of a mandate from the Canadian people, will undermine the economic, social and political institutions of Canada, because it will fail to provide guaranteed and secure access to U.S. and other world trade markets, because it will create severe adverse effects on many industries and communities and because it will endanger the economic and social fabric and political independence of Canada."

And the amendment of Mr. Langdon:

That the amendment be amended by adding immediately after the words "political institutions of Canada," the words "including our valued system of social and regional development programs,".

• (1620)

Hon. Paul Dick (Associate Minister of National Defence): Madam Speaker, when the Conservative Party was elected to office in 1984 our commitment as a new Government was to undo the damage of the past. We were left with a 20 year Liberal legacy of spiralling government spending, federal-provincial squabbles, squandered economic opportunities and a devalued economy.

During that election campaign we said that we would bring the country together so that we could meet the challenge of change. We said we would fight poverty and unemployment in the only way they can be effectively fought, by creating a stable economic environment, by creating growth and investment, and by creating jobs. We said that we would restore Canada's reputation to what it had been before as an active and reliable participant in global affairs, securely from the positions as a reliable member of the western alliance. All of this has been done, Madam Speaker.

Despite the most dire predictions of the Opposition, Canada is in better shape than it has been for decades. But that fact has not stopped the critics and the naysayers. These same people said that our economic policies introduced in 1984-85 would cost hundreds of thousands of Canadians their jobs. They were wrong. Instead, more than one million new jobs have been created since 1984. Those same people today in the Opposition say that free trade threatens our very existence as a people and a nation. They will be proved wrong once again.

The opponents of free trade have, to date, fought this initiative not through engaging the federal Government in debate on the merits of what the agreement contains, but by raising the spectre of dangers that do not exist, a process that is designed to confuse and to scare the public. Today I join this debate to outline the benefits of free trade to the region and to the people I know best, those of eastern Ontario.

Let me place this latest initiative in its true context. The last time Canada was faced with a free trade debate was in 1911. If we had got together then at some town hall meeting, we would have all arrived by horse and buggy and everyone would have learned of the meeting by newspaper or word of mouth since telephones at that time were not in wide use. In short, we lived in a different world. We now live in a world of satellites and instant communications where decisions taken across an ocean may affect our business dealings the same day.

Where does Canada fit into this modern world? We fit in as the odd man out. Canada is a trading nation but it is in a world of trading blocs. To the south lies the United States of America, 50 states in one economic union with a population of 260 million people. It is a trading bloc unto itself. Second, there is the European Economic Community, which is comprised of 16 nations with a total population of 320 million people. Third, there is Japan and the Pacific Rim nations with hundreds of millions of people. Fourth, the Soviet bloc countries have their own trading organization known as Comecon. Fifth, Brazil and Argentina signed a free trade agreement earlier this year. Sixth, Australia and New Zealand have recently gone into a free trade agreement. Then there is Canada with 25 million people dependent on trade for prosperity, but we are not a member of any trading bloc, thus we have no leverage, no protection and, yes, we are vulnerable.

We are vulnerable to the wars between the trading blocs. The United States has already demonstrated that with the grain price war. Also we are vulnerable to action taken against us by trading blocs. The United States Congress proved that when it turned protectionist. Industries like softwood lumber, shakes and shingles, hogs and steel suffered severe damage and heavy losses. Many companies went bankrupt. Worse still, workers lost their jobs.

The opponents of free trade say we should stick with the status quo. The examples of the last two years have shown that that is really not a true option. Opponents of the free trade agreement say we will lose our sovereignty. It was only a week ago that Prime Minister Thatcher addressed this House and observed that concerns about our cultural sovereignty were unfounded, just as those same concerns on the part of some of her countrymen about EEC membership were proven unfounded.

Our critics say that this comparison will not work, that we are too small, that the U.S. neighbour is too big. I say to them that the island of the United Kingdom had a free trade agreement before it joined the European Economic Community. Were the Irish ever less sovereign? Were they less Irish because of it? I think not, Madam Speaker. After England joined the European Economic Community, did it lose its sovereignty? Is Maggie Thatcher not the Prime Minister of an independent country? Isn't Queen Elizabeth the sovereign Queen of an independent state? For that matter, look at Australia and New Zealand. They signed a free trade agreement to be phased in over 10 years. It worked so well that the process was shortened to a six-year period. Are New Zealanders any less sovereign? Did the agreement keep New Zealand from taking a radically different international position from Australia on the issue of nuclear arms on visiting U.S. nuclear-powered warships?

We have been working toward freer trade for some 40 years. At the end of the Second World War, the average tariffs in this country were 35 per cent. Today, where tariffs apply at all, the average is 9 per cent or 10 per cent. Eighty per cent of our trade with the United States is already duty free. Trade barriers have been steadily lowered for decades. Is Canada less sovereign because of that? Have Canadians lost jobs because of that? Of course not. In fact, in that period of time we have become more prosperous. This free trade agreement really just completes the process. It phases our the remaining tariffs with the United States over the next 10 years.

When our Government embarked on negotiating freer trade with the United States it was understood that Canada, and all its regions, depends on trade for its prosperity. We set out to achieve a bilateral agreement with the United States, our

largest trading partner, while at the same time pursuing global negotiations and initiatives. In fact, if we do not like the free trade deal with the United States after trying it, then the ultimate act of sovereignty is to cancel it, and we can do so with a mere six months' notice.

In my view the free trade agreement negotiated with the United States presents eastern Ontario with its greatest opportunity ever to catch up with other parts of the province in our manufacturing sector and in getting our share of the high quality, high skilled jobs which our children seek as their future career choices, their future career options. That is the message I am hearing from business, from professionals and from academics in my region, the people who understand what the vocal opponents of free trade do not, that in this modern world there are linkages between trade, technology and investment which are the keys to job creation.

In my own federal riding of Lanark—Renfrew—Carleton my office surveyed 155 manufacturers. Some 68 per cent of the respondents favoured an agreement with the United States which would eliminate tariffs and reduce other trade barriers to the flow of goods and services between both countries. I believe that free trade is Canada's best best bet for greater diversification and more growth. I ask the people to consider those remarks. I do so because I believe the greatest danger to our Canadian way of life lies not in the prosperity of free trade, but in the poverty of protectionism. If we fail to go forth to expand, to progress, then we will not be able to afford the regional development, the social and cultural programs which are a reality and reflect Canadian values.

• (1630)

I do not have to tell you, Madam Speaker, that the Great Depression of the 1930s started with a stock market crash, but far fewer people understand that the Depression lasted a decade because of short-sighted trade protectionism around the world. Should we turn and run from the opportunities of freer trade? If we choose to retreat behind protectionist walls, I fear we could repeat the mistakes of the past and suffer the consequences.

I am as dedicated a Canadian nationalist as anyone. I believe that the freer trade agreement is the only path to follow to ensure the economic future of my region, in this province and in this country. That is why in the end I am confident that after this debate it is not the shrill negative voices of our critics that will prevail but, rather, the common sense of Canadians who have decided on its merits that this important economic opportunity must be pursued.

[*Translation*]

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I rise in the House to express my astonishment and indeed embarrassment at the Government's decision to end the debate on the Mulroney-Reagan agreement. I am, as they say in English, appalled at the way the Government has dealt with the impact on women, when we know that this particular group stands to lose the most. Since the Conservative Government came to power, its members have said constantly that giving women their rightful place was one of their priorities. But look at what this Government is doing, and look at this agreement: sadly, the Mulroney-Reagan agreement contains no protection for women and minorities.

For instance, we know that 63 per cent of workers in the service industries are women, and Canada not only has to compete with the U.S. but also with developing countries that will produce and are in fact producing and exporting goods at far lower cost. Many women who work in the services industry have little education. Many are immigrants who speak neither English nor French. If these women lose their jobs, they will have a hard time finding other jobs because it is very likely no retraining will be provided in the services sector. We have asked the Government many times to include this as one of the conditions for the service sector, so that women can retrain for other jobs, especially when we realize that over 65 per cent of single-parent families are headed by women, who in that case are the sole breadwinner. Of course this Government has always refused to commit itself. I would like to quote from a study prepared in Ontario.

[*English*]

In the Ontario study it indicated that 44 per cent of women's jobs in manufacturing will be vulnerable under free trade. That works out to 100,000 jobs being lost. A Quebec study estimated that at least 30,000 jobs in Quebec would be in jeopardy. The job loss could be due to several things. First, the manufacturing industry in Canada is dominated by American subsidiaries. Once the U.S. has access to our markets it will take companies out of Canada to areas where labour is cheaper and where there are fewer labour standards.

Second, as pressure is raised on businesses to cut costs and become competitive under free trade many companies will replace jobs with high technology. This rationalization of production will mean heavy job losses for women.

Within the service industry the impact of women's jobs will be even greater. For services that are international, that is, banking, telecommunications, education, health, accounting and others, women make up 82 per cent of the labour force. Canada's economy is a service economy. We rely on the service sector to generate jobs and to increase our GNP. Services account for two thirds of the national income and provide 70 per cent of jobs in Canada.

Moreover, historically free trade agreements, such as the GATT, have had as their focus the liberalization of trade in merchandise and have not dealt with liberalizing trade in the service industry. The important point here with respect to services is that we have not yet defined what services will be affected by the trade agreement. This service industry might include such things as medical care and child care and thus will affect women as consumers and as employees within those industries.

[*Translation*]

We know that today, daycare is one of our priorities in Canada and that the Conservative Government has said it is committed to tabling a child care program before the next election. This is probably one of the services that will be affected by the agreement. Today, American companies are sending us proposals for establishing daycare services in the provinces, especially in the West. I know what I am talking about because I have copies of letters, asking me what I thought and whether I would agree to approve their projects. So in some provinces we are going to see a series of daycare centres run by American companies, centres that will not be subject to Canadian regulations and that will be able to operate, whatever the Government of Canada may decide to do. Madam Speaker, I object to this approach because I don't think we can treat daycare centres like some kind of McDonald chain, because children are much too important for that. This is one of the services where standards will not be observed, and where the emphasis will be on operating daycare centres at a profit. I don't think children should be used to make money.

This is only the tip of the iceberg. The social services sector includes services that would take care of handicapped children and children who are mentally disturbed. There would also be homes for single mothers. There are not many of these today. And it also includes ambulance services and rehabilitation clinics. If private companies are asked to operate these services, well, private services are often less accessible and far more expensive. Fewer people would have access, and we would have two classes of Canadians, like the present situation in the United States.

I was invited by the U.S. Government on a three week tour in 1984, to take a look at the women's programs and other programs set up by the Reagan administration. I later wrote to the President to say that I appreciated the trip, but that since he was elected, there were far more elderly people, including women, sleeping on the sidewalks; that all job retraining programs for women had been cut and that his record in this respect was pretty poor.

So we really have to do something, and this is one of the reasons why I am totally against free trade, because I get the impression that Mr. Reagan is the one who will be calling the shots.

[*English*]

The United States has challenged many Canadian Government programs claiming that they are barriers to trade. These include unemployment insurance, subsidized business, regional development and tax incentives. The pressure will be on the Canadian Government to stop intervening and let market forces prevail. This could prevent any kind of affirmative action programs focused on encouraging equity in employment by means of tax relief. It could also, and will undoubtedly, preclude industrial training programs which now benefit women. It will challenge the extension of maternity benefits through unemployment insurance as an unfair subsidy to employers.

[*Translation*]

Madam Speaker, we know that maternity leave is not granted automatically in the United States and that this is left up to each employer, whereas in Canada, mothers are granted a minimum number of weeks off, and we are attempting to obtain parental leave as well. And so this is totally unacceptable.

Madam Speaker, I protest, and I have this to say to the Government. If free trade is as important as the Government says it is, it absolutely cannot conclude such an agreement without having done something quite specific for women, who make up 52 per cent of the population. And, at this time, I find the Conservative Government's approach to women and employment in Canada totally unacceptable. Let me reiterate that is is totally unacceptable! Furthermore, I am asking Canadian women to remember this, since we are heading for an election, and to remember how the Conservative Government handled their priorities.

• (1640)

[*English*]

Mr. Cyril Keeper (Winnipeg North Centre): Madam Speaker, I welcome the opportunity to participate in this debate. I am sorry that it has to follow on the heels of the vote to limit debate on the free trade agreement.

This free trade agreement is of such historic importance to Canada that, regardless of which side one is on in the debate, we should debate it thoroughly, comprehensively and for however long it takes to cover the document without rushing it through. The speed with which the Government is trying to get this free trade agreement through is illustrated by the fact that the Minister who is in charge of selling the deal has not even had the time to read it.

I would have thought that we should have continued the debate, even if for no reason other than to give the Minister for International Trade (Mr. Crosbie), the Minister who is in charge of selling the sell-out of Canada, the opportunity to read the document. Perhaps, having read it, he might change his mind about the quality of the document.

The question I want to focus on is whether or not there is anything to fear with regard to the free trade agreement that our Prime Minister (Mr. Mulroney) has made with the American President.

Mr. McDermid: Hysteria of the NDP.

Mr. Keeper: I want to raise that question because of what I have heard from my hon. friend across the way. We in the Opposition have been accused of raising fears unnecessarily, of playing to the fears of people without cause. The Government has been using that line to try to convince people to rest easy about the free trade agreement. Government Members have

said that it is just the Opposition raising unfounded fears while in fact what we have is a deal that is great for Canada.

Not only have government Members been saying this but they have been putting these words in the mouths of other world leaders. They attempted to use the Economic Summit to sell their sell-out of Canada. Of course, they got the full co-operation of the Prime Minister of Great Britain, Margaret Thatcher.

Mrs. Thatcher came before this Chamber and said to Canadians: "You have nothing to fear from free trade, it will do you nothing but good, it will not harm your identity whatsoever". She said in Canada that there is nothing to fear from the harmonization of policies with the Americans, from having closer economic links with the Americans. She said that there will be nothing but prosperity ahead of us and that we have nothing to fear.

What happened once Mrs. Thatcher went home? What happened to the Iron Lady when she got back to Britain? She was under pressure from the European Economic Community to co-ordinate her policies more closely with those of the European Economic Community, to establish a central European bank and to turn over the British central bank to the European Economic Community. What did she say to that? Did she tell the people of Britain that they have nothing to fear, this will bring them greater prosperity, let us make this great leap of faith? That is what she told Canadians, but when she got home to Britain, she told her own people that she said no to having a European central bank.

As far as I know, Mrs. Thatcher did not explain in any great detail why she said no to that, but an official of her Government said quite clearly that if Britain were to agree to this greater harmonization of economic policies with Europe and to the creation of a central bank of Europe, they would first have to give up the British House of Commons because the British House of Commons would be stripped of its power to direct the British economy.

Mr. McDermid: There is nothing in the free trade agreement that calls for a central bank.

Mr. Keeper: I hear the Tory puppies whimpering over there, saying that that is not in the free trade agreement. Of course, there is no present policy in the free trade agreement providing for a central bank between Canada and the United States, but the policy direction is the same. The direction is toward the harmonization of economic policies. In fact, every Canadian knows that it is a very rare occasion on which our central bank follows a different interest rate policy than that of the United States Federal Reserve. We already have a *de facto* lock-step branch plant central bank. We are already marching in harmony with the Americans when it comes to monetary policy.

The point I am making is that Mrs. Thatcher sings two tunes. She sings a tune of praise for free trade when in Canada. She tells us that we do not have to worry about the sovereignty of our country or about the powers of Parliament, we will continue to have plenary powers and there is nothing to fear. However, when she turns her back on us and goes back to Britain and is faced with demands from the European Economic Community, she says no because she knows that to acquiesce to such demands means a weakening, an undercutting, a sabotaging of the powers of the British Parliament. She is asking Canadians to accept a weaker House of Commons, a diluted House of Commons, while she herself will not put up with that.

Mrs. Thatcher reassured us that, based on her experience with the European Economic Community, Canada has nothing to fear from entering into a deal with the United States. Yet even the Iron Lady is being forced to succumb. While she was saying no to a European central bank, to a weakening of the British House of Commons, she was forced to acquiesce to a request to become part of a committee studying how to co-ordinate the monetary policies of Europe and of Great Britain, a first step down the road to a European central bank. It is first step down the road to weakening the British House of Commons. Even the Iron Lady has been forced by the pressures of entering into this kind of deal to move in a direction that will eventually weaken and sabotage the British House of Commons.

We know that we in this country have no assurance of having a Prime Minister who has the courage to stand up for principle and to stand up to foreign adversaries. We have someone who offers a smile to every slap in the face.

The point I want to make is that Canadians have good reason to be concerned about the deal that our Prime Minister has made with the United States. The reassurances of Margaret Thatcher aside, these fears are based on a sound analysis of the free trade agreement. When it comes to investment, this House is giving up the power to set a policy for screening foreign investment, a screening which would see whether or not the foreign investment is to the benefit of Canada. We are being asked to give up the powers of this House to do that under the free trade agreement. At the same time, the Americans are suddenly becoming concerned about foreign investment and are considering policies for screening, controlling and evaluating the benefits of foreign investment in their economy. The Americans are going to be raising their heads when it comes to questioning foreign investment and our hands are going to be tied behind our backs because of this agreement. All of this without an opportunity for the Canadian people to say whether or not they agree with the Government that the agreement is good for Canada, or they agree with the Opposition that there are real grounds for concern and the agreement ought to be put aside and some other more effective way found to regulate our trading relationship with the Americans.

• (1650)

All this agreement has led to is what Mrs. Thatcher said it would not lead to, a weakening of this House of Commons. We

on this side of the House stand for sovereignty for Canada, a stronger Canada, a stronger Canadian economy, and we ask those people across the way to read the agreement, wake up, and stand up for Canada.

Mr. Kenneth Albert James (Parliamentary Secretary to the Minister of Supply and Services): Madam Speaker, I am very pleased to be able to enter this debate on the importance of the free trade initiative. First, I would like to comment on some of the things that have just been said, especially with respect to centralized banking. Nothing like that is even talked about in the agreement. The Hon. Member talked about not reading the agreement. I have a feeling that perhaps he did not have the opportunity to read the agreement. One of the reasons we wanted the agreement was so that we could secure our access to the American market for investment by Canadians as well as investment by Americans in our country.

I would like to speak today about Sarnia—Lambton as it is affected by the agreement. That is an area very important to me, of course, because that is where I come from. It is the petrochemical centre of the east, and so this agreement is very important to us. The petroleum refining and petrochemical industry accounts for over 50 per cent of all employment in that area. I would like to quote from a statement made by Bill McCagherty, a Vice-President of Dow Chemical of Canada, which has its headquarters in Sarnia—Lambton. He said:

> We would be hard to beat. Sarnia has an ample supply of feedstocks, a highly skilled labour force and a competitive energy position. Unobstructed access to the large, adjacent U.S. market will lead to expansion.

What could be more positive in our area than expansion? It will make available more jobs to our young people graduating from university.

Sarnia—Lambton chemical valley is efficient, world scale and competitive. The industry has supported broad tariff removal with the U.S. for many years. U.S. import tariffs on petrochemicals range as high as 18 per cent, and have been a major impediment to our industry's ability to expand. Under the FTA, both U.S. and Canadian petrochemical tariffs will be phased out over a five to ten-year period. That is important and everyone across the country knows it. The industry was ecstatic. They thought that if we got an agreement to get those tariffs down in ten years we would be doing a great job.

The proximity of the industry to its major customers in Canada and the United States, and the supplier-consumer relations established over many years, will reduce the potential impact of increased competition from the U.S. gulf coast producers.

Ontario is Canada's second largest producer of petrochemicals after Alberta, accounting for 35 per cent of Canadian productive capacity. Since oil and gas represent up to 70 per cent of the cost of petrochemical production, availability and pricing are of critical importance to the industry. Tariffs of 7.5 per cent to 18 per cent are a significant factor in the Canada-U.S. petrochemical trade. Traditionally, the more upgraded the product in Canada, the higher the U.S. tariff. Some Hon. Member opposite said that under GATT these tariffs would be removed in the year 2000 or so. I tell him that those tariffs in existence today are troublesome to us because they involve downstream type of work, and a real example of that is the petrochemical industry.

The Leaders of both Opposition Parties have talked about tearing up this agreement. Imagine the importance of this industry in both Sarnia—Lambton and in Alberta. Think of the jobs. The tariff on the industry's products is 17.5 per cent now. There is a five-year countdown for removal of that tariff, so 20 per cent of it will have been removed in the first year. The opposition Parties are going to tear up the agreement and tell the petrochemical industry in Canada, "we are going to raise your prices so that you are less competitive in the American market". Imagine what would happen. That illustrates the ridiculous aspect of this threat to tear up the agreement.

This agreement is so good for Sarnia—Lambton that I want to read another statement, and I think the entire House will be interested in this. It is this:

> I think that we feel there are some winners in the free trade agreement and I would think that the petrochemical industry is one.

Let me tell you who said that. It was Monte Kwinter, the provincial Industry Minister.

Mr. McDermid: A Liberal!

Mr. James: What do you think of that? Monte Kwinter, the Liberal Industry Minister in the Province of Ontario said that very emphatically not too many months ago in Sarnia.

Petrochemicals are heavily export-dependent. Exports account for 40 per cent of our $4 billion worth of production. The U.S. is by far Canada's most important petrochemical trading partner, taking about 60 per cent of Canadian exports. We see a tremendously wide open market with the removal of those tariffs. Within a 500-mile radius of Sarnia—Lambton you will find 54 per cent of the U.S. payroll, some 54 per cent of its manufacturing activity and, what is important to Ontario is that our per capita exports are $6,545 compared to $4,700 for all of Canada.

I talked to you about what Mr. Kwinter has said. I would like to tell you about some of the other statements made by people in our community. This is what the general manager of the Chamber of Commerce said:

> In Sarnia—Lambton the impact of the Free Trade Agreement would be enormous. Access to the larger U.S. market for petrochemicals in particular would stimulate our economy greatly, increasing profits and allowing for further growth and more jobs.
>
> If we are to survive the pressures of changing global conditions we must align ourselves with a significant trading partner to remain competitive with the well positioned European and Pacific Rim trading blocs. Without this alliance we will find ourselves quite alone against these stronger trading partnerships.
>
> Sarnia—Lambton can be big winners with a free trade deal, and like the Ontario Chamber of Commerce and this Canadian Chamber of Commerce we would strongly encourage the passing of the critical initiative.

The Acting Speaker (Mrs. Champagne): I will have to interrupt the Hon. Member at this time but there will be two minutes left in his time after we complete Private Members' Business.

It being five o'clock p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

• (1700)

PRIVATE MEMBER'S BUSINESS--MOTIONS

[*Translation*]

FINANCIAL ADMINISTRATION ACT

SUGGESTED REPEAL OF SECTION 17

The House resumed, from Thursday, May 26, 1988, consideration of the motion of Mr. Redway:

> That, in the opinion of this House, the Government should consider the advisability of repealing Section 17 of the Financial Administration Act and require that all remissions of taxes, fees or penalties be submitted, each year, to Parliament for approval.

Mr. Michel Champagne (Parliamentary Secretary to the Minister for External Relations): Madam Speaker, as my colleague from Trois-Rivières (Mr. Vincent) has indicated, there are essentially two kinds of remission orders.

First, there are a few tariff remission orders of substantial dollar value whose purpose is to promote specific industrial developments. Such duty remissions are given conditional on firms meeting performance requirements with respect to investment, production or employment in Canada.

Use of remission orders in this manner might be called the equivalent of a "program". The purposes of such programs will be examined subsequently by one of my colleagues. I might mention, however, that as a result of the free trade agreement, no new remission programs conditional on performance can be introduced after June 30 of this year or after the agreement is approved by the U.S. Congress, whichever comes later, and existing programs of this type must be terminated before 1988.

I propose to examine the other major use of remission orders— in their functions as a fair and timely remedy. I might call the attention of the House to the fact that this is the reason why most remission orders have been granted over the years.

My argument will be that remissions for timely and equitable relief fulfill a useful and necessary function in our tax and tariff systems. Any reasonable system needs a "remedy of last resort" of this kind. I would also submit that the motion of the Member for York East would defeat the purpose of this useful instrument.

Remission orders to deal with unfairness usually come from two sources, Madam Speaker, corresponding to ministerial responsibilities. The Minister of Finance has the responsibility for tax and tariff policy. In the last six months, he sponsored or co-sponsored a total of two tax remission orders—on the grounds that failing to remedy the problems in question would have offended against the principles of a good tax system. In one case, double taxation was involved. In the other case, retroactive taxation would have been involved as a result of a change in legislation.

The vast majority of remissions on grounds of fairness, however, arise in the administration of the tax and tariff system and are sponsored by the Minister of National Revenue. These orders deal with cases of hardship, administrative error, anomalies and unreasonable applications of tax laws or the Customs Tariff.

As Members will know, a taxpayer is barred by statute from claiming relief for an error in filing taxes if the period in which amended returns can be submitted has expired. Remission orders are occasionally given where extreme hardship results or the circumstances were beyond the control of the taxpayer.

A case from the 1986 Public Accounts illustrates the process, Madam Speaker. The recipient of PC 1985-2/3341 was an Iranian resident who was, at the relevant time, prohibited from leaving Iran and was unable to communicate with anyone in Canada since it was dangerous for Iranians to own property outside of Iran. One can easily sympathize, Madam Speaker, with the reasons why this remission order was given.

Looking at tariff remission orders published in the *Gazette* or Public Accounts, one can also find many examples where remissions are given because of anomalies in the Customs Tariff. For instance, a remission may be given of the duty on a piece of equipment not available in Canada, used to produce a product which can be imported duty free.

Finally, Madam Speaker, in any tax and tariff system, there are inevitably and regrettably administrative errors. Remission orders are also used to compensate the taxpayer or importer for such errors.

These procedures of remitting taxes and tariffs are an exceptional power, Madam Speaker, and the House might like to be assured that they are used only after careful consideration. I can supply that assurance.

In cases involving administration of the tax system, an internal Committee within Revenue Canada considers requests for remission. Further, tariff remissions are recommended only after detailed examination by an interdepartmental Committee and thorough consultations with parties who might be affected.

There are further steps in the approval process. The larger industrial tariff remission programs are always submitted to Cabinet. All tax remission orders now have to be approved by Treasury Board. Finally, all remission orders are examined by the Special Committee of the Council.

Many of the cases I have mentioned constitute the only available remedy to rectify unfairness after the fact. There is another important function of remission orders, however, and that is to provide timely relief where a problem is ongoing or continuous.

As Members will recognize, our legislative calendar is crowded and it is a time-consuming process to change legislation. In these circumstances, remission orders may be used until a problem can be corrected by legislation.

A case in point is the "beer cooler" order passed on March 30, 1988. This order originated because a brewer wanted to get into the "hot" cooler market with a product blending both wine and beer. The problem was that excise tax is paid on wine used to produce the blend and another excise tax would apply to the finished product. To avoid double taxation, a remission order was issued. Should there be a continuing demand for this product, no doubt there will be a change proposed in the relevant tax legislation. What the remission order demonstrates, Madam Speaker, is the willingness of the government to act fast to remove roadblocks that would otherwise get in the way of the private sector going about their business.

Of course, Madam Speaker, there is a possible conflict between the levels of approval required in careful use of this exceptional policy instrument and its function of providing timely relief. Indeed, the Auditor-General has complained about the time taken to pass some remission orders. This is one of the reasons why Treasury Board is being removed from the remission approval process. This has already occurred in the case of tariffs and is also being considered for tax remission orders.

Action is also being undertaken to replace other long-standing remission orders by statutory provision. A case in point is the duties that have to be paid on goods admitted for temporary use in Canada.

Present practice is to remit all but a specified fraction of the full duty on these products and to record this as a remission. When these temporary entries are covered by regulation in the near future, over $200 million will disappear from the value of remission orders recorded in the Public Accounts.

Madam Speaker, that is my position concerning the motion sponsored by my colleague, and I should think it faithfully reflects the Government position in this debate.

[*English*]

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, I appreciate the opportunity to speak for a few minutes on this particular motion. This motion attempts to increase the accountability of the Government of Canada to the Parliament of Canada and, consequently, to the people of Canada.

The Member for York East (Mr. Redway), and in fact all of his colleagues on the Public Accounts Committee, believe very strongly that there is a real need to increase the accountability of the Government in ways which make it possible to zero in on expenditures which can be looked at. In doing so we found that there are a lot of tax expenditures made by the Government by very simple strokes of the pen which no one can really get their hands on. Not only are we concerned that this can be done easily, there is no mechanism to require Parliament to pass such expenditures.

• (1710)

Government Departments must include their expenditures within the Estimates that are passed by Parliament. However, Government expenditures in the form of tax remissions or credits do not have to pass through Parliament. Consequently, one could almost call these illegal expenditures because a fundamental principle is that such expenditures must be approved by the Parliament of Canada.

According to Section 17 of the Financial Administration Act, the Governor in Council, on the recommendation of the Treasury Board, whenever he considers it is in the public interest, may remit any tax, fee or penalty. In theory, this may be money being paid to the Government which it is turning back, perhaps for a good reason. However, parliamentary democracy requires that those types of expenditures, even indirect expenditures, should be made by the Parliament of Canada. That is not the case with remission orders, and that is why I support the motion of the Hon. Member for York East which suggests that Section 17 of the Financial Administration Act be repealed and that all remissions of taxes, fees or penalties be submitted each year to Parliament for approval.

While this may sound like a long and involved process, it would not take long to pass it through the House and would require Members to consider what happens in the remission process. For example, the Public Accounts of Canada, Volume II, contains many pages of remission orders which have never been passed by Parliament. They have only been registered as expenditures that have taken place.

The repeal of Section 17 and the addition of a requirement for parliamentary approval would establish control over a considerable amount of money. The latest Public Accounts of Canada, fiscal year 1986-87, contains 36 pages of remission orders totalling over $1 billion. Certain remission orders amounted to over $1 million in themselves, so we are not only concerned with small amounts of money.

A principle of democracy is that everyone be treated the same. This section of the Financial Administration Act allows Cabinet to return tax to anyone at any time for any reason. This leaves room for inequality when Parliament can only consider the Public Accounts reports that are filed perhaps a year after the expenditures have been made or moneys theoretically returned.

There are many good reasons for these remission orders and in most cases Parliament would approve them without difficulty. The point is that they would be considered by Parliament.

The tax credit is not covered by this Act, but the principle is the same. The previous Liberal Government provided for a research tax credit which companies that applied could use for a reduction in taxes. The tax credit cost us some $3.4 billion. We might have saved a considerable amount of that if the research tax credit were open to parliamentary scrutiny so that the list of applicants and the credits would have to be approved before the reduction in taxes were allowed. That is the type of procedure that has been suggested in this motion.

We need to review the process of tax expenditure to make sure that all tax money that is spent or credits that are given are authorized by the Parliament of Canada. It has been suggested that 30 per cent more in funds would go to Government coffers with the elimination of all tax expenditures and remission orders. I know that will not happen, but the point is that the remission of tax orders and the tax credit structure accounts for a very substantial part of expenditure. We must examine how to improve the whole structure.

The Public Accounts Committee has dealt with a number of remission orders. One of them is the Hudson's Bay Oil and Gas Company Limited, which cost us $400 million. It is that kind of operation which Parliament should be able to scrutinize before it takes place.

• (1720)

Mr. Léo Duguay (St. Boniface): Madam Speaker, first, I want to express my congratulations to the Hon. Member for York East (Mr. Redway) for introducing this particular motion. It is very important that Canadians understand as much about this process as they possibly can since it is so important to us all.

I welcome the opportunity to make a few comments on tariff remission under Section 17 of the Financial Administration Act and the new tariff remission authority, Section 101 of the Customs Tariff.

The last time this motion was debated, two of the speakers talked about the openness and accountability of the remission process. Earlier today, we heard about fairness and equity in the process. I would like at this time to speak in greater detail about the tariff remission process itself. I believe that this is important because, as noted during the last debate by my colleague, the Parliamentary Secretary to the Minister of Finance (Mr. Vincent), there is in fact a rather low level of public understanding of the workings of the tax and tariff remission system.

Prior to January 1, 1988, tariff remissions were introduced pursuant to Section 17 of the Financial Administration Act. However, with the introduction of the new Customs Tariff on that date, most tariff remissions are now made pursuant to Section 101 of the Customs Tariff. As such, most remissions of customs duties would be outside the scope of the motion currently before the House. However, there will no doubt be occasions where certain remissions may still be introduced under Section 17, notably those affecting imports made prior to January 1, 1988.

While the wording of the tariff remission authorities allows a very broad use without any real restriction, in fact, the vast majority of duty remissions are introduced primarily as remedies in specific cases where the application of the tariff laws and regulations would lead to anomalous, inequitable, or unreasonable results or hardship. The Order in Council remission authorities allow for a quick response by the Government in these very disturbing cases. On March 31, 1988, the Minister of Finance (Mr. Wilson) introduced the first report to Parliament on remission orders.

I would like to point out some cases that were sometimes anomalous, inequitable, unreasonable and caused hardship. In this respect I would like to list just a few of the remissions that have been granted, as well as the dollar amounts involved. In 1987, the remission of a customs duty and a portion of the sales tax paid or payable on stoves and ovens imported into Canada by Riverside Lions Non-Profit Housing of Winnipeg, which is in my riding, amounted to $9,940. This was done to assist this group in its efforts to furnish apartments for the disabled with stoves and ovens with special features designed to meet the needs of handicapped persons. That was a very important use of a remission order.

Again, in 1987, on the basis of extreme hardship, the amount remitted for a refund that would have been payable to the taxpayer had she filed on time was $654.

Further, in 1988, to prevent financial hardship to a gentleman, particularly in recognition of the fact that the repairs made to his vehicle were covered by warranty with a company in the United States, some $2,676 was remitted.

Again, in 1988, an order remitted on the grounds of administrative error concerning a 1982 tax and interest charge relating to a statute-barred claim for partial dependency of a physically infirm brother was $212.

Again, in 1988, a remission order conditionally remitted on the grounds of an administrative error statute-barred income tax for 1981 and 1982 on registered pension plan contributions which could not benefit from a tax free roll-over to an RRSP was $3,258. The condition was that the funds minus the pension deduction must be transferred to an RRSP before 1988.

We can see that these remission orders are very often granted to rectify cases of extreme hardship to individuals and to groups doing good things in our society.

The primary responsibility for these tariff remissions rests with the Department of Finance. Tariff remissions introduced for administrative reasons are sponsored by Revenue Canada.

The role of the Treasury Board with respect to the remission process under Section 17 of the Financial Administration Act has been to provide a central ministerial forum in which to discuss and debate proposed remissions, in particular the most

contentious ones. The board makes recommendations on remission proposals to a special committee of Council, which in turn makes the final recommendation to the Governor-General in Council. The remission process usually starts with a representation to the Government. Most of these are received from importers or Canadian manufacturers who believe that, for one reason or another, they should be granted tariff relief on particular products that they are importing. It is very important on an ongoing basis that there be extensive consultation carried out with all the parties who might be affected by this remission.

The Government of Canada has made several improvements to the duty remission process. First, there is a new regulatory process which requires that a regulatory impact analysis statement be prepared for all tariff remissions, and that the statement be published in the *Canada Gazette* along with remission orders. Once the remission order has been approved by the Governor in Council, it is published in the *Canada Gazette*. This is another recent improvement in the process since, in the past, not all orders were gazetted.

Furthermore, all orders remitting over $20 million in duties are tabled in the House shortly after being approved. It is very clear that a $20 million level is set at one place while my colleague, the Hon. Member for York East, would want it to be much lower than that. In another Private Bill to be discussed by the House, Bill C-287, a suggestion is being made that orders over $1 million be tabled in this House before being approved. I think all of us want to recognize that remission orders are very important to the people to whom they are granted. I would not quibble if the $20 million level were set down considerably lower than that.

If the foregoing were not enough to make the remission process open and accountable, the Minister of Finance has undertaken to table in the House, twice a year, a report on all new remissions giving information on their costs and the reasons why they were introduced.

It is rather obvious from this report to Parliament on remission orders that these are done by and large for needy and worth-while cases in small dollar amounts. None of us would want to discontinue the process of granting small dollar remissions for very important causes to individual Canadians. What is at stake here is the accountability of Parliament and the fairness of these decisions.

In closing, I will say that the Government of Canada and the Minister of Finance have introduced several changes which make the system more accountable and more fair. None of us would quibble with any suggestions that Hon. Members would make to make the system even fairer and more accountable. I offer the following comment. If we were to introduce every single remission order for adoption in Parliament, then very important cases, very needy cases, might be unnecessarily delayed in a bureaucratic fashion.

I wish to commend the Hon. Member for York East on his suggestion that remission orders be made more accountable to the House of Commons, but would suggest that having every single one of them heard here might in fact hurt those people who the Hon. Member is trying to support.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I wish to join in this debate and say a few things about the motion that is before us. It is a motion standing in the name of the Hon. Member for York East (Mr. Redway). The motion states:

> That, in the opinion of this House, the government should consider the advisability of repealing Section 17 of the *Financial Administration Act* and require that all remissions of taxes, fees or penalties be submitted, each year, to Parliament for approval.

Section 17 of the Financial Administration Act states that the Governor in Council, on the recommendation of the Treasury Board, whenever he considers it in the public interest, may remit any tax, fee or penalty. Remission orders are somewhat different from tax expenditures. Parliament has to vote on tax expenditures. In remission orders there is no scrutiny by Parliament, or accountability by the Cabinet to Parliament. It is totally a decision by Cabinet on recommendations from the Treasury Board. That is how remission orders work.

• (1730)

While we support the thrust of the motion of the Hon. Member for York East, it seems to me that there is something more to it than just giving the information to *The Gazette*, and it is more than having the information. That is only a small part of it. In this review process I do not think that all remission orders need to be looked at. One has to realize that some are for very small amounts and time should not be spent reviewing all of them. I agree with the Hon. Member for Etobicoke—Lakeshore (Mr. Boyer) that tax remissions of $1 million and up ought to be reviewed.

However, there is more to it than that. We need to know the rationale behind the tax remission. Why was it given? What was the reason for the tax remission? Why was this money turned back to the taxpayer corporation or individual? There must be a statement of explanation from the applicant for the tax remission.

I recognize that many are justifiable. For example, investors in the Principal Group were being taxed on interest that they had not received. It is only fair that a remission order should be put in abeyance to collect that tax, because the investors had not collected the interest from their investment in the Principal Group. That makes sense.

There is one example that I have had difficulty with, and my colleague, the Hon. Member for Etobicoke—Lakeshore, has raised it in the House. I wish to give him credit for that. One has to keep in mind that it is a Conservative Government and these ideas are coming from Conservative back-benchers. It is important that we keep the focus. The Hon. Member for Etobicoke—Lakeshore has raised the question about Goodyear Tire Inc. in his riding. That company has received $63 million

in tax and duty remissions. It has a bit of a fight going on with the union in the shop. It wants to get rid of the union. There are provisions for that type of thing within the Labour Act. Lo and behold, Goodyear has decided to close down its operation in the riding of Etobicoke—Lakeshore and move down the road to Napanee. It has received $63 million in tax and duty remissions. Then the Peterson Liberal Government of Ontario runs in and says: "Here, you will need some money to start a plant in Napanee, so we'll give you $32 million". Out of the public largesse, the Ontario Government has given Goodyear $32 million to locate in Napanee.

As one studies this particular case one finds out that Goodyear's headquarters in Akron, Ohio, has readjusted its administrative charge structure to the branch plant at Etobicoke—Lakeshore and it will receive the bulk of that $63 million. The bulk of that $63 million will be siphoned off in a pipeline to Akron, Ohio, from the Treasury of Ottawa, and zipped off to the parent company in Akron, Ohio. Members of Parliament have not and will not have an opportunity to review that situation.

When Goodyear does not pay that $63 million, someone else has to pay it. When companies such as Goodyear do not pay their share of taxes, the ordinary Canadian out there has to pick up the shortfall. I do not believe that in a democracy where that type of remission is being given it ought to go unexamined by those who are elected to Parliament to do that job.

While we support the general thrust of the motion of the Hon. Member for York East, we do believe that not only should there be a review, but there should be a statement of explanation accompanying each of those remission orders. As I stated previously, we do not need to look at all remission orders, but a good starting point would be anything from a million dollars up.

If we can approve this particular motion, it does not necessarily mean that the system will be changed tomorrow. I hope that anyone who is watching or listening understands that. This is simply a motion that suggests to the Government that this is what ought to be done. It is a suggestion that is coming from a Conservative back-bencher, and it is supported by other Progressive Conservatives. I know it is a contradiction in terms to think that there is such a thing as a Progressive Conservative, but there is the odd one. I want to make the plea that there is an odd closet Progressive Conservative sitting on the back-benches, or on the front benches. The Government would do well to listen to those voices of reason. From time to time they do have the odd reasonable suggestion, and this is one for which the Government would find support from the NDP side of the House. I do not know where the Liberals stand on it, but the NDP would certainly support a move to give this type of accountability to the whole question of tax and duty remissions.

Mr. Patrick Boyer (Etobicoke—Lakeshore): Mr. Speaker, The Prime Minister (Mr. Mulroney) made a speech in February, 1984, to the Young Presidents' Organization, at which time he called for changes in the administration of the Government of Canada, opening up the process to greater public scrutiny, and particularly a more important role for elected representatives in the decision-making process. I believe that that was very firmly part of the mandate for change that came later in that year of 1984.

If that is the general proposition, it has to come to rest in particular terms. No better example could be found than in the practice of the Government in granting remission orders under Section 17 of the Financial Administration Act. This practice developed over some time. Previous Governments were counselled to use Section 17 in an ever-expanding interpretation. The Hon. Member for St. Boniface (Mr. Duguay) who spoke a few moments ago correctly stated that the purpose of Section 17 was to correct the anomalies, the patent injustices, and the unusual workings of the Income Tax Act.

What we have seen happen, in addition to that, has been the practice for Governments to use remission orders as a means for implementing industrial policy. No one would say that Governments should not have an industrial policy. But the point here is that an industrial policy should not be carried out in a hip-pocket or off-the-record fashion, which Orders in Council granting remission orders are, but rather here on the floor of the House of Commons where Members on all sides who are informed on these issues would have an opportunity to debate, approve, or oppose.

This is not something that has been a concern only for Members of Parliament. In the 1979 decision of *Clarkson Co. Ltd. v. The Queen* (1979) 94 D.L.R. (3d) 348, 365, the Chief Justice of the Federal Court of Appeal queried whether Section 17 of the Financial Administration Act was meant to authorize general remission orders which effectively amend the relevant taxing statute, as opposed to the remission of specific tax liability in individual cases.

• (1740)

To me, as a lawyer, that is an extraordinary development when you have a judge opining in the process of a decision that here is a section of the law being used not for its intended purpose but in fact to amend legislation and to do it outside of this Chamber, which is the place where law is passed.

Parliamentarians have focused on this in other forms as well, most certainly the Standing Committee on Public Accounts. The New Democrat Member from Saskatchewan earlier referred to such celebrated cases as the Hudson's Bay oil and gas remission order in 1986, as being worth some $4.5 million, but the Standing Committee on Public Accounts, in its Issue No. 26 of its report to this House, estimated the value of that remission order being in fact in excess of $1 billion.

So we are not dealing here with the small amounts that are forgiven from time to time because of unjust workings of the Income Tax Act. We are dealing with the practice that has

developed for Governments to use remission orders as a means of implementing industrial policy.

My view is that we have a trend under way now in the House to come to grips with this problem. Certainly, the Minister of Finance (Mr. Wilson), on March 6 of 1987, when he responded to the Chairman of the Standing Committee on Public Accounts by letter, saying that he would henceforth table in the House remission orders exceeding $20 million in value, along with an explanation of those remission orders twice yearly, made a step further than what he was strictly required to do. We have the resolution of the Hon. Member for York East (Mr. Redway) on the floor today, where he goes all the way, and I understand completely his motivation for this, because he shares the concern which I voiced in this Chamber many times that we have witnessed the use of remission orders but we have also, most assuredly, witnessed the abuse of remission orders. His motion before us is an effort to correct that.

Being a moderate, as I am, perhaps there is a compromise position between the stage to which the Finance Minister has moved to date, namely, $20 million and twice-annual summaries tabled in the House, and the position of the Hon. Member for York East, which is saying that every single remission order, even if it is for $11.14, should come before Parliament.

In the Bill which I have introduced on March 16th of this year, Bill C-287, I am proposing a $1 million threshold, and two further features. The Hon. Member for Nickel Belt (Mr. Rodriguez) has already referred to this Bill, but there are two further features in it. One is that the remission order be accompanied by a justification report. It would be in this way that the Minister of Finance would explain to Members of the House of Commons what justifies giving such an order, along the lines of what we used to see under the Foreign Investment Review Act when justification had to be given that there was net benefit to Canada for this investment to be made. What is the net benefit to Canada of $63 million being granted, for example, to Goodyear Canada Inc.? What benefits outweigh that cost? These should be specified in a justification report, as I am proposing in my Bill.

Second, I am saying that there should be a 60-day period for those remission orders in the House during which the House can approve them or reject them and, at the end of the 60-day period, because the Government must get on and function, if nothing has been done at the end of 60 days, then those remission orders would take effect, without Parliament having voiced an opinion, yea or nay, on the particular remission orders.

As it stands, we now have the Minister of Finance bringing in his report to Parliament on remission orders. This has already been alluded to by previous speakers. I would like to say why I think this is an inadequate step along the direction that we must be going, although it is a step in the right direction, most assuredly.

The reason I say that—and I am contrasting it to what would be included in the justification report—is that here, for example, if one picks one of the remission orders that I am quite familiar with, that given to Goodyear, one finds that the first column is a description of the order; the second column is a sponsoring department or agency; the third column cites the applicable legislation; the fourth column shows the total amount for the life of the order; and the final, fifth column, gives the reasons for the order. Here is where we begin to come face to face with reality. The reason for this one was, to Goodyear, to facilitate the modernization and rationalization of tire production facilities "in order to prevent further plant closures and thus maintain current production and employment levels".

I am not going to take the few moments available to me now to repeat what I said earlier on the floor of the House, but let me say it in brief compass as follows. Those familiar with the two tire manufacturing plants which Goodyear has in Canada in Valleyfield, Quebec, and Medicine Hat in Alberta, understand well that there is no amount of government assistance that will make any difference to the level of production or the number of jobs at either of those plants, for reasons of market forces and tied selling to the GM plant at Ste Thérèse, Quebec, which last year the Government supported with $210 billion of additional funding. So that production and those jobs are secure.

Then it goes on and says, "to maintain current employment levels". We know in fact that the closure of one plant and the loss of 1,574 jobs in Etobicoke—Lakeshore is matched by the new plant with its projected employment of 800 new jobs. So that in fact is a net loss. This statement in the Minister's report to the House about justifying this report on the basis of maintaining current employment levels does not accurately state what the reality is. It is for that reason that I believe, fundamentally, we should have the opportunity on the floor of the House to hear the contentions made in defence of remission orders, and the opportunity to bring other facts that contradict those on the floor for debate and discussion.

In fact, I would conclude with these two observations. I do not think that any of these efforts, to permit the use of Section 17 or other measures like this, for industrial policy, is the right way to go. Leave remission orders for what they were intended to be, to clear up the anomalous results that are occasionally found—the unfair consequences of the workings of the law. If the Government of the day, of any stripe, feels that it is important to support the Canadian tire industry, then let it bring, on the floor of the House of Commons, a statute called, shall we say, the Canadian Tire Manufacturers Assistance Act, 1988. There we can deal not only with Goodyear, but with Uniroyal and with Michelin, because they both received remission orders as well. We can debate as parliamentarians whether the $100 million or the $200 million that will be the benefit for those companies is worth it. If it is not possible to have that kind of legislation brought before Parliament under the framework of our new trade treaty with the United States

then I think we ought to know that as well and we ought to know it now.

• (1750)

Finally, with respect to this continued operation of Section 17 for granting these large remission orders that, in effect, implement industrial policy through the back door, I think the Government could very well find itself open to a legal challenge on this practice. This issue has not for the first time come before the courts. I have already referred to a 1979 decision. It is certainly open to anyone withstanding to seek from the Federal Court a declaratory judgment that the wording of Section 17 of the Financial Administration Act on its face does not support these kinds of tax expenditures, and any authorization of amounts such as this one to Goodyear is outside the wording of Section 17. The authorization would not, therefore, be properly authorized by law and such remission orders would be null and void. I raise as a distinct possibility that that issue could yet be a further chapter in the unfolding battle we have waging before us, that we see the end of the abuse of remission orders and bring true public accountability to the expenditure of public funds.

Mr. Murray Dorin (Edmonton West): Madam Speaker, the motion before us has been put by the Hon. Member for York East (Mr. Redway). I know him well and I know his continuing interest in matters, especially those arising out of the Public Accounts Committee on which he has served and for which he has become somewhat well known. The motion states:

> That, in the opinion of this House, the Government should consider the advisability of repealing Section 17 of the Financial Administration Act and require that all remissions of taxes, fees or penalties be submitted, each year, to Parliament for approval.

I do not have any real difficulty with the general intent of the motion, which is to bring greater accountability to the issuance of remission orders. I question whether or not the motion is sufficiently clear in that it does not really indicate what kind of approval would be sought from Parliament, whether it would be sought for every single remission order or whether it would be sought for matter in advance so that an order could not be granted without parliamentary approval.

Remission orders are used, I believe, because of time constraints sometimes imposed by the House to deal with matters like this in another way. For example, we could pass a Bill if we so chose. But I do not think anyone would suggest that Parliament should pass a Bill to grant a remission order for $654 to remit, on the basis of extreme hardship, the amount of the refund that would have been repayable to the taxpayer had he or she filed on time. Obviously I do not think that this is the intent of the motion, but that has not been made clear.

I suggest that what perhaps we could adopt is a practice whereby enshrined in law could be the tabling of a document by the Minister either annually or semi-annually, which could then be automatically referred to one of the standing committees of Parliament.

We have seen through parliamentary reform that all Governor in Council appointments are now referred to an appropriate standing committee. Speaking from the point of view of the committee with which I am most familiar, namely, the Finance Committee, we resolved that all appointments would be circulated to every member of the committee, and should any member of the committee, Government, Opposition or independent Member wish to have a witness called before the committee, he or she could notify the clerk, and the witness would then be called at an appropriate time. There is, however, very little use of the practice. We called the new Governor of the Bank of Canada earlier this year, but beyond that the practice has not been widely used. The practice has not been followed by other committees either, but that is not to say the practice is not working. What it has done by allowing automatic review of government appointments by a standing committee is to put upon the Government a greater onus to act with a little extra care and to be more conscious of who is appointed to boards, agencies and committees of government because these appointments may be subject to parliamentary scrutiny.

I suggest the same principle could be applied here and that having now received this first report from the Minister of Finance (Mr. Wilson), who has committed himself to table such a report annually in Parliament, we could enshrine that practice. The current Minister has said he will do that, and I have no doubt he will, but future Ministers may not necessarily continue the practice. If we were to enshrine the need to table such a report semi-annually or annually in Parliament allowing it then to be deemed referred to an appropriate standing committee, the committee would then have the authority to review any or all of the remissions that have been granted. Again, as has been the case with Governor in Council appointments, I suggest that that possibility of scrutiny alone would serve to cause the Government to act with a great deal of care in the granting of such remission orders.

I myself have sought to have a remission order granted for a constituent of mine, so I can understand why the practice needs to be in place. It would allow the Government to act in cases where inequities, anomalies or other things occur that were never contemplated when the Act was passed. As yet I have not been successful but I can describe the case briefly.

A constituent of mine inherited a piece of property from a relative who had passed away. At the time of the death, property values were very high. It was approximately a half section of land and it was fairly near the City of Edmonton. As you know, Madam Speaker, there is under the Income Tax Act a deemed disposition of assets on death giving rise possibly to capital gains taxes. In this particular case, by the time the person received the property the land values had fallen dramatically. Nonetheless, Revenue Canada pursued the matter based on the value at the time of the deemed disposition on death. That value was somewhere around $6 million. My constituent has been unable to sell the property for any

value. There was one offer which eventually fell through for something less than $1 million. If that offer had been accepted and received, the amount that would have been received from the sale of land would have been insufficient to cover the tax. The only error my constituent made was to inherit a piece of property. The constituent is now being pursued by Revenue Canada for an amount of tax based on the value of the property at the time it was inherited for which only a fraction of the amount can now be realized.

Here we have a case of hardship, I believe an inequity in the law and an anomaly that was not foreseen. In that kind of case I think there should be an adjustment.

The Acting Speaker (Mrs. Champagne): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 36(2), the order is dropped to the bottom of the list of the order of precedence on the Order Paper.

• (1800)

GOVERNMENT ORDERS

[*English*]

CANADA-UNITED STATES FREE TRADE AGREEMENT IMPLEMENTATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Crosbie that Bill C-130, an Act to implement the free trade agreement between Canada and the United States of America, be read the second time and referred to a legislative committee; and the amendments of Mr. Axworthy (p. 16661), and of Mr. Langdon (p. 16673).

The Acting Speaker (Mrs. Champagne): When the House began Private Members' Business, the Hon. Member for Sarnia—Lambton had the floor and had two minutes remaining in his time.

Mr. Ken James (Parliamentary Secretary to Minister of Supply and Services): Thank you, Madam Speaker, for the opportunity to speak again on this very important initiative. I was talking earlier about the importance of this initiative to the people of the Sarnia—Lambton area. Most especially, it is important to our concentration of petrochemical and refining industry businesses there.

I thought another example of what has happened in the past might be interesting to all Hon. Members. In Sarnia, this event provided a major discussion point, particularly when we were attempting to bring ourselves out of the chaos of the National Energy Program which made us purchase feedstocks which were more expensive than those purchased by our American competition.

A company called Detroit Plastics and Moulding was looking for a place to locate. It was considering a number of areas, and the Sarnia area looked especially good to the company because of our proximity to the petrochemical industry streams and the fact that power is less expensive. The dollar was in our favour and the company would have lower operating costs. However, Detroit Plastics built its plant with 100 permanent jobs in Marysville, Michigan, right across the border in the State of Michigan.

While the Sarnia area had many advantages, the one disadvantage we had at the time was the 10 per cent export tariff on the plastic resin. To build an efficient chemical plant to do the mouldings, the company would have to make extra which would have to be exported. It would not be competitive because of that 10 per cent export tariff which would cost over $5 million a year. Therefore we lost the plant.

The Vice-President of Detroit Plastics said that the tariff made the difference between making money and struggling. Had it not been for the tariff, there is no question that he would have had a plant operating in Sarnia.

The petrochemical industry in Canada cannot grow without expanding beyond our domestic supply. Today we have enough capacity to supply our domestic needs for basic chemicals until the year 2000, so that just tells us how important it is to have access to that American market which will be ever growing due to the free trade initiative.

[*Translation*]

Mr. Fernand Robichaud (Westmorland—Kent): I welcome this opportunity, Madam Speaker, to speak in this important debate on the proposed legislation implementing the Canada-U.S. Free Trade Agreement. Madam Speaker, although we just voted on a motion for time allocation, I think we should ask ourselves why the Government decided to limit debate in this way. Today's discussion is one of the most important ones we have had in this House for some time, and we should ask ourselves what the Government has in mind. Why does it want to limit debate? One of the first answers that comes to mind is that perhaps the Government is afraid Canadians will find out too much about this free trade agreement.

Recent polls have shown that public opinion is starting to change. People are no longer convinced that this agreement is such a good thing for Canada. Maybe that is why the Governnmment wants to push this legislation through the House. We are told, Madam Speaker, that since the Second World War, customs duty dropped from an average of 20 per cent to an average of 9 per cent. We also know that 80 per cent of our trade with the United States is duty free, and that the average duty on the remaining 20 per cent is 9 per cent. So why is the Government rushing to sign an agreement for which it received no mandate? In fact, when he was Leader of the Opposition, the Prime Minister (Mr. Mulroney) said it would be unwise for Canada to sign an agreement with the United States. He used the metaphor of the mouse that gets in bed with an elephant. It could be a crushing experience!

Today we heard we shouldn't be afraid of the Americans. We should get together and trade and do business with them. Of course we shouldn't be afraid of the Americans. I believe that we as Canadians have enough maturity to take care of ourselves, without clinging to the coattails of the Americans. We shouldn't be afraid of the Americans, but, Madam Speaker, we should not get so close that our identity might be threatened. And I am afraid that this agreement could be a definite threat to our Canadian identity. There lies the danger.

Today we heard Hon. Members comparing the Canada-U.S. Free Trade Agreement to the European Common Market. I don't think we can draw a parallel between the two. It's like comparing apples and oranges. We have a population of 25 million in Canada, while the Americans have ten times that: 250 million. It is indeed an opportunity to be run over and swallowed up. That is where the parallel ends; there is no possible comparison with the European Common Market.

When this agreement was discussed, Canadians were assured that there was no question of signing it unless some concessions were obtained from the Americans. First was guaranteed access to the U.S. market of 250 million consumers. We were also promised, we were told that there would be a commission to settle trade disputes between the two countries. People are trying to have us believe that the agreement gives us guaranteed access to the American market. But I cannot find this guarantee anywhere in the agreement. Access to the U.S. market will only be guaranteed if Canadians produce high quality goods at competitive prices. That is what gives us guaranteed access; the agreement will not be able to do that.

We could talk for a long time about the binational commission. It exists, it is there in the agreement. But unfortunately, this commission has no power except to see whether the countervailing measures sought comply with the law of the country concerned. If so, the commission can do absolutely nothing about it! We are not exempt from duties imposed by American laws.

During the debate, we also said that the Province of New Brunswick supported this free trade agreement. I will point out to you, Madam Speaker, that the Premier of New Brunswick, Mr. McKenna, nevertheless set some conditions, which have not yet been met.

One condition set was to ensure that regional development programs are not subject to countervailing duties. This condition has not yet been met.

A second condition is that Canada no longer be subject to protectionist measures. The omnibus bill is still alive and has not been dealt with. So, Madam Speaker, this condition has not been met.

We had also asked for an adjustment program for our food processing sector. This condition has not yet been met. We in New Brunswick have reason to be concerned for this food processing industry.

• (1810)

[*English*]

To see just how this pact will affect the food processing industry in New Brunswick we have to listen to Mr. Archie MacLean of MacCain Foods. That company is one of the largest food processors in the world and it is located in New Brunswick.

The food processing industry in New Brunswick employs 11,000 people. Mr. MacLean explained how the industry is threatened because of the simple fact that it has to buy its primary products at prices directed by marketing boards.

Mr. McDermid: He wants to get rid of marketing boards.

Mr. Robichaud: Mr. MacLean was saying that in New Brunswick either they or the producers will have to go.

Mr. McDermid: Not because of free trade, though.

Mr. Robichaud: If it were not for free trade the industry would pretty well operate the way it is now.

Mr. McDermid: No.

Mr. Robichaud: Yes, absolutely.

[*Translation*]

Madam Speaker, for many years now the McCain Company has been operating in New Brunswick. It has been working in the present context with the marketing boards, it has long been buying the products of the farmers and it has been supporting many farmers of the area, but with this free trade agreement, the farmers are in serious trouble and will not be able to hang on simply because the McCain Company will not be able to buy their products anymore. Because if we look at . . .

[*English*]

When we look at the concept of the level playing field, these processors in New Brunswick will want that level playing field. They will want to have the same advantages in Canada as their competitors in the U.S. have and to buy their primary products at the same prices that the Americans pay for them.

Mr. McDermid: Name the products.

Mr. Robichaud: This means that the marketing boards in New Brunswick will not be able to function any more. Therefore, the primary producers will be just washed down the drain.

[*Translation*]

Madam Speaker, I see that you are indicating to me that my time is over. I had many more issues to address. I would like to speak of fisheries and other Canadian industries, but I will come back to it later.

Mr. Mike Cassidy (Ottawa Centre): Madam Speaker, I would like to begin by emphasizing that in his book *Where I stand*, published in 1983, the Prime Minister (Mr. Mulroney),

who was already Party Leader then, puts forward his position on all of the main questions, the major issues the country faced in 1983, five years ago, and there is no mention whatsoever of free trade as the key policy of a Government he would be heading.

I would like to make a few comments on free trade because I believe that Canadian men and women should remind the Conservative Government that it has no mandate to sign the free trade agreement that is now before the House of Commons. In fact, in 1983, the Prime Minister did not claim to be for, but rather against a free trade agreement with the United States, and he stated that the issue had been settled in 1911 under Prime Minister Wilfrid Laurier, and settled for good, as far as he was concerned. It was not an issue to be settled in the future. Indeed, it was not an issue at all. Until he became Prime Minister. Just one year after his election, in 1984, he suddenly presented Canadian men and women with a free trade policy, by beginning negotiations with the United States on a bilateral free trade agreement, with no mandate whatsoever from Canadians for the negotiation of such an accord.

Indeed, Madam Speaker, the Government has totally bypassed the process it should have followed, according to me, my Party, and the vast majority of Canadians, which is that before launching negotiations with the United States, it should have obtained a mandate for a decision that is so fundamental to the future of our country.

Madam Speaker, we have now five days of debate on second reading of Bill C-130. The Government has given us no assurance that the committee will have adequate time to consider these matters. The Minister for International Trade (Mr. Crosbie) gives us no such assurance and may in fact be considering the possibility that the Bill be sent back to the House within five or ten days.

It is all very well, Madam Speaker, that the committees subscribed fully to the principle of free trade, but they never had access to the agreement itself. Even the committee that sat in the fall, Madam Speaker, had no choice but to draft its final report without access to the agreement, since it was still being drafted in Washington by the Americans and the Canadians.

These past few months, whenever I met with my constituents as well as other Canadian men and women both in Quebec and elsewhere, I asked them: Do you want to have an election before Canada gets involved once and for all with the United States through this free trade agreement? Eighty per cent of them said yes. Madam Speaker, such is also the case of the most recent polls which indicate that the small majority who favoured the free trade agreement are now a minority. Now, most Canadian men and women who have an opinion on this issue are against it. It should also be emphasized that the feeling among those who are opposed to the free trade agreement is a lot stronger than among those who support it.

The men and women who support the Free Trade Agreement come mainly from the business world. It is the Business Council on National Issues, a club made up of the chairmen and chief executive officers of all the main Canadian and multinational corporations in Canada, which is behind the Government. When business people tell this Tory Government to do something, the Tories say: Yes sir, we will go ahead. And that is what they are doing, Madam Speaker. They went directly to the United States to fill the order of the business people for a free trade agreement. Did they do so because it would benefit the ordinary people of Chicoutimi, the Gaspe, British Columbia or even Lac-Saint-Jean? The answer is no.

For instance, Madam Speaker, I personally visited Lac-Saint-Jean during the by-election campaign. I realized that the economic situation in the Saguenay-Lac-Saint-Jean area has not changed a bit over the past four years under a Tory government. No regional development program has been implemented. No effort has been made by the Government to remedy the unemployment situation which exceeded 13 per cent when I was there! Madam Speaker, the reduction was maybe 1 or 2 per cent. Since 1984, in that area, the unemployment rate has been higher since the Tory Party came to power than it had been during the recession, say, between 1980 and 1982 under the previous government.

Now, because of the by-election, the Government was compelled to set up a regional development program, but without this program, would the promises made by the present Secretary of State (Mr. Bouchard) have been formulated? The answer is clearly no.

Will the free trade agreement really benefit those people? I don't think so for the following reasons. First of all, since most of the industrial jobs which will be created, if such jobs are created, will be based along the Montreal-Windsor corridor, the rest of the regions, including Saguenay-Lac-Saint-Jean, will not be affected.

Secondly, we can see that the investments in this region are mostly basic investments, and resource investments, for which no tariff barriers exist between the U.S. and Canada. Thirdly, Madam Speaker, the same thing goes for the timber and lumber industry of that region. Has this industry ever been affected by pressures from the United States, by measures which will still be in effect five to seven years after the free trade deal, and which might never disappear?

The Americans still have the power to put pressure on us. In fact, they have forced Canada to levy a 15 per cent tax on softwood lumber exports, because they felt we were too competitive.

Finally, Madam Speaker, I have read in the newspapers that the governments of both Quebec and British Columbia recently felt they had to send delegates not to Ottawa, but to Washington, to make sure that the U.S. royalties program relating to investments would allow Canadians to cancel the tax on softwood lumber exports from the provinces of Quebec and British Columbia.

And that, Madam Speaker, is the way we will have to handle things if this agreement is passed by our Parliament, by the U.S. Congress, and finally ratified before January 1.

Madam Speaker, I note for example that Quebec, under Clause 6 of the Bill, will have to adjust its legislation to the deal, or else we can expect that the Quebec legislation will be invalidated by the Canadian legislation, and even by the Canadian regulations and the Agreement.

Prime Minister Bourassa says that Quebec will adjust its legislation to the free trade deal. But let us suppose that our Governement is in power, that it is an NDP provincial Government or possibly a PQ Government, and that it does not accept a certain initiative taken by the Federal Governement. Will that Governement have the power to resist?

The answer is no since Quebec has handed over a great part of its powers to the Federal Government. That is what has been done by a Quebec Government, by a Liberal Governement in Quebec, Madam Speaker. And I believe that they are wrong in accepting this.

Furthermore, Madam Speaker, according to Clause 8 of this bill, all Canadian legislation will be subordinated to the agreement as well as to Bill C-130 and the regulations pertaining thereto. That also is unacceptable.

Madam Speaker, my time has run out. I would like to speak a bit longer, but I believe that those in Quebec who think that they have made a great step forward with the free trade deal are wrong and that they will find that, unless they are able to stop this bill, in the final analysis Quebec will suffer a loss of freedom in terms of policy making and implementation. Having said that, Madam Speaker, I shall say no more, time forbidding.

• (1820)

[*English*]

Mrs. Barbara Sparrow (Calgary South): Madam Speaker, the free trade agreement with the United States will do much to correct Canada's long existing regional economic disparities. It will do more than just give the entire country an economic boost; it will also help regions develop and gain strength, not only from their own regional markets but from the large and rich markets which stretch from coast to coast just south of our border.

Nowhere is the removal of impediments more important than in the international trading system. Everyone is hurt by protectionism. No one can doubt the gains conferred on all countries by the great era of trade liberalization under the General Agreement on Tariffs and Trade.

Canada is firmly committed to working for freer trading rules in the vital multilateral negotiations of the Uruguay Round. Our agreement with the United States should in no way be seen as an alternative to or inconsistent with our determination to seek further liberalization through the GATT. Canada's commitment to liberalizing the rules is demonstrated by our free trade agreement with the U.S. The agreement can and will serve as a useful model for the multilateral negotiations, notably including its ground breaking provisions covering the important area of trade in services.

It comes down to a decision on whether Canadians should seek the opportunity and the challenge now presented of securing and enhancing a combined market of 270 million or whether Canadians are prepared to face the real risk of restricted access to a market so vital to their prosperity.

Free trade will encourage job creating investment in energy projects across the country. As we well know, a greater supply means greater energy security for Canada in the future. In the northeast corner of Alberta we have the Athabasca oil sands. These oil sands have within them proven reserves greater than the reserves in Saudi Arabia, immense reserves available to Canada. We cannot bring those reserves on stream unless there is a certainty of demand.

One of the things that will flow from this agreement is that there will be certainty of demand which will guarantee Canada having "made-in-Canada, provided-in-Canada" energy from our own sources brought on-stream because of our arrangements. This is not a continental energy policy. Canada retains full control over all aspects of energy policy that relate to management of the resource base, transportation, or domestic use of energy resources.

What is true of petroleum and carbon resources in Alberta is also true of hydro resources in Ontario, Québec, and elsewhere in our country. All these benefits will flow to Canada without compromising our ability to maintain agricultural marketing boards, regional development programs, our assistance to the cultural industry, or our wide array of social programs.

It has been argued that a free trade agreement with the United States would derogate from provincial jurisdiction. The free trade agreement does not in any way represent constitutional change or result in a constitutional amendment. It is an agreement between two sovereign nations and is subject to the provisions of the Constitution of Canada. Provincial responsibilities for such important matters as natural resources will be as full and complete after the agreement as they were before.

• (1830)

The free trade agreement provides an environment for the Canadian energy industries to secure and to expand their access to the United States. Our constitutional responsibility over our natural resources is not being eroded. Alberta will continue to own, to control, and to manage its resources on behalf of all Albertans.

I want to address four myths or misconceptions that I have heard being expounded during the current debate. The first is that the Canadian Government has been stampeded into this

agreement by paranoia about United States protectionism. In other words, it is alleged that the Government has miscalculated the seriousness of the protectionist threat in the United States and has placed unwarranted value on seeking secure access to the U.S. market. This analysis is false. The trend toward protectionism in the United States is long term and inexorable because it is driven by a fundamental change in the global balance of economic forces.

So long as the United States was the world's predominant economic power and enjoyed substantial technological advantage over its rivals, it was driven by self-interest and magnanimity alike to pursue a policy of liberal trade. The United States is still the world's largest, richest, and most dynamic market, and it is liable to remain so for the foreseeable future.

However, American economic and technological leadership has now been challenged on three successive fronts: First, by the resurgence of a revitalized Europe from the ashes of World World II; second, by the rise of an extraordinarily disciplined and dynamic Japan; and third, by the recent emergence of the newly industrialized countries, particularly on the Pacific Rim.

The second myth or misconception permeating the debate here is that the choice facing Canadians is between a familiar and relatively comfortable *status quo* and the unknown of free trade. There is no *status quo*. The world is always on the move. The only difference is that the world is moving far, far faster now than ever before. It is an illusion to talk about the *status quo*. It just does not exist.

Global technological and economic developments mean that Canada's resource base can no longer finance the maintenance of an inefficient manufacturing economy sheltering behind high tariff walls.

Even Canadian manufacturers have realized that they can no longer prosper from the domestic market alone. They need secure and free access to a larger market, especially the United States market, to invest and thus achieve economies of scale and specialization.

The third myth or misconception in Canada is that the multilateral trade negotiations under the GATT and bilateral trade deals with the United States possibly represent alternatives, indeed incompatible alternatives. Nothing could be further from the truth.

Regional free trade areas such as the European Community and the Canada-U.S. agreement are fully sanctioned under Article 24 of the GATT.

It would be foolhardy as Canadians to close our eyes to these developments and to rely exclusively on a multilateral trading system whose effectiveness is unfortunately eroding and whose undertakings and disciplines are too generalized, too vague, and too narrow in scope to provide an effective brake to U.S. protectionism.

The fourth myth about the agreement is that it will result in a loss of Canadian sovereignty or independence. If by independence we are talking about the right of Canadians to maintain the unique set of social support measures such as medicare, unemployment insurance, and the Canada Pension Plan, nothing in the agreement prevents Canadian Governments from maintaining these programs.

There is no way that the federal Government would trash medicare, old age pensions, unemployment insurance, or other important social programs. Any politician who tried that would not make history, but would be history.

If free trade results in a loss of sovereignty, let us ask our New Zealand friends how they are making out with the Australians, or the Austrians or the Swedes, whether they have been taken over by other members of the European trade agreement.

Even in the European Community where a measure of political integration has been consciously undertaken, no one ever hears the Danes or the Dutch complain that their culture is being Teutonized or Anglocized as a result of a common commercial market.

One third of Canada's Gross National Product comes from exports. Close to three million Canadian jobs are directly related to exports, and 78 per cent to 80 per cent of our exports go to the United States. Canada must secure the high level of trade we have with the United States. We must bring in a dispute resolution mechanism that is contained in the free trade agreement, and we must enhance U.S. trade to create jobs and maintain our standard of living.

• (1840)

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Madam Speaker, the House is discussing Bill C-130 and the amendment to the amendment of Mr. Langdon, seconded by Mr. Angus:

> That the amendment be amended by adding immediately after the words "political institutions of Canada," the words "including our valued system of social and regional development programs,".

Madam Speaker, although there is a ten-minute maximum under the Standing Orders, I will be able to continue later on when I speak to the amendment of my colleague from Winnipeg—Fort Garry (Mr. Axworthy) and subsequently to the main motion, at least when the debate continues.

Madam Speaker, as was said earlier today, the Conservative Party is dead. That's right. The Conservative Party will make way for the Republican Party of North America.

An Hon. Member: It already has.

Mr. Gauthier: That is a matter I think the Tories should be worried about. Not so. They don't care. The Conservative Party as we have known it, progressive or not . . . In fact, it is, in a way, a contradiction in terms to say the words progressive

and conservative in one breath. However, the fact remains that the Conservative Party is out for the count and in its stead has come the branch-plant Republican Party of North America! The Conservative Party has caved in to pressure from the multinationals. It has tampered with the system, tampered with the Standing Orders and put in place its own system which, in my view, is anti-parliamentary and anti-democratic and a direct contradiction of its proposal to set up a supposedly free trade market with the Americans. In the first place, this is not free trade. Some areas have been excluded, and to call this a free trade agreement is to misrepresent the facts. This is a trade agreement signed by the Prime Minister of this country (Mr. Mulroney) and the President of the United States, Mr. Reagan, for the benefit of the agenda of both parties, and to give one of the parties access to the immense natural wealth of our country and the other a political excuse to seek a second mandate as the Prime Minister of the Government of Canada.

Madam Speaker, it is positively ridiculous to limit debate in the House to five days when it took 1,000 days of complex and serious debate to get us a so-called trade agreement, an agreement that the Tories would like us to adopt in five days, an agreement that would change for all time the way Canadians have lived for 121 years. My grandparents and yours, Madam Speaker, built this Canadian federation, and the Party in power, the Conservative Party, is prepared to sell all to the highest bidder, and to adopt or rather make the House adopt, in less than five days of debate, the principle of an agreement that is flawed and, as my Leader said last Wednesday, poses a serious threat to this country.

Madam Speaker, this political and economic agreement, and that is what it is, initialled on January 2 by the two heads of State, is an agreement that, if implemented, could forever threaten the existence of Canada as the distinct society I have known in North America, a society with powers that enable it to influence directly its economic, social and cultural development.

The Conservative Government continues to spend millions, as we know. It was almost a scandal. It is even outrageous to think that it is spending public money to try to sell this bill of goods to Canadians, who according to the most recent polls, as we know, do not like the idea of changing forever the order of things in North America and economically integrating Canada with the United States.

The reason for this partisan propaganda from the Government that is circulated at great expense, some $30 or $40 million, is to sell this Conservative mess of pottage to Canadians. The reason why they resort to such measures is that the agreement itself is not that strong, the contract is not that sound, and we must say that it is not very convincing for Canadians today either, knowing that more than 40 per cent of them are against the Mulroney-Reagan free trade agreement.

Neither government propaganda nor the insults regularly sent our way by the Minister responsible for the negotiations and the mockery and clowning he so often uses to avoid discussing the negative consequences we will suffer once the agreement is implemented.

We know that the Minister was not even able to read the whole document. He did not have the heart to go through the whole document, he only read part of it and God knows that if he has to sell this mishmash, he should at least know what is in it. He was rightly criticized for this last week and we will continue to remind him that when a serious minister wants to sell a serious Bill, he must show that he is serious enough himself to read the whole thing.

Madam Speaker, as the President of the United States said quite rightly, the agreement is:

> . . . an economic constitution for North America.

There we have it! It is an economic constitution! Those are not my words but President Reagan's: it is "an economic constitution for North America." That means a continental step to industrial and economic integration.

I can understand very well that President Reagan is delighted, that he applauds the possibility for Washington, the White House, the American Congress and the powerful lobbies for private interests, to become automatically, yes, automatically, the absolute masters of this social and economic development strategy, and on a continental scale, if you please! This means that we will simply be integrated into the American strategy of obtaining their energy from us, and they will continue, as has been their wont, to press their point of view on us and to make little of the Canadian perspective.

But what is incomprehensible on the part of our Government is the relentless determination with which the Prime Minister is seeking, by every available means, to lead Canada in this direction. To my mind, this is a tragic example of betrayal, Madam Speaker.

It goes without saying that we must further improve Canadian producers' access to the vast American market. I don't know a single Liberal who is against free trade as such. We are for free trade, but not for the Mulroney-Reagan free trade agreement that was signed last January 2. We are against that agreement.

In addition, as we know, we must further reduce the protective tariffs afforded certain Canadian industries. We are in agreement with a gradual reduction of certain tariff-based advantages. We, the Members of the Liberal Party, Madam Speaker, do not have to prove that we support the principle of free trade. We demonstrated our support through the trade arrangements that successive liberal governments have negotiated and implemented since the Second World War. And we shall continue to promote policies allowing Canada to increase its exchange of goods and services with the United States and with other countries, such as the countries of Asia, whose markets promise much for the future.

I agree of course with the notion of increased trading with the United States which are our best friend and neighbour. But

I oppose the overwhelming continental approach of the January 2, 1988, agreement which was signed by the Prime Minister (Mr. Mulroney), an agreement which this Tory Government is desperately trying to implement before the Canadian people have had an opportunity to assess its full scope, which would deprive all the Governments in Canada, including those of the provinces, of a great many of the powers which they can now exercise to directly influence our social, economic and cultural development. As a matter of fact, if this agreement were implemented, the provincial and federal governments could no longer have access to the same range of measures to protect and promote national and provincial interests.

During the next few minutes, Madam Speaker—as I said earlier, I shall deal again with this issue later on because I have a great many remarks to make, having had an opportunity to reflect on this issue since it was proposed a few years ago—I should like to give support to the statement that we have lost or will eventually lose the power to protect and promote national and provincial interests.

For instance, as soon as this agreement takes effect, neither the federal nor the provincial Governments will be able to require from American consumers for Canadian energy a price which is higher than the price paid by Canadian consumers. It is possible now for the Federal Government to impose an export tax. For instance, a provincial government may, under certain circumstances, protect its own consumers or even Canadian consumers generally by imposing export costs for electricity or natural gas. Provincial governments have full control over their natural resources.

A while ago, I heard the Hon. Member for Calgary claim that we are not going to lose our control. Well, Madam Speaker, I can tell you that the Government will submit this control to enormous pressure by telling the Americans that, whatever the circumstances, they will have a right of access to these resources, which for the most part belong to us, at the same price as Canadians. I am referring to energy for instance. They say it is not true. Well, I challenge the Hon. Member to stand in his place and demonstrate to me that it is not true.

Madam Speaker, I see that you are about to rise. If I may, I will return to this later on when the debate resumes on this issue. I should like to further explain free trade which is at the very heart and fabric of the essence of my country, Canada.

[*English*]

Mr. Bill Domm (Peterborough): Madam Speaker, I welcome this opportunity to enter into the debate on free trade. The most important thing that can be said about free trade has to be said from this perspective: From where will we obtain the best advantage? From what standpoint in terms of trading do we say that we can improve our position or remain *status quo* which is satisfactory?

I found out from talking to grade 12 and grade 13 high school students in my riding that when given a chance to vote on free trade their vote was overwhelmingly in support of a move toward free trade. The argument that was used by the students, and I know that it is hard for some people in the Opposition to understand it, was that if one makes a widget and wants to sell it but has to hire a salesman to handle 25 million people, would one sooner sell the same widget to 10 times that number of people at the same price or not? The overwhelming answer given by the young people is that they would like a larger market, not a smaller market, not a protected market, but they are willing on their part to accept the challenge and look to the opportunities of an increased market.

• (1850)

Let us look at the corporate sector. I thought the best way to do that would be to write a letter to every major corporation in the City of Peterborough and the County of Peterborough that employs all the people who want to work. I asked the corporations one at a time how they felt about free trade. The first corporation to reply, one of the largest employers in Peterborough, was General Motors of Canada. In the past I was an employee and sales manager for General Motors in Oshawa. I received a very nice letter from the public relations manager for General Motors. That corporation responded in an affirmative manner and stated that it felt that it would create more jobs and more employment.

Mr. G. A. Peapples, President and General Manager of General Motors in Oshawa, stated: "Thanks to the new free trade agreement, we can compete, secure in the knowledge that the trade policy environment will be stable and fair and will permit us to act decisively and responsibly in the interests of our customers, our employees and Canada".

The next largest industry in Peterborough is General Electric Canada. I wrote a letter to the Chief Executive Officer and to the General Manager and Vice-President of General Electric Canada in Peterborough. In part he stated: "General Electric Canada favours the free trade agreement and at this point would anticipate a net gain in terms of business levels and employment as a result of this agreement for our plant here in Peterborough".

I had heard the argument that Canadian companies would be at a disadvantage if we signed a free trade agreement with the United States, that they just could not compete. I wrote to Mr. Bill Fisher of Fisher Gauge, one of the largest high-tech industrial industries in the Peterborough region. It has three factories in Peterborough and two in the United States. He replied and stated: "Strongly endorse the free trade agreement. Recognize the importance of the agreement for enhanced job creation. Fisher Gauge employs 275 people in Peterborough; 250 of those jobs are accounted for by exports, and 180 of those 250 jobs are maintained by business with the United States. Key to more jobs: greater access to other markets, mainly the United States market".

I wish to quote the final paragraph of the chief officer's comments. He stated: "I have no doubt that the free trade agreement will enhance our business in the United States and increase our employment here, but failure to implement the agreement could have the opposite effect, considering the increasing protectionist sentiment in the United States and elsewhere. Without the U.S. market we could be finished as a viable operation".

I wrote to the President, General Manager and Chief Officer in Peterborough of Outboard Marine Corporation. He stated that free trade would make an efficient manufacturer like Outboard Marine a much more effective competitor. The elimination of duty on parts would allow it to reduce the price of its outboard motors and thus be able to compete against cheaper Japanese imports.

Mr. Cassidy: That company has shut down 1,500 jobs in the last 15 years.

Mr. Domm: Now it can invest in more up-to-date technology to meet the challenge of greater competition.

Mr. Cassidy: They have been steadily moving out of Canada.

Mr. Domm: It puts it on a par with world scale plants. Now the large United States market will be open to it. The President and General Manager of Outboard Marine further stated:

> While OMC Canada does support the U.S.-Canada Free Trade Agreement, we are not entirely happy with the agreement as we had hoped that the duty would have been either removed immediately or certainly phased out much more rapidly. However, we do believe it is a step in the right direction.
>
> For example, we just recently lost a quote to manufacture component parts to a U.S. vendor. We were competitive on labour and material but lost the business because of duty. Elimination of U.S. duties for Canadian exports would obviously open new opportunities for OMC Canada.

Mr. Cassidy: It can also manufacture everything in Wisconsin. That is exactly the problem with that company.

Mr. Domm: The NDP spokesman is not very familiar with what is going on at Outboard Marine. It has recently rationalized. It has a world mandate to supply all gas tanks, inboard and outboard, for its total industry around the world. The major source of sales is in the United States. It did that because of the free trade agreement.

Outboard Marine in Peterborough was phasing out much of its operation. It has revitalized, modernized, and made its plant more efficient. Now it is one of only two manufacturers of the OMC that manufactures Lawnboys on a world-wide delivery system.

Let us look at Dofasco and Stelco. They are pretty good union operations. They are a very active union in the United Steelworkers of America.

Mr. Cassidy: Not at Dofasco there is not. Get your facts straight.

Mr. Domm: One of the union people who sent out a press release, of which I received a copy, Dennis Abernot, President, Local 2251 of United Steelworkers of America, stated: "Local 2251 welcomed federal Government's initiative on free trade when it began two years ago because it was clear to us that growing protectionism in the United States posed a serious risk to Canadian steel production and steelworkers' jobs". The more steel they produce, the more they supply to Oshawa. I am somewhat surprised that the Leader of the NDP has taken such a negative view of free trade.

Mr. Cassidy: That was not Dofasco, and it was not Stelco. You should get your facts straight.

Mr. Domm: The Leader of the NDP and Member of Parliament representing the City of Oshawa is unable to realize or fails to acknowledge the fact that he has created jobs in Oshawa through the expansion of modern technology on a competitive basis to compete not only with the United States—and they produce better cars there than they do in the United States—but to compete on a world-wide basis.

Let us bring ourselves up to date on how other industries think about us around the world. In Peterborough we have recently received a new industry called Pebra Inc. which employed some 300 to 500 people over the period of its phase-in.

Mr. Cassidy: What about farmers in Peterborough County as well?

Mr. Domm: I know the Hon. Member does not want to hear this, because it hurts the NDP to see labour getting jobs and working because of free trade.

If the Hon. Member would care to listen for a minute, I will read from a letter that I received from Pebra. The whole letter is available to anyone who cares to read it. I will table the document, and the Hon. Member can read it if he wishes.

Pebra Inc. opened a factory plant in Peterborough in the Old Pioneer Chainsaw building which was dormant for a long period of time, because neither the previous Government nor the Party that is talking over there that proposes to be the next Government could come up with a solution.

Pebra supplies automotive fabricated induction moulding parts for automobiles. It is a German company that has invested large sums of money in Peterborough in order to manufacture parts to sell world-wide, particularly to the United States. The letter from Pebra Inc. stated, in part:

> . . . the automotive industry can, from a Canadian point of view, only grow and prosper by expanding our market. The United States, which represent about one-third of the world industrial market, is of course the most logical territory to aim for, apart from the fact that they are our neighbour.

The Executive Vice-President continued with the reasons why he supports free trade.

Last week a new industry, Kendall Canada, came to Peterborough. It is an American multinational corporation

that arrived in Peterborough. It is spending $20 million to build a plant in Peterborough. It plans to employ 322 people. It manufactures and distributes medical and surgical supplies to Canada and the United States. Its main company is in the United States. Kendall has indicated to me that it also welcomes this free trade agreement. It sees it as a good deal which will benefit the company.

I would like to conclude with one sentence. Free trade is good for business, because free trade employs people. If we employ people and create economic growth we can afford social service programs. Without those dollars that are generated by increased industrial expansion, there will not be all the things that the NDP claims to be protecting without any answers on how to protect them.

• (1900)

Mr. Lorne Nystrom (Yorkton—Melville): Madam Speaker, it is interesting to follow the Hon. Member from Peterborough (Mr. Domm). One would not think that he represents an Ontario riding, where the people in his riding oppose this deal as a sell-out of Canada. One would not think that he has had his eyes opened in the last few weeks whatsoever.

What I want to suggest this evening is that the Government across the way should be going to the people, calling an election, and seeking a mandate on this particular trade deal.

I am confident that I speak tonight on behalf of the people of my province and of my constituency. I am proud to say that in a very recent poll in *The Globe and Mail* by the Environics Corporation, the overwhelming majority of people in Saskatchewan are opposed to this deal. It is a bad deal for Canada and a bad deal for Saskatchewan. There are more people opposing the deal in Saskatchewan than in any other province. In fact, if we look at the total number of people surveyed in the Province of Saskatchewan, 49 per cent are against the deal, 29 per cent are in favour of the deal, a gap of nearly two to one. I say that this is a bad deal for Canada.

For a western province where the concept of free trade historically has been a popular concept, it is quite a startling statistic to find out that the overwhelming majority of people that who a position say that this is a bad deal for Canada. For that reason I want an election on this issue. I want that election now. The Government across the way has no mandate whatsoever to ram something like this down the throats of people. I see it as fundamentally bad for our country and fundamentally bad for the Province of Saskatchewan.

That same survey showed that only 9 per cent of Saskatchewan people strongly support the deal. Imagine that, Madam Speaker, only 9 per cent strongly support this deal that the Government is now using closure on, to make it the law of the land for generations to come. Some 36 per cent strongly oppose the deal. It is four to one in opposition to this trade deal in the Province of Saskatchewan for people who have strong feelings on it. I feel very confident tonight in saying that I certainly reflect the point of view of people in Saskatchewan, not just people who vote for the Democratic Party but people who vote for all three political Parties in the Province of Saskatchewan.

I invite the Government across the way to consult the people of this country, to call an election on this issue. If it does that, it will be overwhelmingly defeated from one part of this country to the other.

An Hon. Member: They did, in Lac-Saint-Jean.

[*Translation*]

. . . I know the Lac-Saint-Jean region very well, Madam Speaker, and the Conservative Party bought a seat in that riding. They spent $162 million to buy a riding for the Prime Minister's friend, Mr. Bouchard. His seat was bought by the Federal Government through the Canadian taxpayers. But, Madam Speaker, the Government doesn't have the money to buy 200 seats for the Conservatives in the next general election.

[*English*]

That is what happened in Lac-Saint-Jean. Now, I want to debate the issue that is before the House. We find that the overwhelming majority of people in Saskatchewan oppose the deal; in Manitoba, they oppose the deal; in the Province of Ontario, they oppose the deal; and in the Province of Alberta, it is two to one in favour of the deal. I suggest that the reason for it is that no one in Alberta is speaking out in opposition to it because all Members from that province are Conservative Members who support it.

In the Province of Quebec the results are very, very interesting. We find that only 40 per cent of the population is in support of this trade deal and 33 per cent is opposed to it, despite the fact that the Prime Minister (Mr. Mulroney) comes from Quebec, despite the fact that Mr. Bourassa and his Government support the deal, and despite the fact that Jacques Parizeau and the Official Opposition in Québec support the deal. Despite all that the Province of Québec is almost divided fifty-fifty in terms of the deal before us. In a general election campaign I am confident that the majority of Canadians in that province will also oppose the deal before us.

If the Members across the way think back throughout history, it has been their Party, historically, that has been in opposition to a free trade deal with the United States that is all-encompassing. If we go back to the election of 1891, it was the grand old man of Canadian conservatism, Sir John A. Macdonald, who fought his last campaign in opposition to the Liberals, who tried to impose this kind of a deal upon Canada.

Twenty years later it was again the Conservative Party that fought against Laurier, and against the Liberals when they tried, once again to bring in a kind of deal to tie the United States to Canada in more than just the economic sense.

I say that this particular deal is against the tradition of Canada, against the heritage of Canada. It is against the history, the tradition, and the heritage of the Conservative

Party of Canada and what it stood for, from Sir John A. Macdonald right through to 1984.

It was in 1985 that that Party across the way did a flip-flop and negotiated a deal that will give Canada nothing whatsoever in terms of new access to the American markets. Nothing whatsoever is guaranteed in terms of the deal before the House today. At the same time, we are going to lose considerable independence and considerable sovereignty as a Canadian nation to make decisions that affect our own lives in the years that lie ahead. I take exception to the fact that this is not a free trade deal. It goes way beyond customs and tariffs. It is a deal that is a step toward the economic union of Canada with the United States; the economic union of our two countries. In that case, Canada will be totally dominated by our big neighbour to the South. An example of what I mean is energy policy, where we can no longer have a two-price system in energy, where we must charge the same price to the American consumer that we are charging the Canadian consumer if we export to the United States. That is part of this deal. That is one reason why Peter Lougheed is in support of this particular deal.

Also, in terms of energy, we must guarantee under this deal to the Americans proportional access to our diminishing resource in the time of crisis. Once again, it gives up Canadian political sovereignty.

When it comes to investment, we must treat American investors in the same way that we treat Canadian investors. We can no longer have an agency like the Foreign Investment Review Agency to make sure that investment in this country from the United States—

Mr. McDermid: Not true, not true.

Mr. Nystrom: —will be treated in the same way. It is not right to treat American investors as Canadian nationals. That is part of the deal. That is one reason why this deal and this Government will be defeated when the next election comes. The noisy Parliamentary Secretary across the way is muttering about the truth. He would not know the truth if it hit him across the head. He has that kind of reputation in this House.

When it comes to agriculture, we find that the trade deal will weaken the authority of marketing boards in this country. We have no better authority than Clayton Yeutter, the U.S. trade representative, and his interpretation document in May that talks about the interpretation of the deal being a weakening of the Canadian marketing board system, a weakening of the Canadian Wheat Board and its pricing mechanism. That is why the majority of farmers in this country oppose the deal. That is why farmers are mobilizing from the Province of Québec, the Atlantic provinces, and across the West, to oppose the Conservative Party, once it gets the guts to call an election campaign in this country.

Mr. McDermid: That is useful thinking on your part.

Mr. Nystrom: Now, the Parliamentary Secretary across the way, who does not know anything about the truth in this House or what the Canadian people think, should just take a look at the Environics poll in *The Globe and Mail* last Friday, and he will see that the overwhelming majority of people in Saskatchewan oppose this deal, how Manitoba opposes the deal, how the Province of Ontario opposes this particular deal.

Mr. McDermid: Free fall. Do you believe that poll?

Mr. Nystrom: I love that kind of free fall. In the Province of Saskatchewan 49 per cent of the people oppose the deal and 29 per cent of the people support the deal. When one talks about those statistics garnered by the pollsters, the Hon. Member from Brampton—Georgetown (Mr. McDermid) loses his tongue and sits silently in his seat across the way. He knows in his heart of hearts that the Canadian people will not support the kind of deal that has been negotiated by the Prime Minister.

• (1910)

As I said, it is a sell-out of Canada. It is the economic union of our country with the United States. I fear for the loss of our sovereignty. I fear for the loss of our independence if this deal goes through. I invite the Conservative Party across the way to put pressure on its Prime Minister to call an election on the issue. It is the most important issue we have faced in decades. The Prime Minister is afraid to face the people of Canada. He wants to ram this deal through the House of Commons by the use of closure. That is not democratic. He does not have a mandate. The only person across the way who spoke about this kind of deal in the last campaign—and you know it as well as I do, Mr. Speaker—was the Minister for International Trade (Mr. Crosbie) himself. The Prime Minister and other Ministers in this House all took a very strong stand against this kind of a deal with the United States.

To ram this deal through the House is clearly misleading the people of Canada. The Government has no mandate for it. I invite you, Mr. Speaker, to join us in trying to force the Prime Minister to call an election so that the people can be consulted in a true, free and democratic manner.

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, one of the useful products of a debate is that one finds out things. Hon. Members say things from time to time that they are probably not supposed to say. But this debate shows, demonstrates, and reveals the kind of real motivation, the real *raison d'être* for this legislation. Perhaps no truer, sounder statement was made in this House than that made by the Deputy House Leader today. He said, "We represent big Canada". That comes as no surprise to Canadians when we look at what happened in the sell-out of the pharmaceutical Bill represented by the big pharmaceutical companies. When it came to capital gains tax we know who benefited from that. It was the big, powerful, rich Canadian corporations and individuals. When it comes to the question of regulatory policy

and privatization, we know who benefits from that—the big, the powerful, and the rich.

We finally discovered the reason that we have this legislation. The Government is now simply the hand-maiden for big interests because there is no other rationale for it. At the start one might have accepted the economic argument, until the Government produced its own reports, until the Economic Council and the Department of Finance reported that the promises of economic growth and of additional jobs were simply not there. When the Economic Council report said we may get one-quarter of one per cent economic growth a year, one can hardly say that would be justification for uprooting one's country. The Economic Council went on to say that there would be 180,000 job losses. Putting the rhetoric and mythology aside, the Government's own data, provided by its own research resources, indicated simply that there was no economic growth worth measuring. It is simply not there, and we knew that could not be the reason for the Bill. Surely no Government would be irresponsible enough to overturn the history of the country completely, for the sake of one-quarter of one per cent growth per year.

The other promise made was for consumers. We have Ministers of the Crown saying that consumers will be the big winners, but let us look at the Government's own reports. As we well know, consumers may get over the next five years, if the deal goes through, a saving of 1 per cent on an inflation rate of 20 per cent. Rather than having 20 per cent inflation we will have 19 per cent. That is not sufficient reason for justifying the complete overturn and uprooting of the fundamentals of the country for perhaps 1 per cent. I would say maybe, because the Government was not too sure. As one of the advocates from the Consumers' Association of the Province of Québec pointed out, the net saving to an average family over five years might be $32, maybe, if all things work as they are supposed to work. Surely no one can say that a saving of $32 over five years is sufficient reason for this kind of agreement.

Ms. Dewar: On a 72-cent dollar.

Mr. Axworthy: And that is on a highly inflated, reduced dollar.

We come to the third reason put forward, that we have guaranteed access to American markets, except the agreement does not give guaranteed access. There is no guarantee. It is not binding. The trade laws still apply. The trade actions still take place. The only thing the Government got was a review mechanism, otherwise known as the Mickey Mouse mechanism, which allows a review to take place even though we already have a review mechanism, one that will probably be more impartial because the compromise reached in the U.S. Congress will give U.S. politicians more input to that review than the one at present. All the grand promises that there would be some kind of guaranteed secure access again are simply ashes. There is no justification for it. One cannot say that again would be reason for the massive upheaval and change which this agreement will produce.

Why, Mr. Speaker? Finally we had a Minister of the Crown give us the real reason. We finally got to the truth this morning when the Deputy House Leader said that it was because "we represent big Canada". What the Government is saying is that the big corporations of Canada do not want Governments to bring in programs that will reallocate income. They do not want government making decisions in the public interest. They want it all by the rule of the jungle, the corporations' rules. If big corporations with no allegiance and no particular loyalty have capital crossing borders with instantaneous computer transactions, I suppose they feel they have outgrown Canada, that they do not have to recognize the validity of this particular nation state any more. Big corporations find a Government to represent their interests. They find a group of advocates who will come into the House of Commons to speak for them and to bring in legislation to represent the big interests of Canada. Therefore, we have the Bill before us.

The real meaning of Bill C-130 has very little to do with trade. The reduction in tariffs is marginal. It is far less than we have achieved under multinational negotiations. There is far less a reduction in tariffs than we have received over the last 20 or 30 years. The Bill has major restraints, major limitations on the role of federal and provincial Governments to take decisions for Canadians contrary to those that might be taken by the big interests, to quote again the Deputy House Leader, "that they would take". It may mean that we would want to take decisions on environmental rules, on equity rules for women or for those with handicaps, or that we would want to take further decisions on Canadian content rules. That does not serve the interests of those big players about which the Deputy House Leader spoke. If we go through the legislation passage by passage, whether we are dealing with investment, Crown corporations, or resources, the Bill is really one designed to put a strait-jacket around government. The corporations are not satisfied in just putting a strait-jacket around the federal Government; they want a strait-jacket around provincial and municipal Governments. They are basically eviscerating the public economy of Canada. That is the tragedy, because that is how the country was built.

It was not built by the market-place. There are lots of very effective and good private entrepreneurs. If we look at our history we see that Canada was built by public decisions, oftentimes in partnership with private companies. It was built by a mixture, a partnership, a mixed economy. Now, for the first time in our history, the big interests have a Government which represents them. Now they will change forever and entrench into an international agreement the inability of government to take those kinds of decisions in the future. That is the tragedy of this legislation. That is what this Government does not want Canadians to find out. That is why the Government is afraid to go across the country and hold public hearings.

That is why the Minister for International Trade (Mr. Crosbie) blusters and buffoons himself through the House of Commons. He is afraid to put the legislation out for public examination from Newfoundland to Québec, to Manitoba, to British Columbia, and to let Canadians realize that this is a Government that is strangling, suffocating and, suppressing the ability of Canadians through their democratically elected institutions to make decisions for themselves. It is turning over these decisions to the big players in the continental chess game. That is one of the reasons why we need further debate.

• (1920)

Perhaps, if we had further debate, we would have further revelations, much as the one we had this morning from the Deputy House Leader, as to what the real motives, purpose, and rationale really are for this Bill. That is why we find it such an affront to the democratic process that not only is debate being cut off before it has a chance to get into full flower, but the Government is now threatening to deny the committee that right as well. The only way Canadians will find out is if we get the ultimate sanction in a democracy, an election. That will let Canadians have a real look at what this Bill is really all about.

Mr. Bill Attewell (Don Valley East): Mr. Speaker, before I begin the remarks I have prepared, I want to say that I find it a bit strange that already the Liberal Party has to go to second speakers. Members of the Liberal Party were talking earlier about the travesty of justice being committed, but now an Hon. Member has spoken on the Bill for the second time today.

Today and tomorrow, many Members of Parliament of all three Parties—

Mr. Axworthy: Mr. Speaker, I rise on a point of order. I think the Hon. Member would want to correct himself. This is the second time I have spoken, but I spoke on the closure motion which had nothing to do with this specific legislation. The Hon. Member might know the difference after he has been in Parliament for a while, and I would ask him to withdraw that comment.

The Acting Speaker (Mr. McKinnon): The Hon. Member for Don Valley East has the floor.

Mr. Attewell: Mr. Speaker, I suppose I hit a bit of a sore spot there. It was the same speech on the same topic.

Today and tomorrow, many Members of Parliament of all three Parties will be sharing their views on the Canada-U.S. Free Trade Agreement. My Government and my Party have proposed this historic agreement, and I want to say that I am strongly in favour of it.

It is interesting that on some issues it is difficult for the public to see how the three Parties may differ. In the case of the free trade agreement, however, the picture is very clear. The Progressive Conservative Government is whole-heartedly in favour of it and both opposition Parties are totally against it. The battle lines have been drawn. In the next election, Canadians from coast to coast will be able to tell us if they want a bigger, healthier Canada because of the free trade agreement.

The importance to Canada of the FTA cannot be exaggerated. Currently almost 80 per cent of our exports flow to the United States. These exports account for 25 per cent of everything we produce, and over two million jobs are dependent on trade. For over 100 years, most Canadian Governments have pursued improved trading relations with the United States. In the early 1850s, Canadian farmers and commercial interests wanted a trading agreement with the United States. Our economy had become vulnerable due to Britain's commitment toward free trade.

For over 80 years, Canada had imported more goods from the United States than it had from Great Britain. However, up until 1942, our exports to the U.S. were less than those to Great Britain. This changed in 1942. Since then, the United States has been our number one market for exports. As stated earlier, the Americans now buy almost 80 per cent of the goods and services we export.

There have been attempts in the past by Governments to diminish our dependency on the U.S. by trying to increase trade with Britain and other European countries and with Pacific Rim countries. Their attempts to implement this strategy were not successful. Indeed, our trade with the United States increased during this period.

Professor David J. Bercuson of the University of Calgary sums up the situation very well with these remarks:

> Much has changed in Canada since the reciprocity treaty of 1854, the 1911 General Election, or the uncertain days of the late 1940's.
>
> Now it is the manufacturers who most want free trade while the farmers are reticent.
>
> Now it is the Liberals who oppose free trade, even though the Liberal Party has traditionally been its major supporter.
>
> But one overall factor remains as it did in 1948, in 1911 and earlier: There are those Canadians confident of the future and of their identity as Canadians, who seek to expand trade across the globe but who also want to compete as equals in the U.S. market.
>
> And there are still those who, out of fear, wave the flag and shout jeremiads about the future of a Canada linked to free trade and the United States.
>
> They are certain as their forebears were, that Canada is a fragile country that will not be able to resist the siren call of total immersion with the great republic.
>
> Times and faces have changed, but the message remains the same.

I agree that times and faces have changed. I do not believe that Canadians will be swayed by emotional, flag waving scare tactics. Canadians know the world is changing. They realize that no country can be an economic island when an integrated global economy is emerging. The private sector in Canada had a brutal reminder of this during the recession of the early 1980s.

It is abundantly clear that our service, production, and distribution sectors are affected by competitive companies in other countries around the globe. Canadians do not seem to be aware of how strongly the business community in Canada supports the free trade agreement. For over 100 years, the Canadian Manufacturers' Association supported tariffs with the United States. In 1983, however, it made a dramatic reversal by appearing before the Macdonald Commission in support of a bilateral trade agreement with the United States.

Many other businesses also submitted briefs in support of the FTA. Surely if the small business community, which generates most of the jobs and wealth in Canada, believes the FTA will mean economic benefits to Canada, then Canadians should not be seduced by the emotional arguments of the doomsayers, the Liberals and the NDP. Liberal and NDP Members say that the Tories want to hand over our jobs and our future. This is nonsense.

The energy sector is another area where the Opposition has tried to mislead Canadians into believing we will surrender control over energy. This assertion is false and opposition Members know it. Canada will still be able to control the pace of development and production of its energy resources. Canada will still be able to prohibit foreign takeovers of financially healthy oil and gas companies. Canada will continue to be able to use fiscal incentives to encourage exploration and development. Canada will retain its right to cushion the impact of any future sharp energy price increases by regulating prices or using the national tax transfer systems. Obviously, we are not losing control of our energy resources.

Many myths about the loss of our sovereignty and our culture are being propagated by the Liberals and the NDP. Again, the facts refute these myths. During the last two years of negotiations, opposition Parties have gloomily predicted that the Canadian Government would be pressured to give up important and highly regarded social policies such as unemployment insurance and free medical care. However, none of our social policies have been bargained away, not one.

The FTA protects current policies in two ways. The grandfathering principle has been applied to almost all things other than trade in goods, even if they are inconsistent with the rule of national treatment. This is applicable to a wide range of policies such as those prohibiting the sale of viable Canadian oil firms to foreign interests, to those regulating the export of raw logs.

In addition, many sensitive industries are totally exempted from any national treatment obligation. These include all cultural industries, day care, health, education, and Crown corporations.

Another falsehood being touted by the Opposition is that somehow the free trade agreement will be detrimental to women. In fact, free trade will deliver enhanced benefits to Canadian women as workers and as consumers. Many of the new jobs to be created will be in the service industries where female employment is already dominant.

High tariff barriers are particularly harmful to women since a larger proportion of their pay goes toward the purchase of basic necessities such as food, clothing, and living accommodations which are more expensive because of tariffs. Women can be winners from the free trade agreement. They have the innate capacity to adjust to changes in the workplace and the market-place.

I have talked to many men, women, and young people from Markham and Whitchurch-Stouffville about the free trade agreement. Some have genuine concerns, some lack enough information, and many are being influenced by the fear tactics of the opposition Parties and the media. However, on balance, I believe most residents of the area of Markham are supportive and they know that today's youth will benefit in the future through job creation opportunities.

I would like to end with the words of Professor John Crispo who said:

> It will be a shame and tragedy if the proponents of the Free Trade Agreement allow its detractors to so dishonestly distort its significance for the country's long-run well-being that the F.T.A. somehow goes down to defeat.

Mr. Macdonald who headed the commission believes so strongly that the Leader of the Opposition (Mr. Turner) is wrong to denounce the free trade agreement that he will not campaign for the Liberals in the next federal election. It will be the first election in almost 35 years that he will miss. Another high profile, long time Liberal, Milton Harris of Harris Steel, has abandoned the Liberal Party for its irresponsible anti-free trade stance.

• (1930)

I believe that Canadians have all the necessary facts about the free trade agreement and, when all the emotional and fear mongering myths have been dispelled, they will embrace the initiative with enthusiasm. Canadians do not run from challenges. They certainly will not turn their backs on the greatest economic opportunity of the century. The free trade agreement is a nation building initiative if there ever was one. Let us get on with the job and get it passed by this House and the other place.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I think, if the Hon. Member had read the speech before he delivered it, he might have been concerned about the accuracy of some of the statements he made.

Mr. Attewell: Point of order, Mr. Speaker. May I go on record as saying I wrote the speech myself.

Mr. Langdon: Then it is even worse. We were giving you the benefit of the doubt.

Mr. Hovdebo: Back in 1956 we had a debate on a pipeline Bill proposed by the then Liberal Government and piloted through this House by Mr. C. D. Howe. Mr. Howe ran roughshod over Parliament and allowed very little democracy

with respect to the issue of putting that pipeline in place across the country.

At that time the Conservative Party was piloted by the previous Member for Prince Albert, John G. Diefenbaker. I wonder what he would say about what is happening here today. I can hear his call now: "We will fight this in the country. We will fight this in the small towns all across Canada". How disappointed he would be today if he had been forced to face this closure motion.

The trampling of parliamentary democracy would not have been the only thing that would have disappointed the Chief. The very idea of a free trade deal would have been a much greater disappointment. For all his faults, he had a vision of Canada as strong and independent. He had faith in the ability of Canadians to stand on their own two feet and make their way in the world. We would be a friend of but not subservient to countries like Great Britain or the U.S., particularly the U.S. What would he think of this lilly-livered approach to what Canada can do for itself?

Mr. McDermid: You choked on that.

Mr. Hovdebo: Yes, almost. What would he think of a Conservative Government that even thought that Canada should be subservient to the U.S.? That would be a very bad situation for the Chief, but to muzzle Parliament in order to get something through which is of more benefit to the U.S. than it is to Canada would be the last straw. If we hear a rumble tomorrow when we vote on this, it will be the Chief letting us know what his position is.

Democracy is a fragile thing. Many of the communist countries call themselves democratic republics. They have made that term illegitimate by ignoring what it really means. They have extinguished democracy. Their Governments no longer support democratic procedure. Is that what our Government is working toward? Is it extinguishing democracy not to give Members of this House and the people of Canada an opportunity to speak out on and to know what is in the free trade deal?

There is only one real deadline in this debate and that is December 31. That is the only real deadline for this legislation. Yet here we are six months before that deadline and the Government is pretending there is some kind of emergency and it must muzzle Parliament by closure. It appears that the real reason is to make sure that Canadians do not hear too much about the deal. In this case, knowledge, in the minds of the Conservatives across the way, appears to be a dangerous thing. If people get to know too much and start recognizing the impact of this deal on their lives and the sovereignty of Canada, they will not accept it. They will reject it out of hand and reject the Conservative Government along with it.

Democracy requires the consent of the governed. We all accept that. Yet this deal does not have the consent of the governed. It did not have the consent of the governed when the Conservatives started it, and it does not have that consent now. In fact, if anything, the Government started off by telling the world that it would never bring in free trade. That was the basis under which the present Prime Minister (Mr. Mulroney) was elected. That was the position the Conservatives had when they went into the last election. That was the position under which they won the election. They did not have a mandate and they do not have the consent of the governed. That is why they went from a high of 60 per cent in the polls down to a low of 22 per cent. They did not do what they said they were going to do back in the election. We now have a very undemocratic approach to one of the most important pieces of legislation that we have had before this House.

I would like, and possibly I will get the opportunity, to have spent a considerable amount of time talking about agriculture, both about what this deal is going to do to agriculture in Canada and the advantages that the U.S. thinks it will get from this free trade deal in that respect. We in Canada have a difficult time competing with the United States in agriculture, not because we are not efficient and effective but because we live in a climate which is much different than that of the United States. They have the advantage of a longer growing season. We have the disadvantage of lower levels of population, therefore longer distances to transport our goods, and higher building and energy costs. We have overcome these disadvantages to a great extent by efficiency and our ability to produce at a level nearly equal to that of the United States.

• (1940)

As I am out of time, I will finish my remarks at another time.

[*Translation*]

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, I did speak earlier today, but since the government is imposing closure, I will rise once more to debate the amendment proposed by my colleague from Winnipeg—Fort-Garry (Mr. Axworthy). In my remarks, I would like to stand up for Canadian consumers. I have obtained my information from one of the government's promotional publications paid for by Canadian taxpayers. The Conservative Government is trying to convince us that free trade is a positive thing for Canadian consumers. In this publication entitled *The Canada-United States Free Trade Agreement and the Canadian Consumers*, we learn that the average household will save between $5,068 and $7,857 on furnishing a new home. That is what a young couple, for example, would save when furnishing their first apartment. To inflate that figure, everything was included: towels, linen, sewing machine, iron, clothes, etc. In that assessment, I have found four weak spots.

First, study after study there is a constant decrease in the economic benefits flowing from the Agreement as assessed by the University of Maryland in the States and the Economic Council of Canada. That was confirmed by Mr. Kerton, an economist with the Consumers' Association of Canada, when he declared that the maximum savings which Canadian consumers can expect will be less than one fifth of one percent

a year. It is so small as to be insignificant. Furthermore, Mr. Pierre Racicot of the Fédération nationale des associations des consommateurs du Québec stated before the Standing Committee of the House, and I quote: "We have calculated that a household earning $35,000 a year could save $38 a year over a 10-year period. A household earning $20,000 a year and therefore living under the poverty threshold would save $32 a year over ten years. These statistics represent an improvement of one tenth of one percent. Needless to say, Madam Speaker, that slim benefit will be eaten away by additional taxes from the Wilson budget.

Secondly, tax reform as a whole will cancel all the small benefits resulting from the Trade Agreement. The Canadian Real Estate Association views the tax reform as a major problem impossible to overcome because the business transfer tax and the profit tax, a new tax under tax reform, will increase the other costs involved in land development and home building.

[*English*]

The "Wilson" tax reform will amplify the problems of the Mulroney-Reagan accord for the Canadian construction industry. I am speaking about the new transaction tax and tax on profit. This new tax will be disastrous for the construction industry. The Canadian Homebuilders' Association estimates in an October, 1987 report that the proposed tax on the purchase price of new housing would immediately increase the average purchase price of a new home by approximately $10,000. It would reduce accessibility for firsttime home buyers.

This new tax would prohibit 60,000 renters from becoming homeowners. According to the Canadian Homebuilders' Association it would reduce the accessibility of new rental housing for about 200,000 renters. We will likely see a sharp decline in housing construction and the whole Canadian economy will suffer. These added costs alone will wipe away any advantage gained through free trade.

The third point I want to raise about the Government's document regarding consumers is the fact that a national survey relative to housing is practically impossible to carry out. In fact, economies attributed to free trade may be very different in housing markets depending upon where one lives, whether it be in Toronto, Calgary, or Trois-Rivières. The $5,000 or $7,000 savings through free trade may mean absolutely nothing in Toronto's overheated market. Why is the Government presenting Canadians, in this glossy document paid for by my tax dollar, with statistics which may or may not be possible?

Finally, this document does not take into account the rising prices of housing. On page 22, Table 5.5, the Canada-U.S. agreement does not take into consideration the increase in costs associated with housing. Costs such as lot levies slowly but surely eat away at average Canadians' disposal housing dollars. If the Government were really serious it would supplement its free trade efforts with a national housing policy designed to encourage home ownership. It would not impose new taxes on the construction industry, and it would cut the red tape associated with that Department.

I can only conclude that the statistics used by the Government to try to persuade us of the so-called advantages of the U.S.-Canada deal are not worth the paper the agreement is written on. That is why we are voting against this Bill. The independence and sovereignty of Canada is at stake. Never in 120 years has this House faced such a dilemma.

Mr. Pat Binns (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, I am very pleased to participate in the debate this evening. Not only am I pleased, in fact I feel it is a duty to participate in this debate on free trade because it is such an important debate.

This debate is about our roots. I say that because when most of us trace our roots back a couple of generations we realize that our grandparents settled this country to establish trade centres here. If our ancestors were French, they probably penetrated the St. Lawrence area in the 1620s to establish trade centres to trade with their mother country. If our ancestors were British, they came in through the Hudson Bay area in the 1670s and again established trade centres. Those settlements competed with one another for the trade available in this country. Our ancestors grew up around trade. They came here because they saw an opportunity on this continent to better themselves and to provide a way of life for their families.

• (1950)

Cycles come and go. Trade moved to the West as settlers moved into Canada, and during a period after 1850 the Atlantic area had to push its trade west for a number of reasons. First, there was a civil war in the United States and Atlantic Canadians sensed that the United States was becoming increasingly hostile to its neighbours to the North. Second, the British stopped giving Canada preferential treatment as a colony.

We were forced to consider how to expand trade among ourselves in this great domain. The need for East-West trade contributed to Confederation in 1867. Sir John A. Macdonald encouraged East-West trade when he built the railroad, and Prime Minister Laurier continued that trade policy.

That cycle has come to an end. We have filled the market for goods and services for 25 million Canadians. In 1988 we need a new trade arrangement and new opportunities. We have to look again to the South and create more North-South trade than we had before.

The Atlantic area always had much trade with the South, particularly the New England states. The most prosperous time in our history was when Atlantic Canada had free access to the New England area. Today, 75,000 Canadians in Atlantic Canada depend on trade for their jobs.

We need a trade agreement now because we have been facing rising protectionism in the United States. Trading blocs have been building up in the world. The European Economic Community is a major trading bloc, which gives preferential treatment to its partners. Australia and New Zealand represent another trading bloc in that area that looks after its own interests.

Who will look after our interests in this changing world where trade blocs are forming and partners are establishing preferential treatment for one another?

Prince Edward Island needs access to the United States market, where 20 per cent or more of our potatoes are sold each year. We must sell our lobsters, and 60 per cent to 70 per cent of them go to the U.S. market every year. We do not need more restrictions on those products.

One of the most successful companies in my riding is a firm called USENS Fisheries in Surrey, Prince Edward Island. That company is owned by Americans, but it provides jobs to Prince Edward Islanders for most of the year.

Its head office for the area is located in my riding. That company provides jobs and pays good money because it has access to 52 states and 250 million Americans for fish processed in Canada. That benefits workers in my riding. I am not afraid of that kind of relationship, if that is what free trade means. Free trade means a better opportunity for my children and their children.

Trading countries succeed in this world. One only need look at Japan, one of the strongest trading economies in the world. The Japanese have the lowest infant mortality rate and the longest life span. They have the lowest unemployment rates. There are many advantages to a strong economy.

Mr. Manly: Tell us about medicare.

Mr. Binns: We can look at other trading countries that have succeeded. Even without a large land mass, Hong Kong has succeeded because of its trade.

Hon. Members opposite ask about medicare. Social programs are not affected by this deal. In fact, they are assured as a result of this trade deal. The programs that are not affected include family allowance, maternity benefits, child care, pensions for the disabled, Canada pension, job training programs, pay equity.

We celebrated Canada Day on Friday. After 121 years of Confederation we are ready for a deal like this one. We have secured our sovereignty. Our country is made up of 10 provinces and 2 territories. We have major cities that have over a million people. We have a Constitution, we have the Meech Lake Accord, and we have a Charter of Rights. All that makes us strong. This Party has a vision for the country. We want to keep it strong and dynamic.

I have wondered what my grandparents would do if they were in my place today. They came here from England and Ireland seeking new opportunities in Canada. They wanted a place to grow, develop, and raise a family. They were prepared to take a risk. I do not think they would tell me to sit back and live on the comforts they have established for me. They did not rely on the past but used their initiative. They would tell us to find our own way in the world rather than depend on what is given to us. One must continue to move forward in this world.

Canada wants a free trade agreement. Three out of four provinces in Atlantic Canada want it. Québec wants it. Manitoba, Saskatchewan, Alberta, and British Columbia want it. Two Liberal provinces, Ontario and Prince Edward Island, are against free trade. However, the people of Ontario and the people of Edward Island want free trade. It is good for farmers, fishermen, and consumers. It is good for women. It is good for manufacturers.

The free trade deal will make us winners. I am proud to be Canadian and proud to try to help my country. My grandparents would not have any less for ourselves or our children. Let us make Canada a better place by supporting this agreement.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Madam Speaker, I welcome the opportunity to make a few remarks on Bill C-130. The Hon. Member who just spoke said that he was not sure what his grandparents would think about this deal. I am not sure what my grandparents would think about it.

However, what concerns me is what my grandchildren will think about it. What will our grandchildren and great-grandchildren think about this legislation when they look back at it some years from now and ask what happened to Canada and the possibility of creating an independent, sovereign nation that was in control of its own destiny? They will ask why they are a satrapy of the United States rather than an independent and proud country.

I welcome the opportunity to speak on this Bill, particularly since the Government has introduced time allocation. There are Members who will want to make important comments on this Bill but will be unable to do so because the Government has closed off debate.

• (2000)

The fundamental importance of this Bill has been stressed on all sides of the House. It has been stressed by President Reagan who calls it a new economic constitution. It has been stressed by the Prime Minister (Mr. Mulroney). It has been stressed by Simon Reisman who talked about it as the greatest thing since sliced bread.

What we are dealing with here is an understanding of Canada, our vision of Canada. The vision of Canada that this Bill presents is basically that Canada is America's attic.

The United States often looks to Central America and the Caribbean as its backyard. Canada is the attic to which the Americans come to rummage around for resources, for our

water and our energy. They can bring down into the United States whatever they want.

The vision we in our Party have of Canada is of a nation that has a unique social and cultural contribution to make to our world. The trade agreement that the Tories are so intent upon rushing through the House would surrender this. It would surrender the possibility of this for the future. The historian Arthur Lower has pointed out that "growth into nationhood in our sphere of culture" is more difficult than the achievement of political sovereignty. That is particularly true for Canada where we live right next door to the United States with its very powerful mass market for its culture.

We share a common language with the United States. We share many of the same values. Americans have a strong popular mass culture in the areas of news, television, movies and novels. All of us from whatever Party share in a great deal of that culture.

We recognize that if we are to have an independent culture, then we have to take special measures. It is for this reason that we have seen that there has always been a much greater role for the Canadian Government to play in helping to create our Canadian culture.

The agreement states that Canada is going to be able to take those measures that it has been able to take. It can take measures to assist culture, which is okay by the agreement. However, in the very next phrase in the agreement it is stated that the United States can retaliate against Canada for taking those measures.

A culture reflects a nation. The mass culture of the United States is driven by its bottom line, by the fact that there is cash involved. Thus the Americans want to have some kind of cash compensation if Canada takes measures to protect Canadian culture. They see this as being basically a commercial transaction, and that they should be entitled to take some kind of commercial action against Canada, some type of bottom line recompense.

One of the oldest works in Canadian literature published in 1836 is Thomas C. Haliburton's *The Clockmaker*. The main character in his book is a Yankee trader named Sam Slick. He used to come up into Nova Scotia to sell clocks to the people of Nova Scotia. Generally speaking, he had a very low opinion of Nova Scotians. He said: "We go ahead. The Nova Scotians go astarn". The reason that he felt that was that the Yankees knew how to cipher. In other words, they were able to calculate everything to the bottom line.

At one point he said: "I tell you, if we had this country, you couldn't see the harbours for the shipping." At another point he said:

> The remedy—is at hand; it is already workin' its own cure. They must recede before our free and enlightened citizens, like the Indians; our folks will buy them out, and they must give place to a more intelligent and ac-*tive* people. They must go to the lands of Labrador, or be located back of Canada; they can hold on there a few years, until the wave of civilization reaches them, and then they must move again as the savages do. It is decreed; I hear the bugle of destiny a-soundin' of their retreat, as plain as anything.

This is 1988 and we are talking about some of the same attitudes that the Yankees had in 1836 which they still have now in 1988.

Sam Slick was the spiritual ancestor of the present Minister for International Trade (Mr. Crosbie). He said that he could sell clocks to people who did not really need them on the basis of his knowledge of soft sawder and human nature. If he was living today he would be selling vacuum cleaners or encyclopaedias. He might even be trying to sell the free trade agreement. He might be trying to sell things to people who do not really want them.

But, like the Minister, Sam Slick sometimes told the truth. At one point, when he was asked about the attraction of the U.S., he said:

> It ain't its attraction—it's nothin' but its power of suction; it is a great whirlpool—a great vortex: it drags all the straw and chips, and floating sticks, drift-wood, and trash into it. The small crafts are sucked in, and whirl round and round like a squirrel in the cage—they'll never come out.

Not all Canadians are going to be sucked in by this trade agreement. Not all Canadians want to get caught up in the American whirlpool and get dragged in as the Tory Government seems to want to do.

Canadians do not want to be Americans. We are not anti-American—we are just different. That is important to recognize. That is something that the Conservative Party used to recognize up until the time of John Diefenbaker who recognized it. The Tories have forgotten it under the leadership of their right hon. gentleman who used to sing for Colonel McCormick.

We have a different role in history. We recognize that the Americans are a great power. They have the burden and the responsibility of a great power. We might not think that they always discharge that burden and responsibility in an intelligent way, but we recognize that they have it. It is a different burden and a different responsibility from what we as Canadians have.

Canada's role is different. We are a smaller power. We have a role as a mediator. We have a different type of culture, a culture different from the mass U.S. culture. Our culture depends more on the responsibility of Government, which is why the basic organizations of Canadian culture are sponsored by the Government. I refer to such organizations as the Canadian Film Board, the Canadian Broadcasting Corporation and the Canada Council.

The trade deal threatens all this. The fact is that the longer this debate goes on, the more people understand what this trade deal is doing to Canada. The more they understand how it threatens their culture, the more they understand how in the long term it will threaten social programs. Make no mistake about it. Business people are going to want what they call a level playing field. On both sides of the parallel they will be

talking about how our social programs are not fair. Social programs will be threatened. Our culture is threatened.

The people of Canada have good reason to reject this deal if for no other reason than that the Prime Minister (Mr. Mulroney) himself in 1983 pointed out that a trade deal with the United States was not in Canada's interests. What we need is an election so that the people of Canada can speak on this deal themselves. We indicate our opposition. Now let us give the people of Canada a chance to show their opposition.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Maurice Tremblay (Lotbinière): Madam Speaker, I too am very pleased to take part in this debate on an extremely important issue or subject that I would call a challenge to our resourcefulness as Canadian citizens. I will be brief, merely hoping that my remarks will shed more light on a situation which some people enjoy making more confusing than it really is.

Ever since Canada and the United Sates signed the trade agreement I noticed two major trends of thought among the public. First, a noisy minority made up of Liberal and NDP Members relentlessly calls for cancellation of the agreement and maintains that Canada has sold out to the United States, that we are handing our sovereignty over to them, or so they say, in short they openly claim that we are selling the country to the Americans.

Madam Speaker, their claims are only a small part of the political picture because we must not forget that the majority of Canadian provinces are already committed to endorsing the free trade agreement.

Madam Speaker, earlier today I listened to some Members of the Opposition who said that the agreement would impose strict limits not only on the country but even more so on the provinces.

Well, Madam Speaker, either I do not understand anything at all or the provincial premiers did not even realize the Canadian Government was challenging them. Indeed, at least eight of the ten provinces—and the federal Government, of course—unreservedly support the free trade deal.

So when I hear people suggesting that we need a new mandate to justify the delay in implementing the FTA, I wonder just what kind of mandate they have in mind, once again considering that not only most Canadians but practically all provincial premiers are in favour of the agreement, including and especially Quebec.

Quebec Premier Bourassa of course agrees with the Prime Minister of Canada, they want Quebecers to forge ahead, become prosperous and get their fair share of the market.

On the other hand, Madam Speaker, the fact is that from public forums we hear about the satisfaction of business quarters and their nearly unanimous endorsement of the Canada-U.S. trade deal. Those most concerned with free trade are precisely business men and women who are directly involved in commercial deals with the United States, and most of them are prepared to face up to the challenge the free-trade deal represents. They are the men and women who will make or break the agreement.

Earlier, Members of the Opposition referred to bad aspects of the agreement. Still, as Government Members we are not trying to sell something unsaleable. We are fully aware of the fact that the agreement is not without fault, that it could be improved. We are fully aware of that. But we have full confidence in mankind, in Canadian men and women, in their capacity to adapt well enough to face the free trade challenge. Big businesses, particularly those involved in resource development, have made their position known. They are united in their strong belief that they will gain from free trade.

Besides, large companies have always been a factor of prosperity for small and medium businesses, if at no other level than subcontracting. If the industrial giants gain from free trade, the same will be true for small and medium businesses, that is obvious. Not surprisingly, at this moment, about two thirds of associations representing small and medium businesses have made it known they also approved the principles of free trade.

You can see, Madam Speaker, that the so-called betrayal the Opposition is talking about does not scare business people at all. While a handful of politicians blinded by partisanship are forcing upon us the desperation of their uncertainties, the industry stopped listening to them and is intensely getting ready to forge ahead. For the last few months, we have been witnessing an important move in the business world in all industrial and commercial sectors of Canada, precisely to plan the way their relations with the United States will develop.

The message delivered by the Economic Council of Canada, the *Conseil du patronat*, the Chamber of Commerce, the Board of Trade, at conferences, seminars, etc... Madam Speaker, is quite clear: Given Canada's trade history, it is more than likely that free trade will bring about an important increase in productivity and general business activity in this country. Canada's manpower is flexible, our exchange rate is attractive and furthermore we are closer geographically to the main U. S. population centers than a number of American states such as California and Texas. Certain firms are already looking at new ways of doing business with foreign counterparts. That is what I call positive thinking. Even among American Senators and Congressmen who are avowed protectionists, the principles of free trade have recently gained support. For his part, the President of the United States is even considering some form of free trade with Mexico, thus laying the groundwork for a North American economic community.

I must admit, Madam Speaker, that no trade agreement can satisfy everyone. There will always be those who will refuse to accept the need for change and to adapt to new situations. Others still will not want to sacrifice anything temporarily,

even if the development or the future of their business depends on it. I can only ask these people to keep a cool head, to put things in their proper perspective and most of all to avoid the pitfall of emotional argumentation, since that would mean closing the door to any honest and enlightened discussion. Madam Speaker, that would mean a step toward a new type of isolation, a kind of ideological separatism, possibly more dangerous for Canada than the commercial isolation from which we have been able to get away, thanks to the courage and the determination of our Prime Minister (Mr. Mulroney).

We will face the challenge, since we have many of the tools required to strike new business deals in the United States. Also, with the new Department of Industry, Science and Technology, we will be better prepared and better equipped to benefit from the free trade deal.

Madam Speaker, I ask all Canadians first to review, in an unbiased way, the past behaviour and accomplishments of the Progressive Conservative Government. Then, they will see that we have really listened to each and every group of the population. We have chosen our priorities in order to create a new harmony as far as the Constitution is concerned and to give a remarkable, and above all constant, boost to our economy. That is what we have been doing for the last three years.

Madam Speaker, the Prime Minister has been successful in surrounding himself with a team knowledgeable in economic matters, and I am sincerely convinced that with the free trade agreement we will be able to further excell.

Our duty is to transcend the words and the ideologies, because we have to face the reality of the more challenging world that is awaiting us in the year 2000. So, together, with our heads held high, let us fight like we have done in the past, and the victory will be ours!

• (2010)

[*English*]

Mr. Jim Fulton (Skeena): Madam Speaker, I am pleased to have an opportunity this evening to speak on the subamendment to Bill C-130. I wish to commence by reviewing where the so-called trade proposal came from, the Mulroney-Reagan deal, because it certainly did not come from any MPs in the House.

It originated with Ronald Reagan during his campaign to win the Republican presidential nomination in 1980. Reagan proposed a "North American accord: a new system of economic co-operation between the United States, Canada, and Mexico". Seven years later we found out what Ronald Reagan thought of it. In October, 1987, he said, "The U.S.-Canada Free Trade Agreement is a new economic Constitution for North America. This is our new policy, not only to Canada but to the rest of the world." What did Prime Minister Mulroney have to say during the 1984 federal election? He said, "Don't talk to me about free trade. That issue was decided in 1911. Free trade is a danger to Canadian sovereignty. You will hear no more of it from me." Who is peddling this trade agreement now? Well, none other than John Crosbie, from the same Crosbie family, as I was reminded by the pro-Canada network when they were here in Ottawa. They reminded Members of this House that this is the same Crosbie family that, in 1949, wore the black arm band in Newfoundland, saying, "No, no, Newfoundland, don't join Canada. Join the United States". This is the same Crosbie family.

• (2020)

This is the same guy being held up by the Conservatives as the buffoon, the one who has never read the deal, who travels around and says, "Oh, well, I sold encyclopaedias and I never read all of them". What kind of preposterous hypocrisy! If hypocrisy was a parliamentary word I would use it to describe the present Minister of trade.

This is the Prime Minister, who, whenever any travelling American businessman came up from the United States, when he was a small boy, loved to sit on his knee and, for a buck, would sing them *Oh Danny Boy*.

There were an awful lot of Canadians who were not listening to the dulcet tones of the same man who, just four years ago—let us look at some of the other things that he had to say.

An Hon. Member: He sings better than you speak.

Mr. Fulton: He said, Canadians rejected free trade in 1911. They would do so again." There is the person who calls himself Prime Minister.

Let us look at some of the other Tories. Let us look again at the same quote of Brian Mulroney. "It affects Canadian sovereignty and we will have none of it", he said, "during the 1983 Tory leadership race". Shortly after winning the 1984 election, the Mulroney Government started on it again. Or how about the Minister of Finance, Michael Wilson?

An Hon. Member: You said that. You are being redundant.

Mr. Fulton: "Bilateral free trade . . . "—they are getting sensitive now.

An Hon. Member: Every one of your speakers sings the same song. Don't you have anything new over there?

An Hon. Member: Get a new speech.

The Acting Speaker (Mrs. Champagne): All Hon. Members know that it is the way of this House to refer to Hon. Members by either their title or the name of their riding. As your Acting Speaker, I have been quite lenient today, but I think the Hon. Member is taking advantage of that leniency and has been repeating names, family names, of Hon. Members. I am sure that from now on he will be very careful. The Hon. Member for Skeena (Mr. Fulton).

Mr. Fulton: Thank you, Madam Speaker. The Minister of Finance (Mr. Wilson) had this to say prior to being elected, of course, much like other people I will refer to in a moment:

"Bilateral free trade with the United States is simplistic and naive. It would only serve to further diminish our ability to compete internationally", he said. How about David Crombie, the former Secretary of State for Canada, who said: "It is silly. Our natural destiny is to become a global leader, not America's weak sister".

How about our friend, the Minister of Veterans Affairs (Mr. Hees)? He has been around this House for some time. He said in this House: "An examination of the facts as they are today, gives a clear indication that a move toward free trade with the United States would not be a good thing for this country, from either the economic or the political point of view. I believe that from both points of view it would be a disaster". There we have the Minister of Veterans Affairs who has been around for some time.

An Hon. Member: What do you say?

Mr. Fulton: Let us consider the country with which we would be having these closer economic ties. Between 1978 and 1985, according to Statistics Canada, 92.3 per cent of the new jobs in the growing services sector were created by Canadian firms. In the same period, the goods-producing sector saw Canadian firms create 89,500 new jobs, while U.S. subsidiaries cut 61,400 jobs, and other foreign firms cut 26,500.

Where did the Tories get these scintillating ideas? They got their energy policy from Richard Nixon in 1970. He said: "Preclude Canada from using indigenous natural gas and oil as a means of industrial development and nullify the comparative advantage we could attain from these resources".

Let us not forget that this is the same Party that agreed to implement the largest self-imposed penalty in the history of the world; the 15 per cent softwood export charge. Talk about a gutless bunch of wimps! These guys are incredible.

It is costing $800 million a year now. This incredible sell-out, grandfathered into the deal, is costing $800 million a year. I cannot wait until these Tories hit the campaign trail, in B.C., I will be torching their tails.

Thomas Niles is watching across the street, under the stars and stripes. Members opposite say that the Liberals and New Democrats just don't like Americans. What a lot of piddle-paddle. People on this side of the House like Americans just as much as they do on that side, but we don't crawl on our bellies for the United States the way they guys do.

Let us take a look at what Tom Niles had to say in Senate confirmation hearings about the forest industry in British Columbia: "Canada should be willing to open up its timberlands on the West Coast to American loggers, who could cut down Canadian trees and haul them to U.S. sawmills, at the same price that Canadian companies pay for timber on Crown land". Here is what the Tories stand for. They want Americans from Washington, Oregon, Idaho, California and Alaska, coming in to B.C., cutting down our trees. I will tell you, I will have none of it. I will kick those guys back down to the U.S. even if the Tories do not have the guts to stand up for one thin minute.

Mr. Schellenberg: Rambo.

Mr. Fulton: When Thomas Niles was asked if he did not think Canadians might view the proposal as an easy way of exporting Canadian jobs as well as natural resources, he said: "These are the kinds of things that need to be discussed". What kind of wimps did we send to Washington? What does Simon Reisman say? The way to get a trade agreement with the U.S. is to give them all our water. A brilliant strategy! How many of these brilliant sell-out artists do we need? Give them our water. Give them our timber. Give them our uranium.

An Hon. Member: Give them our country.

Mr. Fulton: Give them the country. Those Members are tough.

An Hon. Member: Give them the Tories.

Mr. Fulton: They are tough.

Niles has the experience of discussing pressing issues with Canadians. From 1981 to 1983, he was the head of the U.S. inter-agency negotiating team that met with Canadian officials to solve the acid rain crisis.

After three years on the payroll of Reagan and Nixon, saying: "We will solve acid rain with Canada", what has happened? There is more acid rain falling from the U.S. today than when the Prime Minister took office. He is brilliant. Not only do we have the largest self-imposed penalty in the history of the world, this is the largest self-imposed political and economic act of colonialism in the history of the world. This supinely, acquiescent, cloaca-mouthed Government is incredible.

Let me give some more information. Let us compare health care.

We know that our health care system is better. The Americans would love to have it. We have universal hospital and medical coverage in which employer contributions are compulsory.

What about the U.S? Forty per cent of the population are eligible for publicly-funded hospital and medical services. Thirty-six million Americans and 12 million American children have no insurance of any kind. This is what the Tories want to bring to Canada.

An Hon. Member: Come on.

An Hon. Member: That is not true. You know it.

Mr. Fulton: Bring all those good things. That is right. Perhaps the Tories would like to tell us the clause that protects social programs. Perhaps they would like to tell us the precise number. They cannot, Madam Speaker, because that is not

protected. What about minimum wages? All provinces and territories have minimum wage laws, but only in Alberta is it below $3.20 U.S. an hour. In nine U.S. states there is no minimum wage. In Texas it is $1.40 an hour. What about unemployment insurance? Eighty-three per cent of Canada's unemployed collected benefits in 1986. The average payment was 60 per cent of the average weekly wage. What about the United States? Only 25 per cent of the U.S. unemployed workers received UI last year. The payment was 35 per cent of the average weekly wage.

• (2030)

I know there is not a lot of time because the Government only wants five days of debate on the most major piece of legislation in this century. Every single major personality on the front bench opposed this kind of a deal with the U.S. when running for office. Then the Tories came in with their hidden agenda. If they had any guts, they would take the issue to the people. If treason were a parliamentary word, I would use it to describe those Members for trying this hidden agenda on Canada.

[*Translation*]

Mr. Michel Champagne (Parliamentary Secretary to Minister for External Relations): Madam Speaker, having heard the speech of the Hon. Member for Skeena (Mr. Fulton), a member of the New Democratic Party, I understand why they got only 9.5 per cent of the votes in Lac-Saint-Jean. The people of that region think it is Disneyland rather than the land of Broadbent because from what he says, Madam Speaker . . .

Some Hon. Members: Hear, Hear.

Mr. Champagne (Champlain): . . . from what he says, we realize that the New Democrats haven't read the Free Trade Agreement, do not understand a single thing about it and that they are only trying to undermine the credibility that has taken Canadians so many years to build in order to develop a strong American-oriented external market.

That, Madam Speaker, shows the arrogance and the working philosophy of the New Democratic Party and I understand why they only got 9.5 per cent of the votes in Quebec and will be unable to do any better.

The Free Trade Agreement is first and foremost an economic agreement. I don't understand why the two opposition parties, the Liberals and the New Democrats, are talking about cultural sovereignty, linguistic identity, social and energy programs and concluding that we have sold out Canada to the American economy as a whole.

Madam Speaker, this purely economic agreement is based on existing trade; 80 per cent of Canadian exportations go to the United States. We did not invent it. That is what the Canadian Government wanted to do. As a responsible Government, it wanted to maintain those benefits and create an environment in which Canada, a country dependent on exports, can have secure access to the U.S. market, with the attendant opportunities for expansion and for developing programs in this country that are available to all Canadians, programs that will improve our quality of life and improve the productivity of all sectors of our economy, with the result, Madam Speaker, that Canadians will take greater pride and feel more independent and stronger in their Canadian identity within a market of 250 million. That is what our free trade agreement means.

Madam Speaker, when we consider that our trade with the United States provides one job out of three in this country, and when we consider that both Opposition parties would put these jobs at risk, one example being the Liberal Leader who said he would tear up the agreement . . . The next day he said that if they were elected, they would have to live with the agreement once it was signed. All of a sudden he was interested in international markets. He doesn't know where he is going, Madam Speaker, and he wants to become Prime Minister of this country. Frankly, that makes no sense at all.

Consider the Leader of the New Democratic Party. He was against the Auto Pact. He said it would destroy the Canadian automobile industry. He said he was against the Pact. And today, what do we see, Madam Speaker? Today we see a leader who defends the interests of Oshawa, a party leader who says free trade isn't good for the rest of Canada, but we in Oshawa want to keep the Auto Pact. We want to keep the industry and we want to keep our zero rate of unemployment. Let the rest of Canada suffer! Madam Speaker, we are not going to do what the New Democrats want us to do. We will proceed, and we will implement an economic policy that is fair and equitable for all Canadians. We want an economic policy that looks to the future, not a regressive policy of the kind favoured by the Leader of the Opposition and the Leader of the New Democratic Party, but an economic policy that reflects the will of Canadians to expand and to become independent traders in an international market.

Madam Speaker, when I hear the Opposition Members, when I hear the New Democratic Party Members tell us their stories claiming that most Canadians and Quebecers are against the agreement, they have not seen the latest polls: in Quebec, 40 per cent are in favour of free trade. Forty per cent, Madam Speaker, is a majority. And they are trying to tell us that we do not respect democracy. But what does that mean in the case of Quebec? Madam Speaker, the Government of Quebec and its Premier are in favour of the agreement; the Official Opposition is in favour of the agreement; the *Conseil du patronat* is in favour of the agreement; the *Coopérative fédérée du Québec* is in favour of the agreement; Agropur and Agrinove are in favour of the agreement. I will point out to the Liberal Members who do not know Quebec that the *Coopérative fédérée* represents all farmers in Quebec and Agrinove and Agropur represent all Quebec dairy farmers.

Madam Speaker, to put in their place the Liberal Members who have not read the agreement, I will mention that Article 710 of the free trade agreement says that we keep our rights

and privileges under Section 11 of GATT. This means that we keep our marketing and management systems and that Canadian agriculture will be able to develop as it wishes. This is in the agreement. And you may notice that it is no longer Jacques Proulx, president of the UPA, who is talking about joint plans; he is talking about cultural sovereignty and GATT discussions. Madam Speaker, we have given to the farmers what they wanted, we have protected them, and that is why 66 per cent or a third of their products not subjected to a quota system, for example beef or pork products, are exported to the United States. We have opened up to our producers a flourishing market, where they are more and more successful, Madam Speaker, because they have access to that market. That is nothing new, Madam Speaker, but a fact both Opposition Parties have absolutely refused to understand!

Madam Speaker, unlike members of both Parties in front of me, I view life more positively. All they know is to be negative and reactionary. Because they think that we are not able to compete with the Americans, they call Canadians a bunch of nobodies, of small-timers, and incompetent business people. Well, Madam Speaker, I am proud when I see a firm in the Champlain riding which exports to the United States, because it means my constituents can have jobs, they can buy a house, have a family, and continue to develop. That is what the future will be like for Canada and for Quebec, an optimist future centered on foreign markets and prosperity. That is what we have been aiming for with the free trade agreement.

Madam Speaker, we hear the two Opposition parties saying that Canada is being sold out to the Americans because they are ten times bigger than we are. But let's look at what is happening in other countries. Let's take, for example, Australia and New Zealand. Australia, which is seven times bigger than New Zealand, much the same, relatively speaking, as the United States compared to Canada, and New Zealand, which has increased its exports, think that the Agreement they have reached is good for both countries as a whole. The same thing applies to Sweden, which has signed a free trade agreement with other Scandinavian countries, Sweden which the New Democrats like to quote as an example of a country which has developed its social programs. They were the first to sign and to understand that an assured access to foreign markets would allow them to establish adequate social programs for their citizens and to ensure their economic development in their own environment; the European Economic Community also came to the same conclusion, Madam Speaker, and their trade has increased by 340 percent while Canada has stagnated at some 150 percent.

Such is the avenue, Madam Speaker, this Government decided to follow when the Prime Minister agreed with President Reagan to create an economic unit that would be strong for all Canadians, strong for North America, and thriving as far as economic development is concerned in the area of research, productivity and efficiency. This is how we want to open the debate, not on a negative note by telling stories about the past because it would be shameful to tell stories about the Leader of the Opposition when he contradicted himself so often over his last 15 years of political life. On this side of the House we look to the future.

We look to the future because we trust our young people, we want to give them opportunities for growth—we want to give young Canadians, the men and women living in this country an opportunity to become entrepreneurs, to grow, to provide themselves with efficient social programs, programs that meet the needs of Canadians, and it is to that extent that I am proud as Member for Champlain to support the free trade agreement and to suggest to the people in my constituency and to all Canadians—this is the best of investments in the future, rather than the investment in the past the Liberals would like to leave us with, and which the New Democratic Party never understood.

• (2040)

[*English*]

Mr. John R. Rodriguez (Nickel Belt): Madam Speaker, I bring some advice to the Conservatives tonight. Is there anyone in this House who has the welfare of Conservatives more in his heart than I? No, absolutely not. I give them some advice tonight. They are perfectly welcome to ignore my advice, but it is free. I hope they will listen and will listen well.

One of the first things Conservatives should pay attention to is the last Angus Reid poll. I am not referring to the raw figures which show which Party is popular. I want to deal with that particular part of the poll that dealt with honesty and integrity. When the Canadian people were focused on the question of honesty and integrity, the Leader of the New Democratic Party (Mr. Broadbent) scored off the scale, way up there.

Mr. Fulton: Honest Ed.

Mr. Rodriguez: The Leader of the Official Opposition (Mr. Turner) was second.

Mr. Nystrom: Honest John.

Mr. Rodriguez: And way down at the bottom, in the incredible depths of 10 per cent, was the Prime Minister of Canada (Mr. Mulroney).

Mr. Fulton: Oh, what's his nickname?

Mr. Rodriguez: Jaws III. There it was. In terms of honesty and integrity, the Canadian people were saying that they do not believe the Leader of the Government.

Why do Canadians not believe him? Has he given them any basis for having confidence in what he says? Has he given them any basis for believing any of the things he has said in the past?

We all remember 1983 when he was running for the leadership of the Conservative Party.

Mr. Fulton: What did he say?

Mr. Rodriguez: He said—

An Hon. Member: You just happen to have it with you?

Mr. Rodriguez: I just happen to have it here handy. When he was running for the leadership of the Conservative Party, he said:

> Free trade affects Canadian sovereignty and we will have none of it, not during leadership campaigns or at any other time.

He also said:

> Canadians rejected free trade with the United States in 1911. They would do so again in 1983.

Mr. Fulton: When was it that he said that, in 1950?

Mr. Rodriguez: That was in June of 1983. He was running for the leadership of the Conservative Party. God only knows what kind of thinking goes on. The Prime Minister went on to say that free trade is like a man who gets into bed with an elephant. When the elephant twitches and rolls over, he is a dead man.

Mrs. Killens: Who said that?

Mr. Rodriguez: The Prime Minister.

Mrs. Killens: Never.

Mr. Rodriguez: The Prime Minister said that and he was right then. He told Canadians that there would be no free trade with the United States.

He went through an entire election campaign in 1984. Was free trade raised? No, not on your life. Suddenly the guy is in Quebec City singing for Mr. Reagan, just like he sang for Colonel McCormick for five bucks *When Irish Eyes are Smiling*. Now we have free trade and it is being rammed through the House with only two and a half days of debate. It is an agreement which Simon says is the greatest in the history of the world. That is what Simon Reisman said.

What else did we hear in the 1984 election campaign that Canadians took at face value? We heard that our social programs were a sacred trust. Lo and behold, bang, at the first opportunity for a financial statement in 1984, we had the attempt to deindex old age pensions.

Mr. Fulton: Who did that?

Mr. Rodriguez: The Prime Minister did it, and Canadians made a judgment: this man cannot be trusted.

The Leader of the Government in the 1984 election campaign embraced the cause of open Government. He said:

> The present (Liberal) government believes you have only limited rights to know. Conservatives believe you have every right to know . . . If the Canadian people see fit to give us their trust, we will always give them ours.

Inger Hansen, the federal Information Commissioner, in her annual report to Parliament which was brought down last week, said about the Government's performance on freedom of information the following:

> "The act isn't working, and I felt I had to speak out . . . I meant to tell the Canadian public, 'You can lose these things if you don't watch out.' " The government "has, by inadvertence or by design, undermined both the letter and spirit of the Access to Information Act."

Is there any doubt now why the Canadian people do not trust the Prime Minister? Is it any wonder that he is down in the polls in honesty and integrity? On July 17, 1984, the Prime Minister said:

> Let's face it, there's no whore like an old whore. If I'd been in Bryce's position, I'd have been right in there with my nose in the public trough like the rest of them.

Then he went on to say about patronage:

> I was mistaken to treat so important a matter in a way which might be misunderstood and very much regret having done so. As I have said since the outset of this campaign, I am committed to the attainment of new standards of quality in making public appointments and that remains my commitment to the people of Canada.

Here we have the failed vacuum cleaner salesman, the failed encyclopaedia salesman, giving his buddy John Laschinger thousands of dollars to sell the free trade deal. This Government has not learned anything from the bad habits of the previous Liberal Government. It continues in the same vein. The Government promised no more patronage, but by golly, we have patronage.

What were we promised in September of 1986? In September of 1986, just two years ago, the Prime Minister promised Canadians that they would have their say on the free trade deal in an election or by some other mechanism. Have we seen that mechanism? Is two and a half days of debate in the House of Commons at second reading that mechanism? Will the legislative committee be able to travel around the country to get the opinions of Canadians about free trade? Not on your bottom dollar.

My advice to this Government is that when Canadians go into the booth to vote, it will not be on the mechanics of the free trade deal. They do not understand much of what is in that deal anyway. They are going to be voting on whether that Prime Minister can be believed, and the verdict is already in. What is the verdict, yes or no? No, he cannot be believed.

The only other thing that I learned around here goes back to 1974, and I want to make this crystal clear. There is another Party in this House, and I recall when Robert Stanfield proposed that wage and price controls was the way to get inflation down.

Mr. Fulton: Stanfield did, a Tory?

Mr. Rodriguez: Bob Stanfield did, a Tory. He was the leader of the Tories. We went through the entire 1974 election campaign and the Liberals opposed wage and price controls. Pierre Trudeau made a speech in Timmins to crowds of people and he said: "The only thing that's going to be controlled are your wages". Everybody cheered. We New Democrats, to our

everlasting credit, were honest. We opposed wage and price controls. We did a beautiful job for the Liberals. We destroyed Robert Stanfield. The Liberals got elected, when the dust settled, with a majority. What do you think was the first thing we got?

• (2050)

Mr. Nystrom: Zapped!

Mr. Rodriguez: You got it. Zapped!

Mr. Fulton: Only wages were controlled.

Mr. Rodriguez: You got it. They set up the Beryl Plumtre agency. She was supposed to be monitoring food prices. They did not get any monitoring at all.

I recall the 1980 campaign. I was around for that one. I remember the failed vacuum cleaner salesman, the failed Encyclopaedia Britannica salesman, brought in his Budget which incorporated an 18-cent a gallon excise tax. He is also a failed Minister of Finance. He cannot even read. He brought in that Budget, and what happened? We waged a campaign in 1980 against an 18-cent a gallon excise tax. The Liberals were against it. You should have heard their speeches! To our credit again we were sincere and we opposed it. What happened after the election when the dust settled? The Liberals got elected, and what do you think we got now? Not 18 cents a gallon. We have something like $1.50 a gallon. We got it in spades.

We have to be careful. There really is no difference between what we are hearing from our right and what we are hearing from across the way. Let's go to election, I say to the Tories, before you fall any lower. Let's go.

Mr. Fulton: Unanimous consent, we want more.

The Acting Speaker (Mrs. Champagne): Having spent 30 years of my life in the beautiful world of show business I find it very difficult to interrupt the Hon. Member when his time is up.

Some Hon. Members: More.

Mr. McDermid: On a point of order, Madam Speaker. You were not in the House when we had evening sittings. I think the last two speeches we heard from the NDP tonight probably say much more eloquently than anyone could why we do not have evening sittings any more.

The Acting Speaker (Mrs. Champagne): Resuming debate with the Hon. Member for Kent (Mr. Hardey).

Mr. Elliott Hardey (Kent): Madam Speaker, before I begin—

Mr. Langdon: On a point of order, Madam Speaker. I have to appeal to the Chair to inform the Parliamentary Secretary that, contrary to what he said, we heard two magnificent speeches from my colleagues which put the free trade deal precisely in its proper context.

The Acting Speaker (Mrs. Champagne): Your Acting Speaker has made all the comments she has to make on that subject. Resuming debate with the Hon. Member for Kent.

Mr. Hardey: Madam Speaker, I cannot help but notice the lack of speakers from the Liberal side of the House. They have missed the last several rounds, and as I stop to reflect upon the howling we heard from them in this Chamber about time allocation I am just amazed that they cannot find speakers to put up in this important debate.

Mr. Gauthier: I have a point of order, Madam Speaker. I know it is not proper to interrupt someone making his maiden speech but I would like to point out to him, if he has been around here all day, that we have had more speakers on this side today.

Mr. McDermid: Be careful.

Mr. Gauthier: Yes.

Mr. McDermid: No.

Mr. Hardey: Madam Speaker—

Mr. Axworthy: Nice to see you here. What is your name again?

Mr. Hardey: —anyone who has been around the House as long as the Hon. Member will realize that when they miss their round they are obviously running out of speakers. That is the only point I wanted to make.

In the time allotted to me for debate on this Bill I want to emphasize some of the facts surrounding the free trade initiative. A few weeks ago I put out a flyer in my riding reciting several facts about free trade as well as a list of non-political opinions about the deal. This information was well received in my riding. I find that people are searching for unbiased facts, and as they find them they start to realize that those who oppose free trade between Canada and the U.S. do so solely for political reasons. The reasons have nothing to do with trade or economics.

As I listened to the statements made on the other side of the House, and the Hon. Member for Skeena (Mr. Fulton) is a good example, as is the Hon. Member for Nickel Belt (Mr. Rodriguez), I heard ranting and raving about the agreement. They did not recite any facts whatsoever. They called the Government names. I guess they think it is humorous, but this is not productive. Yet it has been that way since October, 1987, when the initial agreement was signed. Even when the negotiations were going on, the Liberal and the NDP Parties attempted to mislead and confuse Canadians in the most cruel way imaginable. There seemed to be no limit to how low they would stoop to try to twist the facts to suit their tactics which are designed to win political points.

Canadians are beginning to see through those tactics. Eventually each one of the accusations made to upset and confuse the people was found to be unfounded and false.

Mr. Langdon: On a point of order, Mr. Speaker. I believe the Hon. Member just suggested that the accusations we made have been misleading. I quote from the Government's text which indicates that the day it was issued, performance required, such as increased exports or domestic content levels—

The Acting Speaker (Mr. McKinnon): It appears that this is not a point of order. The Hon. Member is indulging in debate.

Mr. Hardey: Mr. Speaker, eventually each one of the accusations put forth to upset and confuse people has been proven to be unfounded and false. Yet without apology they simply continue. Of course, some continue to shout silly phrases. Some continue to display dirty cartoons on T-shirts. However, that will not be effective. People see through it right away because there are no facts, just ignorance of the agreement and how it makes Canada a stronger and prouder nation, not only for today but for tomorrow.

Time and time again we have heard about the combined efforts of Bob White, Shirley Carr and David Peterson, Premier of Ontario, to invent new ideas to oppose the deal. No one pays any attention to the so-called Leader of the Official Opposition because he has never had an original idea on how to oppose the deal. He simply leaps on someone else's ideas. Bob White, Vice-President of the NDP, and David Peterson, who wants to be drafted for the leadership of the Liberal Party, are the ones who are conjuring up untruths about the free trade agreement.

• (2100)

In 1987 David Peterson set his six famous conditions for approving the free trade agreement. He beat his chest and said that Ontario would use any power it had to block the free trade agreement if the agreement allowed unfettered U.S. investment in Canada, if the free trade agreement gutted the Auto Pact, if it eliminated agricultural marketing boards, if it infringed on cultural sovereignty, if it dismantled regional development powers, or if it did not provide adequate dispute settling mechanisms.

Those were his six points. We all know very well, of course, that those concerns were unfounded because every last one of those concerns was met. Marketing boards were protected under the agreement. Cultural institutions were protected under the agreement. Regional development was not inhibited. A binding dispute settling mechanism has been agreed upon, and the Auto Pact is not only intact but was complemented with a new rule of origin creating 50 per cent North American content in non-Auto Pact manufactured automobiles. That is a 40 per cent increase over the present North American content rules.

Premier Peterson was not asked to apologize for misleading Canadians, nor was Bob White or the federal leaders of the opposition Parties. A simple acknowledgement that the concerns of Canadians were met with the agreement would have been sufficient, but they did not do that. Instead, they get their heads together and dream up new untruths to confuse and upset Canadians.

This past week they came up with a real whopper. As we are all aware, a drought has come about in a great portion of Canada and the midwestern United States. We are all worried as crops wither before our eyes. As a matter of fact, that is about all we talk about in southwestern Ontario in the County of Kent. We are very concerned. Suddenly we find the Opposition accusing the Government of giving away our water to the United States. That is no coincidence at all, Mr. Speaker. This is one of the cruelest attempts to misinform and confuse people that I have ever seen. If ever an apology was in order, it certainly is now.

Can you believe that the opponents to free trade, true to their reputation of no common sense at all, picked up on Article 2201 of the Harmonized Tariff Schedule which indicates that tariffs will be eliminated on bottled water which, of course, includes carbonated water or Perrier water? They twist it further by complaining that Article 409, which does not allow either party completely to turn off resources to be exported, did not exclude water in the free trade agreement. The fact is that it did not exclude water because we do not export water. Nothing in the agreement forces Canada to export a resource which it has good reason not to export. The federal water policy is very clear on this issue.

The Opposition even brings up the 29 year old proposed Grand Canal Project. I will not go into a great deal of detail, but this 29 year old project proposal envisions a diversion of James Bay water to the U.S. via the Great Lakes. This 29 year old proposal has been formally rejected, as well it should be, and the proposal will not be considered by the federal Government. In any event, what has that to do with the free trade agreement? It is simply brought forth to frighten people, and that is what I want to talk about. That is what is upsetting me. It is not as though the facts make any difference to the Opposition, but the Opposition has always been in possession of these facts. Yet it moves forward with the twisting of them.

That is not all. In spite of being in possession of the true facts about water and the free trade agreement, Premier Peterson of Ontario decided to prey upon the emotions of the people concerned about the drought in our country and introduced legislation to control water exports from Ontario. I suppose he wants to justify the mistakes he made previously about the free trade agreement. He should apologize for being mistaken when he accused the federal Government of making a bad deal. He should be waving the flag for the free trade agreement, for keeping 92 per cent of Ontario exports moving into the United States market. Instead, he introduced legislation last week to control water exports from the Province of Ontario, clearly another political move to upset the people of

Ontario concerned about the drought, and he tried to tie it to the free trade agreement. That was just another cheap political move to rationalize and try to justify this useless legislation.

The Premier quoted a U.S. governor who asked for 9,000 cubic feet of water per second to be diverted to the Chicago sewer project from Lake Michigan. He knows full well that that request has been forthcoming during dry periods since the 1930s when the project was created.

The Acting Speaker (Mr. McKinnon): I am sorry to have to interrupt the Hon. Member, but his time has elapsed.

Mr. Chuck Cook (North Vancouver—Burnaby): Mr. Speaker, I want to make a few remarks on the free trade issue as well this evening, but I want to approach it from a slightly different point of view than that to which I have been listening through most of the evening.

One may say that Tom Wolfe said it best when he said: "You can't go home again". That is exactly what opposition Members want to do; they want to go home again. They want things to stay the way they are. That is impossible. They do not seem to understand that there are over 200 different trade Bills in the United States Congress, any one of which or any number of which could seriously affect Canada's economy and its trade. They want stagnation, not growth, not forward progress. These Bills can sideswipe Canada in any number of ways. There will be no exemption for us unless this free trade agreement can be ratified with the United States.

In my opinion if one says "no" to free trade, one wants a narrow, a less prosperous, and a socialist society in Canada. We talk about how important our social programs are to us. Free trade does not threaten them. It ensures them. If this country becomes less prosperous, the cost of our social programs will be something which must be looked at by any Government. We will have to consider whether we can afford them. The way to afford the social programs we have and to enhance them with such things as a major child care initiative is for us to have a booming economy, greater trade, and a more prosperous country. That will not be the result of turning down the free trade agreement.

For those of us in the West in particular, free trade not only enables us to trade with the United States but enhances our opportunities to trade throughout the Pacific Rim. I will give an oversimplified example.

A widget manufacturer in Vancouver producing widgets for the Vancouver market is not operating on an economy of scale. This free trade agreement will mean that we can open up the entire market of the United States, the five million people in the Seattle area alone and the California market which has more people than all of Canada. If the manufacturer can finally compete in the United States with security for his product, he can plan an expansion of his plant on the basis of maximum economy of scale. That exists in western Canada now. The minute he does that, it means that he can compete throughout the Pacific Rim with the producers of any product because his plant can be as efficient in terms of scale as any in the world. Frankly, that is what we need in British Columbia, that is what we want for British Columbia.

The Hon. Leader of the Opposition (Mr. Turner) has commented that he would tear up the free trade deal. I do not know what wag said it, but it has been said that to tear up the agreement shows a great more strength of hand than of brain. I must agree with that.

• (2110)

If free trade is as bad as Members opposite suggest, the clause allowing the deal to be cancelled in six months would be invoked. They do not need to tear up the deal because it can be cancelled by either party. We are not bound to it forever in any respect. However, if the deal works and increases Canadian trade, obviously we will want to keep it.

The New Democratic Party has been the most honest about their view of this deal. They realize that this agreement means greater trade and less government for Canada. It means prosperity, with less possibility of socialism coming to the country. We know that the New Democratic Party wants socialism and that this agreement will not help them in their objective to bring socialism to Canada.

Let me explain what free trade means to my constituents in North Vancouver. It will mean expanded traffic, with less hassle for the literally hundreds of consultants who must travel back and forth across the border to conduct the business that will be open to them. It will mean cheaper consumer prices. It will mean for the typical family in North Vancouver on a trip to Bellingham less of a smuggling operation because that will not be necessary with free trade. I hope I have not offended anybody, but we certainly see thousands of Canadian cars in Bellingham.

Free trade also means security for the forest industry, which is important, because British Columbia has been clobbered by lobbyists from the United States. Our shakes and shingle industry was particularly affected with the loss of many jobs. The free trade deal is worth it for the protection of our forest industry in British Columbia alone.

The NDP should talk to Jack Munro and International Woodworkers. I have yet to hear them make any statements condemning this deal as bad for British Columbia. They will not do so because they know it is good for them, their jobs, and the expansion of the market.

Do Canadians want a country that is facing stagnation? It has been said that one cannot go home again. The U.S. Congress is considering very defensive and narrow Bills that will not exempt Canada unless we can achieve this major agreement. I ask Canadians: "Do you want socialism, or do you want growth in our society? Do you want the economy to grow? Do you want jobs for your children and expanded opportunities? If so, closely examine the free trade agreement".

Rather than listen to the rhetoric from all sides, consider the studies done by independent groups such as the Canada West Foundation, the report by Liberal Senator Van Roggen's report from the Senate a few years which came out strongly in support of free trade, and the report by the Economic Council of Canada. Those who are not involved in the politics are saying that this is a great deal for Canada.

Those who want a socialist state and a bleak future for Canada should not support the free trade initiative. However, those who want a future that means something will support the free trade deal.

Mr. Albert Cooper (Peace River): Mr. Speaker, I am pleased to have an opportunity to speak so soon. I sat through much of the debate in the House this afternoon when opposition Members were raising a proper furore about the fact that they were not getting enough time to debate. I believe three Conservative Members in a row have spoken, and I am now rising to speak because opposition Members are refusing to speak, which I suggest makes a mockery of all the argument we heard this afternoon. However, I did not get up to talk about the Opposition. I want to speak about the issue of free trade from the perspective of a western Canadian.

There are three categories into which I want to divide this subject. The first concerns the historical problems associated with free trade. The second deals with why the West supports free trade—

Mr. Gauthier: Mr. Speaker, I rise on a point of order. I could not help but hear the comments of my dear friend, the Hon. Member for Peace River. I want to tell him that if he feels obliged to speak and defend the Government's position on free trade, it is not necessary. If he wants to sit down, we will proceed to the vote right now.

The Acting Speaker (Mr. McKinnon): That is hardly a point of order. The Hon. Member for Peace River.

Mr. Cooper: Mr. Speaker, I am quite happy to have an opportunity not only to put the position of my Government on record but my own position as well. I am still shocked that no opposition Members have risen to speak. We are very much surprised that they are not continuing to speak in the debate this evening.

The third category I want to discuss is the politics of the deal.

Let us examine why tariffs were originally implemented. Their purpose was to protect certain Canadian industries, which were largely in the manufacturing sector. Management would be one of the main beneficiaries of a business that was protected by these tariffs. They had a margin of error built directly into their prices with that tariff protection. Another margin of error could be applied to technological advances because they were looking at reduced investments. Those businesses did not have to be on the leading edge of competition.

However, they were not the only beneficiaries. The unions also benefited from tariff protection. They experienced job security along with reduced pressure on their need to be productive.

Of course, there were those who had to pay the price for that tariff protection. Several groups fall into that category. The first group would be the consumers who had to pay higher prices for their goods. They ended up with a limited or more restricted supply. As a result, those consumers began to pay the price of any tariff protection that existed within our economy.

• (2120)

There is another group that I think suffered just as much. It is a group which I think specifically relates to western Canada, that group of people who are involved in the development of our resources in the West. The reason they suffered is that the costs of goods and materials which they needed to develop, export, and market their products were higher to them simply because of the tariff protections which existed.

If one is in the oil and gas business, that means that pipe costs more because of tariff protection. Work clothes cost more because of tariff protection. The same is true with respect to tools which cost more.

All of this came to a violent head when the previous Liberal administration brought forward the National Energy Program. When that was done it became apparent to western Canadians that we were not able to buy the goods that we needed at world price. We had to pay the world price plus a tariff. We may have paid anywhere from 115 per cent to 130 per cent more for particular goods or services that we bought which were protected by tariffs. Yet, when it came to our own commodities, the commodities that we wished to sell—and under the National Energy Program that particular commodity was our oil and gas—we were told that we could not sell them at the world price. We had to go below the world price, down to 85 per cent of world price. What we had then was an obvious imbalance. Those who were protected by tariffs were receiving a premium price for their commodities. Those of us who were not protected by tariffs actually paid a penalty. In the case of the National Energy Program that penalty was 15 per cent.

It was no wonder that western Canadians were so angry about the National Energy Program. It is no wonder that their attention was focused immediately on the whole business of tariff protection. It is no wonder that today western Canadians in such a large majority support the free trade agreement.

I wish to consider why westerners support this deal. The first reason is that consumers of manufactured goods for the most part live in the West. They see prices being reduced as a result of the free trade agreement. They see more variety of goods and services being made available to them. As consumers they are in favour of the agreement.

Second, as producers of resources, whether that be in the area of oil and gas, forestry, or agriculture, they see full access to the American market. They see an opportunity to sell their goods at world price.

Third, they see the costs of their materials being reduced as a result of the reduction in those tariffs and as a result of increased competition in particular areas of supply.

The fourth reason that western Canadians support the deal is that we in the West are putting a great deal of energy into diversifying our economy. That is why the Government put into place the Western Diversification Program and why it has established the Western Diversification Office. That was done because we want to build a manufacturing and processing industry in western Canada. In order to accomplish that we need materials at lower prices, those materials that we need in order to finish or process our products.

Something else which is important in terms of the diversification of our economy is that we need access to the California market. That market consists of 25 million people who live in the State of California. That figure is roughly equivalent to the whole population of the entire country of Canada. The reality is that the California market is closer to the City of Edmonton than is Toronto or Montreal. Thus we have a larger market available to us through the free trade agreement. It is much closer to us than is the existing market in Canada. That is why we see so much opportunity and potential for diversifying our economy.

I now wish to talk about the politics of the deal. What we are really being offered is two choices. The Government is offering a positive position on free trade, what I call a balanced deal. We have negotiated a fair deal, a deal which says to the West: "Here is your chance to develop, to diversify, and to revitalize your economy. Here is a chance for those who are in the tariff protected industries to experience a phase out of those tariffs". In other words they are not hit right now, today; there is a phase down time. They have a 10-year period in some cases to make the transition from a tariff protected environment to an environment that is not protected.

What have the Liberals said about free trade? They have said that they will tear up the deal. Why do they want to do that? For one thing they favour the *status quo*. They like the balance of the economy that exists within Canada at the moment. They favour government intervention. That was radically demonstrated by their previous policy, the national energy policy. It is no surprise that they will rip up the deal.

What about the NDP? Members of that Party have said that they, too, will cancel the deal. Why are they going to do that? As my colleague stated, the NDP want a controlled economy, a socialist economy. They do not see that as being possible under the free trade agreement.

Members of the New Democratic Party are also big supporters of the unions. The big unions are not supporting this agreement. It is obvious that when the NDP is given the choice of supporting the western Canadian farmers and small business people or the big unions, they are going to pick the big unions each and every time. That certainly has been our experience.

I think that the Prime Minister (Mr. Mulroney) and the Government have demonstrated a vision for Canada. They have given us as western Canadians an opportunity. It is an opportunity that I am proud to support. It is an opportunity that I think is good for western Canada. The time is right for the deal right now.

Mr. Bob Horner (Mississauga North): Mr. Speaker, I know that with your vast experience in this House you have seen hypocrisy before. However, as a new Member I have seen hypocrisy today like I have never seen it before. I sat here all morning and all afternoon and listened to the debate on time allocation. According to members of the Opposition, they did not have enough time to debate it. They did not have enough time to talk about free trade. A year and a half has not been enough for them. Yet everyone in Canada is talking about free trade.

Mr. Rodriguez: Keep talking, Bob.

Mr. Horner: I will keep talking.

I am the fourth government Member in a row to stand up to speak. I see Members sitting opposite but they are not standing up. They do not want to stand up to tell us that we are wrong. We are not wrong.

Mr. Langdon: Mr. Speaker, I rise on a point of order. To this point, excluding the Hon. Member for Mississauga North who has the floor now, there have been 15 New Democrats who have spoken on the Bill, 22 Conservatives,—

Some Hon. Members: Hear, hear!

Mr. Langdon: —14 Liberals, members of the Opposition being in a far higher proportion than members of the Government in the House of Commons.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. McKinnon): Once again the Hon. Member for Essex—Windsor has entered into debate on a point of order.

• (2130)

Mr. Horner: That was a very interesting point of order, Mr. Speaker, and I am sure that you got a lot out of it. We are debating a subamendment to an amendment to the main motion. I do not want to talk about subamendments and amendments. I want to talk about free trade, and what is happening in this country.

Mr. Gauthier: Sit down and wait until we get to that. You are out of order.

Mr. Fulton: Self-confessed out of order.

Mr. Horner: No, I am not.

The Acting Speaker (Mr. McKinnon): The Hon. Member for Ottawa—Vanier on a point of order.

Mr. Gauthier: From the horse's mouth himself we just heard that he does not want to speak about the subamendment. That is what is before the House. The Hon. Member has to speak to what is before the House, not what will come up tomorrow. I would invite the Hon. Member to pay attention and to be relevant to the debate.

The Acting Speaker (Mr. McKinnon): I understand that it is very difficult for the Hon. Member for Mississauga North, but I trust that we can give him an extra moment or so at the end to make up for this.

Mr. Horner: Since opposition Members wish me to debate the subamendment, I will tell them that I will never support the subamendment. If opposition Members wish me to debate the amendment, I will tell them that I will never support the amendment, but I will support free trade, Bill C-130, because it is the only saviour of Canada.

Let me tell all Hon. Members about the great riding of Mississauga North. This little booklet contains 7,000 businesses in Mississauga just waiting to ship their goods across into the United States. We cannot wait to increase the size of the terminal at Lester B. Pearson Airport because we want to get our goods across into the United States.

The Mississauga Board of Trade conducted a survey. It was a simple survey sent out to 2,700 corporate members. The Board of Trade asked: "Are you in favour of free trade? Will your company benefit?" Fifty-eight per cent said yes, 15 per cent said no, and the rest were not sure. Perhaps some of the workers have been brainwashed by the unions and may not be supporting free trade. The entrepreneurs and the businesses are because they want to sell their goods in another country. They will, and they will create jobs.

Since the war we have become more and more dependent on trade with the United States. In 1945, 30 per cent of our exports were shipped to the United States. Today it is almost 80 per cent.

In the United Kingdom our exports have fallen from 5 per cent to 2.4 per cent. Our exports to Japan have fallen from 6.1 per cent to 5.4 per cent.

Mr. Gauthier: Blame it on the Tories.

Mr. Horner: No, not under the Tories. This was from 1976. In the other EEC countries our exports have fallen from 6.7 per cent to 5.1 per cent, and in all others from 14.6 per cent to 10.8 per cent.

We need trade with the United States and we want to secure our markets with the United States. The only way to do so is a comprehensive free trade agreement with a good dispute settlement mechanism so that we can sell—

Mr. Gauthier: Which you did not get.

Mr. Fulton: Read it.

Mr. Horner: I have read the free trade agreement. I would recommend to Members opposite that they read pages 56 to 76. They make really interesting reading—A minus B over C equals D where A is the amount of grain sold. As the Minister for International Trade (Mr. Crosbie) has stated, we do not need to know every tittle that is in there. All we need to know is that businesses in Mississauga will benefit.

Members of the NDP sit over there and laugh. There is not one among them who has ever created a job. Are they going to stand up and speak? No, they are not, because they have not a word to say. The Liberals are also sitting there. They are great while they are sitting down.

Mr. Rodriguez: What do you need to know? Up is down.

Mr. Horner: I do not need to know one thing. This agreement recognizes not only the independence of Canada and the United States but also the differences. For the first time Canada's legitimate concerns over cultural policy, social programs, and regional development have been recognized, putting to rest the unfounded claims that freer trade leads inevitably to assimilation.

I have some other surveys here, Madam Speaker. In Alberta, 53 per cent are in favour of free trade and 32 against; 44 per cent in British Columbia are in favour of the free trade agreement.

If they want to call an election, I will fight it on free trade any time at all.

Mr. Rodriguez: You are the Government.

Mr. Horner: I would like to quote from a release put out by the Ontario Small Business Corporation. It states: "A new survey reveals the small business sector in Ontario and throughout Canada has become more positive about free trade with the United States since the signing of the agreement in January. Federation President, John Bulloch, said opposition to free trade within the small business sector of Ontario has dropped by half since CFIB conducted a similar survey among its membership in 1986". It has dropped from 15.9 per cent to 7.8 per cent.

We hear a lot from the Opposition about whether Canadians can compete. Does Canadian industry have the plants, equipment, skilled labour force, and managerial skills to take on American competition? I say that we have. Free trade to the world's largest and richest market will allow Canadian industry to specialize in producing those things we do best. The result will be more investment, more exports, and more jobs. In 1984 we promised jobs, jobs, jobs. We could have sat here and done nothing like the Liberals did from 1980 to 1984. We

promised change, not only change for the sake of change but, change for the better. We are not afraid to go out and bring forward an agreement like this one.

Much has been said about the Prime Minister (Mr. Mulroney) changing his mind. Any politician who has not changed his mind at some time does not have a mind to change. The Hon. Member for Hamilton Mountain (Ms. Dewar) is the former Mayor of Ottawa. I am quite sure in her term as Mayor of Ottawa she changed her mind numerous times.

Mr. Rodriguez: Have you got one to change?

Mr. Horner: Yes.

Mr. Rodriguez: Have you changed your mind on Bill C-72?

Mr. Horner: The Auto Pact has been a boon to Ontario. In 1965 the NDP laughed and said that the Auto Pact would not work. They opposed it. The Auto Pact is working very well. There are no problems with it that require attention in the negotiations. The Auto Pact could be stopped with one year's notice.

The Liberals talk about tearing up the agreement. If any of the Liberals had read the agreement they would know that it can be stopped in six months, six months' notice is all that it takes. What type of credibility would any Government have that would say that it would tear up the agreement before it even saw it? I really cannot believe it.

I challenge any members of the Opposition to rise and speak; otherwise be a little quiet.

Mr. Rod Murphy (Churchill): Madam Speaker, I am quite willing to speak. Considering the previous Member was making our case for us so well, we are willing to give him extended time, if he wishes.

Mr. Rodriguez: He has nothing more to say.

Mr. Murphy: Unfortunately he had nothing to say when he was speaking last time.

Mr. Nystrom: Tell us about Bill C-72.

Mr. Murphy: There have been four Conservatives in a row, however that still brings the percentage of Conservative Members who have spoken on the free trade issue to approximately 10 per cent. In our case, over 50 per cent of our caucus has spoken on this issue—

Mrs. Mailly: That is because there are so many of us and so few of you.

Mr. Murphy: —and the Liberals are approaching that percentage.

We recognize the importance of this debate, and we will be putting up speakers in the one day that we have left to debate. It is interesting that today, on July 4, the American holiday, the Government moved to restrict debate on this very important issue. The Government wanted to spend more time debating capital punishment. It wanted to spend more time debating abortion. It wants to debate a number of issues. However, when it comes to an issue which is very important to all Canadians, an issue which will affect Canadians for generations to come, it wants a very limited debate.

Mrs. Mailly: Balderdash.

Mr. Murphy: We hear from their seats one or two Tories who say: "You can tear up the agreement with six months' notice". That is the excuse to say that we are not affecting future generations, because some future Government can actually rip up the agreement. They say that and they mean it. It is true that with six months' notice any Party can give notice, but let us look at what will happen. The way the Government is selling us out, it would be very difficult to unscramble those eggs and it knows that.

I was very interested when the former Conservatives Whip, the Hon. Member for North Vancouver—Burnaby (Mr. Cook), one of the valued dinosaurs of the Conservative Party, rose and said that he was for this agreement, that the New Democratic Party was against the agreement because we wanted a socialist Canada, and that this agreement would prevent it. What that Member was in fact stating was that future Canadian Governments were obviously limited in making decisions for this country. It is not a matter of socialism; it is not a matter of what social programs we want and what other Parties may not want. That Member was speaking the truth in his own way. He was recognizing that the ability of future Canadian Governments to make decisions that are important to Canada will be restricted by this agreement.

• (2140)

One thing that is interesting in terms of the Government and its desire to restrict this debate is, as we see from the Environics poll, is that opposition to free trade is growing across the country. In Saskatchewan, Premier Grant Devine has been out there campaigning. Let us remember what he said—

Some Hon. Members: Oh, oh!

Mr. Murphy: They do not want to hear from the Conservatives. They get upset. They get upset when the Hon. Member for Skeena (Mr. Fulton) quotes the Prime Minister (Mr. Mulroney), the Minister of Finance (Mr. Wilson), and the Secretary of State for External Affairs (Mr. Clark). They get upset when one of our Members quotes the Conservative leadership. Now they are upset when I try to mention what a Conservative Premier says. The Conservative Premier from Saskatchewan went around the province, preaching the value of free trade, explaining how important it was to the West and actually picking on the people of Ontario. What happened? Let us take a look. Which province is most against the Mulroney trade deal? It is the Province of Saskatchewan. I recognize that I should not have said "the Mulroney trade

deal". I should have said the Prime Minister's trade deal, and I apologize, Madam Speaker. The point is that, as the Premier went out and tried to sell the deal, the people of that province turned against the trade agreement.

Let us take a look at what is happening today in the Government's latest issue. Let us look at what the Government says, in its own glossy publication. With regard to investment it asks: "What happens with the deal? What happens to future foreign investment in this country?" The Government says, in its own publication that performance requirements such as increased exports, import substitution, sourcing requirements, and/or domestic content levels as a condition of investment will not be permitted under the agreement. This means that if some foreign-owned company comes and takes over a Canadian firm, we have absolutely no right to regulate what the firm will do. It is the right of any nation to determine what will happen with its own resources, its own companies, its own regional development. We have a right, as Canadians, to make those decisions and those requirements. The Conservatives want to sell out that right. This group of Conservatives says "That is what we want. We do not want to have any controls. We do not want the Canadian Government to be able to say that it thinks, if there is a foreign takeover, that perhaps that firm should be investing in Canada, perhaps that firm should be buying goods in Canada, perhaps that firm should be hiring and training Canadians".

The Government does not want that power, and it wants to ensure that future Governments do not have that power. What I find amazing is that these Conservatives are rejecting what every other Conservative Government in the country has ever stood for. One interesting thing is that they ask: "What about the automobile industry?" Do these Conservatives remember that when the President of Ford Canada made his speech to the annual meeting—the board of directors were all there; they spoke to all their shareholders, 94 per cent being Ford of the U.S—he said that he was all for this trade agreement, that he liked this trade agreement? He congratulated the Government on it, and then he said that he did not like provincial laws on occupational health and safety. Because there was provincial laws on occupational health and safety—

An Hon. Member: Who said that?

Mr. Murphy: The President of Ford Canada said that he did not like these laws because they restricted the company's right. Because of that, he thought that it might be just as advantageous for the company not to build a new plant in Oakville but to do it in the States.

The situation is that they are saying: "Okay, with the new trade agreement which we love, we are in a situation where we can make a decision that if we do not like provincial laws on occupational health and safety we can actually relocate in the States." That is going to be allowed under this agreement. That is going to happen as a result of this agreement.

The Government says: "We are not affecting provincial programs. We are not affecting occupational health and safety. We are not affecting the various social programs that have been put in place in the various provinces." However it is allowing Ford, GM, Chrysler, General Electric, and all such other firms to say: "Well, we don't like the social programs you have in Canada. We don't want to pay for those social programs that you have in Canada, so we are going to take our corporations, we are going to take our plants, and we are going to develop them in the southern states".

We have some controls in this country, we have the right to make decisions in this country, and they are selling out that right and they know it.

July 4 will be a Conservative holiday, and I will tell you, Madam Speaker, that my sons, my grandsons, and my granddaughters will remember the Conservatives as the traitors that they are.

Some Hon. Members: Hear, hear!

• (2150)

Mr. Ted Schellenberg (Nanaimo—Alberni): Mr. Speaker, I am pleased and honoured to wrap up the debate on Bill C-130 this evening. Like many of my colleagues I have been sitting here throughout the day listening to the debate and watching it collapse for the Liberal Party, with the New Democratic Party not far behind. I have been asking myself what if this Parliament had a great debate and nobody came from the opposition Parties? That appears to be what has happened this evening. Indeed, we are left now with government speakers to support one of the best Bills our Government has brought forward in the past three or four years, and it is my privilege to speak on it this evening.

Mr. Fulton: Madam Speaker, I rise on a point of order. Just for the record and so that the Hon. Member for Nanaimo—Alberni is aware, there are 190 Conservatives missing this evening.

Mr. McDermid: We are all debating though.

The Acting Speaker (Mrs. Champagne): I know the Hon. Member did not mention anyone by name, but it is not the custom of this House to mention the absence of Members, especially at ten o'clock at night. The Hon. Member for Nanaimo—Alberni.

Mr. Schellenberg: Madam Speaker, after the next election there will be a lot of NDP votes missing, especially in British Columbia where the free trade deal is supported so highly.

Some Hon. Members: Hear, hear!

Mr. Schellenberg: I think it is quite appropriate that I speak on July 4, having just been in my riding for Canada Day and today is Independence Day in the United States. The two days in between, July 2 and July 3, have been declared Canada-U.S. Friendship Days, so it is quite appropriate that we speak

this evening on this very important trade agreement between our two sovereign nations.

I feel a bit like *Alice in Wonderland*. Things are getting curiouser and curiouser as this debate goes on. Opposition Members demand time to debate. They say five days are not enough, but they are having trouble putting up speakers. We have just heard the Hon. Member for Churchill (Mr. Murphy) talk about the horrible Americans, as the New Democrats tend to classify them. Let us remember that it was an NDP Government in Manitoba—and the NDP Member for Churchill will be well aware of this—that sold its hydro power to the Americans.

Some Hon. Members: What?

Mr. Schellenberg: Why did the NDP Government do that, Madam Speaker? It was to create jobs in Manitoba. That is what happens in western Canada in particular where we fund our lifestyle on the resources that we export to other nations. The NDP Government in Manitoba has done that and other Governments across this nation have done that in order to create employment. This agreement will secure that kind of an arrangement with the Americans who are one of our biggest trading partners.

Mr. Axworthy: We are selling now without free trade.

Mr. Schellenberg: Then we had the Hon. Member for Skeena (Mr. Fulton) a little earlier this evening talking like Rambo Jim about American tanks at the border coming to take our water, our trees, and our fish. The Hon. Member knows full well that that is not accurate. I wonder how dumb he thinks the average Canadian voter is to accept that kind of drivel.

Our own Government in British Columbia has released a report on the free trade agreement. I know the Hon. Member from Skeena and other NDP Members are big fans of the B.C. Government. Let us listen to what is in this report. The B.C. Government predicts, through its own research, a 2.5 per cent increase in provincial Gross Domestic Product by 1999 in British Columbia and 27,600 net new jobs in B.C. through the free trade deal. The question was asked about where B.C.'s exports were destined for. Through this document it shows that 46 per cent of British Columbia's exports go to the United States, 26 per cent to Japan, and 28 per cent elsewhere. "What will free trade's impact be on B.C.'s employment? No effect: 83 per cent; positive effect: 15 per cent; negative effective"—about which our socialist friends and Liberal friends seem to be so wrapped up—"2 per cent; barely minimum".

Let us look at Vancouver Island, my particular part of the world. What will the free trade's impact be on B.C. regions, Victoria and Vancouver Island which have a labour force of 201,000 workers? There will positive effect of 14 per cent on that labour force. I wish I came from my hon. friend's riding of Skeena. Up in Prince Rupert and area—I have 14 per cent on Vancouver Island—according to this document the positive effect in Skeena will be 28 per cent through the free trade deal. The Hon. Member stands in this Chamber and debunks one of the greatest agreements between sovereign nations. He should listen to his fellow socialists in New Zealand and Australia who have their own free trade agreement. It is working so well that they are speeding things up. They want the mechanism brought forward earlier than the 1990s.

Let us look at what has happened between Ireland and the United Kingdom. In 1963 before they signed their free trade agreement, 70 per cent of Ireland's trade was with Great Britain and 30 per cent with the rest of the world. What has happened 25 years later? That is a good example, a small country and a big country. We are all afraid of the great Americans. Twenty-five years later the situation is the reverse. Seventy per cent of Ireland's exports are to the world, the rest to Great Britain. Ireland became better at what it did. It had a larger market-place in which to trade and could export products much better. That is what will happen to Canada with this deal. Then we have our friends in the Liberal Party.

Mrs. Mailly: Where are they?

Mr. Schellenberg: They do not have too many friends in British Columbia, but they do have some friends. The Liberals say that they want to tear up the agreement. The New Democrats say that they are going to tear it down. The Liberals want more debate and want the legislative committee on Bill C-130 to travel across the country. Of course they do not really want too much input because they will tear it up anyway. Canadians will never support a potential Government that would tear up any kind of sovereign agreement. The Liberals say that they do not want a bilateral agreement with the U.S. What they want is world trade. That has been their argument for the last little while—not the U.S. but the world.

What happened when we had a world leader in this Chamber? The Prime Minister of Great Britain, Margaret Thatcher, came here. What was the Liberal reaction? Did they want to discuss trade with Margaret Thatcher? Of course not. They wanted to shout her down. They did not want to hear what she had to say about the benefits of world trade.

We have heard many quotes in this Chamber over the last few days. What have people in the B.C. forest industry said? Peter Bentley, Chairman of the Canfor Corp., has refuted claims that Canada would be better off as things are than with free trade. He said:

> That assumption is a myth, and the forest industry is living proof that protectionism in the U.S. is alive and well.

He went on to say:

> Bear in mind that as Canadians tariffs have declined, our exports to the U.S. have increased. Opponents of the agreement argue that free trade will cause Canada to lose jobs and trade to the U.S., yet history proves just the opposite. When tariffs come down, trade will go up.

That is all around the world, including Canada. The fishermen in British Columbia whom I know are listening to me tonight if they are not out on their boats catching fish, it is

the season. Let us see what the American fishermen are saying and here is a good indication of what free trade means. This is from an American magazine, the February issue of *National Fisherman*:

> American east and west coast fishermen, processors, and their representatives have voiced virtually unanimous opposition to the proposed free trade agreement.

These are the Americans. Here is another quote:

> —fishing industry leaders say the U.S. industry has more to lose than gain if the trade pact is ratified. They charge that the accord is unbalanced in favour of Canadian fishing interests.
>
> As U.S. seafood industry representatives view it, the elimination of tariffs would be of substantially greater benefit to their Canadian counterparts since they would gain tariff-free access to one of the world's major seafood markets.

There you have it, Madam Speaker, from the forest industry to the fishing industry, to almost every other industry in this nation, the benefits from free trade are quite obvious. I wish I had more time. I have much more evidence and more brilliant eloquence to go through about the free trade deal. Let me summarize my comments this way as we wrap up the evening.

Many western Canadians to whom I have spoken are excited about the possibility which the free trade agreement presents. We know that Canada-U.S. trade has increased by 40 per cent over the past eight years. We do not feel any less Canadian because of that. We know that 85 per cent of our cross-border trade with the U.S. is now tariff-free and that including the remaining 15 per cent is quite logical. We know what western Canadians can do given half a chance.

Our Government is prepared to provide that opportunity in this nation through the free trade agreement with the United States of America.

[*Translation*]

The Acting Speaker (Mrs. Champagne): It being 10 p.m., pursuant to the Order passed on Thursday, June 23, 1988, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 10 p.m.

HOUSE OF COMMONS

Tuesday, July 5, 1988

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Coucil): Mr. speaker, under Standing Order 106 (8), I have the honour of tabling, in both official languages, the Government's response to the following petitions: 332-4589, 332-4616, 332-4620, 332-4637 and 332-4847.

[*Editor's Note: See today's Votes and Proceedings.*]

* * *

[*English*]

COMMITTEES OF THE HOUSE

CENTRAL AMERICAN PEACE PROCESS—REQUEST FOR CONSENT TO TABLE COMMITTEE REPORT

Hon. John W. Bosley (Don Valley West): Mr. Speaker, I seek the consent of the House to table later this day, probably at three o'clock following Question Period, the first report of the Committee on the Central American Peace Process.

Mr. Speaker: Is there unanimous consent?

Some Hon. Members: Agreed.

STRIKING COMMITTEE—PRESENTATION OF SIXTY-FIFTH REPORT

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour to present the Sixty-fifth Report of the Striking Committee

[*Editor's Note: See today's Votes and Proceedings*]

PETITIONS

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Les Benjamin (Regina West): Mr. Speaker, I have the duty and privilege to present a petition signed by Canadians who reside in Hamilton, Burlington, Stoney Creek, and other locations in that general area. The undersigned residents petition that the Conservative Government has no mandate from the Canadian people to conclude a free trade agreement with the United States; and whereas the Prime Minister (Mr. Mulroney) promised in the course of bilateral trade negotiations that Canadian sovereignty would not be compromised; and whereas the trade agreement would deny Canada the policy freedom to determine its own economic future and undermine our ability to build a society distinct from that of the U.S., the petitioners humbly pray and call upon Parliament to be dissolved and to allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

• (1110)

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is my privilege to present a petition, pursuant to Standing Order 106, on behalf of a number of constituents who are very concerned that the proposed trade deal with the United States threatens our sovereignty as a nation. They are reminding Parliament that the federal Government has no mandate from the people of Canada to negotiate this trade deal. They also point out that they feel very strongly that this trade deal would jeopardize Canada's economic, social and cultural programs that could be introduced in the future in the best interests of Canadians.

Therefore, they want to participate in this decision through a national general election, and call upon Parliament to ensure that this national debate takes place before the agreement is actually signed and that that debate occur during a national general election.

Mr. Rod Murphy (Churchill): Mr. Speaker, I have the honour to present a petition on the subject of the Government's trade deal with the United States. In their petition, the Canadians who have signed the petition indicate that they are very concerned that the Prime Minister (Mr. Mulroney) does not have a mandate on the trade deal, that indeed the Prime Minister campaigned against such a mandate. They call upon the Government to ensure that there is a national debate on this issue, and that this debate result in a national general election before any agreement is finalized.

Petitions

CALL FOR RESEARCH INTO PREVENTION AND CURE OF SCHIZOPHRENIA

Mr. Léo Duguay (St. Boniface): Mr. Speaker, I am pleased to present a petition on behalf of a number of my constituents who are concerned about schizophrenia. As Hon. Members will note, schizophrenia affects about 1 per cent of our population, causes severe mental anguish and suffering to patients and relatives. It costs Canadian society more than $3 billion annually in direct health care and other support costs. These constituents humbly pray and call upon Parliament to ensure that research efforts related to schizophrenia will in future be commensurate with the seriousness of this illness in Canada.

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I have the honour and privilege to present a petition from a number of Canadians, pointing out that the Canadian-American trade deal would threaten the very fabric of Canadian sovereignty, and pointing out that the Government had no mandate to negotiate a trade deal with the United States, that this deal would reduce Canada's ability to plan the economic, social and cultural programs that Canadians need and, indeed, would further integrate Canada into the North American defence industrial base.

Therefore, they call for not only a national debate but a national general election before this agreement is finalized.

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, it is my responsibility under Standing Order 106, to file the attached petition, and it is correct. This petition is signed by many citizens from Edmonton, Alberta, a province in which we often hear that people are very supportive of a trade deal. This petition states that they feel the Government had no mandate from the Canadian people to conclude a free trade agreement with the U.S., and the proposed trade agreement would deny Canada the policy freedom to determine its own economic future and undermine our ability to build a society distinct from that of the United States.

The proposed trade agreement not only denies Canadians secure access to the American market, which was the key objective in these negotiations, but it threatens the loss of hundreds of thousands of Canadian jobs. Therefore, they ask that Parliament be dissolved and the Canadian people have the opportunity to accept or reject the proposed trade agreement during a national general election.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, it is my duty to present four petitions humbly declaring that the Mulroney Government has sold Canada out without obtaining anything in return; Canadian industries are not always protected against American trade laws; the United States got everything it wanted in every important sector, including agriculture, energy, automobile trade, financial services and investment; the jobs of thousands of Canadians are threatened; and the Conservative Government has not made provision for any retraining assistance for Canadian workers.

The petitioners therefore humbly call upon Parliament to censure the Government for signing the Mulroney-Reagan trade agreement.

[*English*]

CALL FOR RESEARCH INTO PREVENTION AND CURE OF SCHIZOPHRENIA

Mr. Jim Caldwell (Essex—Kent): Madam Speaker, I have the pleasure to present a petition signed by residents of my constituency, from Wheatley, Cottam, Kingsville, Leamington, Ruthven, Chatham, Chairing Cross and Thamesville, who humbly pray and call upon Parliament to ensure that research efforts related to schizophrenia will in the future be commensurate with the seriousness of this illness in Canada. As in duty bound your petitioners will ever pray.

[*Translation*]

CANADA—U.S. FREE TRADE AGREEMENT

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Madam Speaker, I have here petitions from various provinces—Quebec, Saskatchewan, Alberta and Ontario—circulated by people in different constituencies. They request that the Government be censured for having sold Canada out to the Americans in the Mulroney-Reagan Agreement.

These people are complaining, as the UPA's slogan says, that a horse was exchanged for a rabbit, and that Quebeckers and Canadians will be the losers.

Consequently, Madam Speaker, these people have asked me to table these petitions in order to make all Members of the House aware of the serious situation we are in at present.

[*English*]

Mr. Neil Young (Beaches): Madam Speaker, I, too, have the honour and privilege to present a petition signed by a number of residents from various centres in southern Ontario. The petitioners state that the Conservative Government had no mandate from the Canadian people to conclude a free trade agreement with the United States, and that the proposed trade agreement would deny Canada the policy freedom to determine its own economic future and undermine our ability to build a society distinct from that of the United States.

Therefore, the undersigned petitioners humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Madam Speaker, I too would like to table petitions concerning the Mulroney-Reagan trade agreement.

I have here two petitions from Quebec, one containing the names of 30 people form Pointe-Claire, Ville Mont-Royal,

Saint-Laurent, Beaconsfield, Lachine and various municipalities on the West Island of Montreal.

These people are concerned that Canadian industries are not protected against American trade laws under the Canada-U.S. agreement; the jobs of thousands of Canadians are threatened; and the Conservative Government has not made provision for any retraining assistance for Canadian workers.

Thirty people signed this petition, and I have another on the same subject, signed by 31 residents of Quebec—people from the West Island and other municipalities such as Dollard des Ormeaux, Pierrefond and Pincourt. These people are also concerned and maintain that the Government sold Canada out without obtaining anything in return when it signed the trade agreement with the United States.

[*English*]

I also have a number of petitions from residents of the Province of Ontario. One petition contains 30 names of people in the Kanata area. Another petition contains 25 signatories from people in the Orleans, Ottawa and Vanier area. Also, I have a petition containing 30 names from people in Pembroke-Renfrew and other related areas of the Ottawa Valley. Another petition, containing 30 names is from people in the Hamilton area.

• (1120)

I have another petition containing 26 names from people in Embrun. All of these people claim that the Mulroney Government has sold out Canada and received nothing in return in signing the free trade deal. They claim that the United States has obtained everything it wanted in all key sectors, especially in agriculture, energy, auto trade, financial services and investment. They are worried that thousands of Canadian jobs are threatened and that the Conservative Government has not provided for any adjustment assistance for Canadian workers. All of the petitioners are worried about the Canada-U.S. trade deal and want it pulled out.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Madam Speaker, I have the honour to present a petition from a number of people in Mississauga, the Niagara Peninsula and many other communities across southwestern Ontario, such as, Tillsonburg, Chatham and Delhi, all of whom oppose the free trade agreement and want their voices registered in the Parliament of Canada. They are very concerned about the energy side of the agreement. They are most concerned about agriculture, auto trade, financial services and the investment community. They want to express strong opposition to the Mulroney-Reagan trade deal.

I have another petition here from Niagara Falls, St. Mary's, Toronto, Bramalea and many other areas across southern Ontario, Scarborough included. These people oppose the Mulroney-Reagan trade deal for the same reasons. They are concerned about Canada's energy, our financial institutions and certainly our agricultural community.

I have another petition sent in by the people of Stevensville, Port Colborne, Niagara Falls, Fort Erie, Welland, and many other areas across southwestern Ontario. They are opposed to the Mulroney-Reagan trade deal and want their message registered strongly in the Parliament of Canada.

[*Translation*]

REQUEST FOR RETENTION OF TEN-WEEK QUALIFYING PERIOD FOR UNEMPLOYMENT INSURANCE

Mr. Fernand Robichaud (Westmorland—Kent): Madam Speaker, it is my duty also to present to you a petition, from the residents of certain communities in my riding, namely Sainte-Anne, Bouctouche, Bedeque, Saint-Édouard and even Moncton. The signatories deplore the fact that the Department of Employment and Immigration has completely ignored the unemployment situation in south-eastern New Brunswick in changing the eligibility period from 10 weeks to 16 weeks.

The petitioners humbly pray that the Minister will take the necessary steps to preserve and maintain the eligibility period for unemployment-insurance benefits at 10 weeks, as the rate of unemployment in the rural regions of New Brunswick is three times higher than the rate in urban centres.

[*English*]

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have a petition from the constituencies of Essex—Windsor, Windsor West, Windsor—Walkerville and Essex—Kent, including signatures from Windsor, St-Joachim, Harrow, Tecumseh, Essex and Cottam who indicate in the petition that they are deeply concerned about the lack of a mandate which the Conservative Government had to undertake a trade agreement with the United States.

They feel that this trade agreement will take from Canada the very fabric of political potential decision-making within our country. It will make it difficult for Canada to continue to build a society distinct from that of the United States. Therefore, they ask this Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement in a national general election.

I have a second and different petition, Madam Speaker. This one has been certified correct according to Standing Order 106. The petition comes from Toronto and the focus of its concern is that the trade deal would reduce Canada's ability to plan the economic, social and cultural programs that Canada needs and would also integrate Canada further into the North American defence industrial base. They ask Parliament as well to see to it that an election is called on this deal before it is put into effect. The petitioners hope very much that the Government will listen.

The third petition I have is similar to the first one that I have tabled with the House. This petition comes from the Hamilton area and includes people from Hamilton, Caledonia and other towns and cities, one might say of small Canada,

within that part of the Province of Ontario. The petition also includes some signatures from Amherstburg, Windsor and Brantford, Ontario. I hope very much that the Government will pay attention to these hundreds of signatures being tabled.

[*Translation*]

Mr. Mike Cassidy (Ottawa Centre): Madam Speaker, I too have a petition to present, which has been signed by a large number of Canadian citizens in Alberta and also in the Toronto region, protesting that the Conservative government has no mandate from the people of Canada to conclude a free trade deal with the United States; recalling that the Prime Minister had promised that during the course of the negotiations Canadian sovereignty would not be compromised; and [expressing] their fear that this Trade Agreement will deprive Canada of its political freedom to determine its own economic future, which could undermine our ability to build and maintain a society distinct from that of the United States. They therefore pray that the Parliament of Canada will dissolve and thereby give the people of Canada the opportunity to accept or reject the Free Trade Agreement during a national election campaign.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 337, 357 and 373.

[*Text*]

STUDIES OF FLOW-THROUGH SHARE TAX INCENTIVES

Question No. 337—**Mr. Penner:**

Since September, 1984, has the Department of Finance conducted studies on the effects of the flow-through share tax incentives and, if so, what were the development projects studied and, in each case, what were (*a*) the dates of (*i*) commencement (*ii*) completion (*b*) the findings of the study?

Hon. Michael Wilson (Minister of Finance): No, the Department of Finance has not conducted any flow-through share studies of the nature implied in the question (i.e. studies related to specific development projects). The Department has, however, conducted other studies of flow-through shares.

In formulating advice on this issue, the Department completed a study into flow-through shares in the fall of 1984. This study examined the need for changes to the income tax legislation affecting flow-through shares.

The findings of this study provided background for the technical changes to the flow-through share legislation that were announced in the February 26, 1986 Budget. These changes eliminated the need for costly and complex private arrangements to protect the investor. The changes removed any potential liability from the investor in the event of accidents—such as a blowout or shaft collapse—during the exploration or development program.

The recent announcement made by the Department of Finance and the Department of Energy, Mines and Resources regarding the extension of the mining exploration depletion allowance (MEDA) and the introduction of the new Canadian Exploration Incentive Program (CEIP) were also the result of internal studies. These studies evaluated the rate of return and share premiums available to issuers and investors.

Other studies that provided background for the recent improvements to the flow-through share regime were a collection of submissions (both written and oral), requested by the Department of Finance, from the resource sector and the financial community. These submissions examined the flow-through share regime after the October stock market crash. These submissions were analyzed intensively by departmental officials and provided useful information in helping to arrive at the recently announced changes to assist exploration activity.

FEASIBILITY OF TRANSPORTING PLUTONIUM BY AIR

Question No. 357—**Ms. McLaughlin:**

1. With regard to the U.S.-Japan Nuclear Co-operation Agreement to fly plutonium over a polar route, has the Government been consulted regarding emergency procedures if a landing is requested in Canadian territory and, if so (*a*) what is, or will be, the Government's response (*b*) is there a policy set out for this matter?

2. To the knowledge of the Government, has the United States decided that plutonium will not be flown over its territory and, if so, will the Government make the same assertion?

Right Hon. Joe Clark (Secretary of State for External Affairs): The U.S.A. and Japan are studying the feasibility of transporting plutonium by air on a polar route between Europe and Japan, completely outside Canadian airspace and jurisdiction. No final decisions have been taken on the route or other aspects of the flights which, in any event, are not expected to begin before the early 1990s.

During the ratification proceedings in Congress, the U.S. State Department indicated that the administration is prepared to rule out air shipments of plutonium under the Agreement from overflying or landing in the U.S.A., except in the case of an aircraft emergency. Neither the U.S.A. nor Japan has approached us regarding procedures if a landing were to be requested in Canada as a result of an aircraft emergency. However, the Government has in place procedures applicable in cases of aircraft entering Canadian airspace in an emergency. These procedures may be supplemented in any specific emergency by safety and security measures related to the nature of the cargo. While Canada has said it would not rule out flights of plutonium in advance of a specific proposal, it has also said it would most certainly prohibit such flights if not satisfied with every safety, health and security aspect thereof.

RESEARCH INTO EFFECTS OF BORDERING U.S. NUCLEAR REACTORS

Question No. 373—**Mr. Langdon:**

Has the Atomic Energy Control Board participated, or considered participating, in any research into the effects of bordering U.S. nuclear reactors and their waste products on arable Canadian soils and Canadian waters?

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Atomic Energy Control Board reports as follows: No.

[*English*]

Mr. Hawkes: I ask that the remaining questions be allowed to stand.

The Acting Speaker (Mrs. Champagne): Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADA-UNITED STATES FREE TRADE AGREEMENT IMPLEMENTATION ACT

MEASURE TO ENACT

The House resumed from Monday, July 4, consideration of the motion of Mr. Crosbie that Bill C-130, an Act to implement the Free Trade Agreement between Canada and the United States of America, be read the second time and referred to a legislative committee, and the amendment of Mr. Axworthy:

That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:

"this House opposes in principle and therefore declines to proceed with Bill C-130, an Act to implement the Free Trade Agreement between Canada and the United States of America, because that agreement, which was negotiated in a secretive and irresponsible manner in the absence of a mandate from the Canadian people, will undermine the economic, social and political institutions of Canada, because it will fail to provide guaranteed and secure access to U.S. and other world trade markets, because it will create severe adverse effects on many industries and communities and because it will endanger the economic and social fabric and political independence of Canada".

And the amendment of Mr. Langdon:

That the amendment be amended by adding immediately after the words "political institutions of Canada," the words "including our valued system of social and regional development programs,".

Mr. Lewis: Madam Speaker, I rise on a point of order. Now that the debate has been called, this making it the last allotted day for this Bill, I have two points to make, if I may.

First, I understand that the Leader of the New Democratic Party wishes to speak after Question Period today, and I want to indicate that the government Members of Parliament will be prepared to waive the 10-minute time limit to allow the Hon. Member for Oshawa (Mr. Broadbent) to complete his remarks.

• (1130)

Second, there have been discussions among the Parties with respect to the final recorded division on Bill C-130 which, under the rules, would take place at 9.45 tonight. There have been discussions among the Parties and I think you would find unanimous consent to defer the last recorded division at second reading on Bill C-130 until 6 p.m. tomorrow evening.

Mr. Riis: Madam Speaker, I simply want to say to the Deputy House Leader how much we appreciate this offer to enable our Leader to speak at three today for a longer than usual time under the present Standing Orders, and also to have the vote deferred until six o'clock on Wednesday, allowing Members from the west coast to travel here during the day in order to be here for the vote. I appreciate the generosity.

Mr. Gauthier: Madam Speaker, the Liberal caucus agrees with the general disposition. The New Democratic Party was courteous to us when our Leader spoke last week and allowed him to have unlimited time. We of course realize that this is the last day allotted by government edict for debate on the Bill. It is the Government's intention to cut off debate. We have no alternative but to follow this, and we also have to agree to defer the vote until tomorrow at six o'clock, out of simple fairness to all Hon. Members. I do not like it but I will accept it.

[*Translation*]

Hon. Monique Landry (Minister for External Relations): Madam Speaker, I am addressing this House today because I am firmly convinced that the Free Trade Agreement is good for Canadians in general, and for Canadian women in particular.

I find it unacceptable that certain people are assuming the right to tell Canadian women that the opening of our market on the United States is a threat to their job security and to the viability of our social programs. I find that the whole free-trade debate, in fact, rests all to often on errors in perspective and inaccurate data conveyed by the Opposition.

In fact, the threat to these jobs, especially in the textile industry, comes not from the United States but from Asian countries, and these are the sectors that in the United States are most protectively fenced in by tariffs. There are plenty of Canadians active in this sector who believe they can compete effectively as long as they are given a long enough transition period, and the Accord provides for a ten-year period over which the tariffs will be amended.

Nor will there be any changes in our social programs as a whole. I will add, Madam Speaker, that I think it is dishonest and almost indecent of the Opposition to let such fears persist. We retain our sovereign right to make decisions about our social programs and our social policies. Furthermore, as the Prime Minister (Mr. Mulroney) asserted at the start of the negotiations with the United-States, and I quote:

Our political sovereignty, our system of social programs, our commitment to fight regional disparities, our unique cultural identity, our special linguistic

character—these are the very essence of Canada. They are not at issue in these negotiations.

It is high time, Madam Speaker, that these so-called protectors of our national identity stopped taking women for simpletons. The Free Trade Agreement aims primarily at extending our economic, social and cultural development even further, and at building a Canada that will be even stronger and more competitive.

How can women help benefiting from the expansion of our country's economy? The Free Trade Agreement represents, for them as for all Canadians, an opportunity to improve their quality of life and increase their chances of success. Our government has already demonstrated and proven its desire to enhance the status of women in Canadian society, and it believes strongly that Canadian women must have an equal chance to contribute to our development as nation and thus to profit equally from our economic prosperity.

This desire is being translated into concrete actions. If I may, I would like to mention just a few:

—Since the Progressive Conservative Party came to power in 1984, the rate of unemployment among women has fallen by 3.6 per cent, while under the Liberals the rate climbed from 8.6 per cent to 12.0 per cent.

—Today there are 653,000 more women in the labour force than there were in 1984.

—And lastly, between 1984 and 1987, the number of women occupying professional or managerial positions increased by 36.0 per cent.

Madam Speaker, I wonder where those critics of free trade were before 1984, when the unemployment rate for women was going up by 3.4 per cent!

What our government wants is to present a blueprint for a new and progressive society, so that we can meet the challenges of the 21st century. This is why it is vitally important that we be able to progress in a stable economic climate if we want women to be represented fairly and equitably in the upper echelons of organizations, and have the same chances of succeeding professionally. And that is what the Free Trade Agreement will mean for Canada.

The Economic Council of Canada predicts that the Free Trade Agreement will result in the creation of 250,000 jobs over the next 10 years, and women, among other groups, will want access to those new jobs. An increase on this scale means that women will have greater opportunities of finding work in non-traditional sectors. In addition, 84 per cent of working women are employed in the service industries. This is the most rapidly-expanding sector of the Canadian economy. We know that free trade with the United States will mean an acceleration in our growth rate. It follows that the service sector will also experience sustained growth. This means better prospects and greater job diversity for women and for all Canadians.

Business women, who represent a significant proportion of the owners of small businesses, will also benefit from this Agreement with the United States. For all these women, the Free Trade Agreement will make possible access to a bigger market and will safeguard trade relations between our two countries.

Among other consequences, the elimination of tariff barriers will be a direct cause of lower prices to consumers and a greater range of products, which will benefit women as it will benefit all Canadians. It is women who devote a large part of the family income to meeting essential needs such as food, shelter and clothing. It is estimated that a low-income family will be able to save up to $325 a year and that this saving could go as high as $644 a year for single women.

Madam Speaker, it is possible to frighten people. It is possible to spread false rumours. But it is not possible to deny the facts on the grounds that they don't suit our fancy. And the facts, Madam Speaker, speak for themselves.

• (1140)

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Madam Speaker, I am happy to be taking part in this very important debate, which is going to have such serious consequences for the people of Canada. The Minister who just spoke unfortunately has raised false hopes, without any figures or data to back her up. We have seen that kind of salesmanship before. Think back to the campaign, when the Minister and all her Conservative colleagues promised a happy future for the elderly, they were going to make all kinks of progress, and the opposite happened when old-age pensions were de-indexed.

Madam Speaker, today the government is forcing us to accept a Bill, an Agreement called the Mulroney-Reagan Agreement, without really knowing what it involves.

Madam Speaker, to start with, we must bear in mind that the Prime Minister of Canada, when he was running for the leadership of his Party, came out unequivocally against a free trade deal. This is not the first time he has fooled the people, it is the n-th time. In addition, the commitments, the negotiating of an agreement with the Americans, were meant to remove any possibility of the American government's taking reprisals against the Canadian government. Think back to the soft-wood lumber affair. Up to that point it was an excellent idea to make sure, to enable our Quebecois and Canadian enterprises to sell their products on the American market, but first of all there were conditions that the Liberal Party and our leader called for: Canadian sovereignty, the fact of being "maîtres chez nous" as we call it in Quebec, had to be protected; second, culture could not be negotiable; third, nothing about our social programs could be affected, they could not be negotiable, they must not be "put on the table"; and fourth, agriculture also had to be completely protected, it could not be negotiated.

Unfortunately, we all know what happened, and as the Coalition du Québec, which is made up of the Union des producteurs agricoles [Quebec farmers' federation] and the federated unions, has demonstrated, the result is that the

Prime Minister of Canada gave the President of the United States a horse and got a rabbit in exchange. That is what the government wants us to approve today. And why do I have reservations about accepting such an agreement? Because the Minister of Transport himself (Mr. Bouchard), who was Minister of Employment and Immigration at the time, the MP for Roberval himself said that according to studies carried out by this Department, as many as 500,000 jobs could be lost. And I have here figures from a study by the Economic Council, which is an organization that approves of the idea of free trade, and these figures—contrary to what the Minister has just said—show clearly that there will be jobs lost in the textile industry, in the footwear industry, in the clothing industry, in the electricity, cables and wires industry, in a number of industries, and in agriculture.

Madam Speaker, we know there will be losers, we know there will be winners. I know in advance that Bernard Lamarre is going to be a millionaire four times over with Lavalin. I'm not worried about him and he has no need of the House of Commons. His shareholders are going to be better off too, that's certain. But one thing I don't know, and nobody can guarantee it, not even Bernard Lamarre of Lavalin: who can put down in black and white a guarantee that their employees are going to be better paid, and that there are going to be more men and women in Quebec, in all of Canada, with jobs? Mr. Lamarre can't guarantee that. My friend Lortie of Provigo, is also in favor of the deal. He's sure his shareholders are going to be better off. But there again he can't guarantee in black and white that there are going to be more jobs in Provigo and Provigain stores opened in Quebec. He won't sign a piece of paper saying that those new stores won't be opened in Plattsburgh—that a new Provigo will provide jobs for the people of Plattsburgh. My friend Lortie isn't even able to sign for me a piece of paper promising that the day after the Agreement comes into effect, a tin of beans will be cheaper. And he wants me to vote for this Agreement with my eyes closed.

Then there's my friend Beaudoin of Bombardier. He's all for the Agreement too, but he can't guarantee me that it will mean more jobs in his factory in Montreal East. He can't guarantee me that he won't open another factory in the United States to give Americans jobs at lower salaries than Quebeckers and Canadians get.

This is what the Conservative MPs want us to approve. And on top of that, everyone here in the House knows that there are going to be workers between 50 and 64 who are going to have difficulty. Recent figures show that despite the improvements in the health of the economy, the rate of unemployment among older workers has risen from 6.9 per cent to 7.7 per cent. There is no program at this time to help the losers. The Conservatives have only set up programs to help the winners.

If you want to get richer, if you are already a millionaire, if you went to school with the Prime Minister, you don't need to worry, your pockets will be lined and re-lined.

But if you are middle-class, if you didn't attend the same university as the Prime Minister, well nobody's going to give a dam.

We in the Liberal Party—and I think business people will understand this—never put all our eggs in one basket. We believe in not being tied to anyone. We believe in being independent. Our industries, our employers, our small and medium-sized businesses, our big businesses, must be open to the world.

It isn't that I don't have confidence in the people of Quebec and the people of Canada, that I dont't believe them capable of competing with the Americans. Far from it. Our workers in industry, in our factories, give them a chance and they will be able to compete not only with the Americans but with the Europeans and the Asians.

But not under an agreement like this one. This is the same agreement the Prime Minister signed when he agreed to become president of Iron Ore, only to shut it quietly down. It is not with an agreement like this one, to sell Canada and Quebec quietly to the Americans, that our competitiveness is going to be assured.

For us in the Liberal Party it has always been plain that markets have to be opened up. We would negotiate for markets and open them up not just with the Americans, not just with the Europeans, but with the countries of Asia and elsewhere. But one thing is certain, and that is that sovereignty, being "maîtres chez nous", which is what has made the Quebeckers of today able to stand tall, being what Jean Lesage called "maîtres chez nous", must not be lost. I realize that the Tories have their roots in the Great darkness of Duplessis, they grovel, they sell mines to the Americans. But the Liberals under Jean Lesage called for us to be masters in our own home, and we must never abandon that.

Secondly, our social programs were won with the sweat of our fathers and grandfathers, who over the years struggled with their governments to get health insurance, drug insurance, hospital insurance. It wasn't so long ago that a worker with several children when one of those children got seriously ill, that worker had to declare himself a bankrupt under the Lacombe Act because he had gone into such debt to pay the doctor. After many years of struggle, people sacrificed salary increases to pay for health insurance.

Unemployment insurance in remote regions like the Gaspé and the Atlantic provinces, for fishermen, was a way to survive with a little dignity, a way not to become a beggar, a pauper, a charity case. It was a dignity-insurance program. Since the rich are able to afford RRSP's, no one is insulted. If you think that we in the Liberal Party are going to let this protection for the dignity of all middle-income Canadians disappear, you are wrong! "No Sir!" I say that to the Prime Minister and his Tory Members.

You're in the process of pulling a good one on us with your anti-francophones. There aren't many of us, just 39. But the 39

of us managed to make you back off over old-age pensions; we made you back off over certain people on unemployment insurance, those older workers whom you had penalized; we made you back off over four issues, including the tax on drugs. You can be sure that the leader of the Liberal Party (Mr. Turner) and his 39 Liberals will make you back right off the electoral map in the next elections.

[*English*]

Mr. Nelson A. Riis (Kamloops—Shuswap): Madam Speaker, a few days ago hundreds of thousands of Canadians celebrated Canada Day, Canada's birthday, with a feeling of pride in the accomplishments of our country over the past 121 years. There was a great deal of celebration and a great deal of jubilation. I suspect that the celebration on July 1, Canada's birthday, may be the last celebration of its kind that we will experience in Canada because the Bill we are debating today, C-130, should really be called "The Turning of Canada into the 51st American State".

• (1150)

We have spent 121 years building our country into one that is unique in the world, one that reflects ideals and values which are admired by people from all countries. We have built a society here distinct from that of the United States. After 121 years of building, the Conservative Government, in only three years, has sold it out to the highest bidder, in this case the United States of America.

What we have seen in this country over the last three years under the Conservative Government can only be described as anti-Canadian activity. There is no question that we have lost our sovereignty as a nation because of this trade deal. A lot of people have said that we have sold out the country. When you sell something it is assumed that you get something in return. This was a give-away of Canada for all intents and purposes to the United States.

Not only is this legislation anti-Canadian, it is also anti-democratic. You will recall yourself, Madam Speaker, as I am sure many Members will, that just prior to the last general election when the Prime Minister (Mr. Mulroney) was asked whether he supported a free trade deal, he said that he was against a free trade deal with the United States. The Minister of Finance (Mr. Wilson) was asked whether he supported a free trade deal with the United States and he said that he was against a free trade deal with the United States. The Secretary of State for External Affairs (Mr. Clark) was asked whether he supported a trade deal with the United States and he said that he was against a trade deal of this kind with the United States.

I could name a number of other senior cabinet Ministers who, when asked that question, said that they opposed a free trade deal with the United States. The people of Canada assumed that the Prime Minister and some of his most powerful cabinet Ministers, having said that they were against a free trade deal with the United States, were against a free trade deal with the United States. All that we as citizens can do is believe that what the Prime Minister says is the truth.

We then had a general election, and not one single time during the federal election campaign in 1984 was free trade even mentioned. Not once did free trade with the United States come up for discussion or debate by the Prime Minister or anyone else in the Conservative Party anywhere in Canada. Then, on January 2, 1988, the Prime Minister signed a deal with the United States called a free trade deal.

This, then, is undemocratic because the Government misled the people of Canada. I think it is fair to say that those people were dishonest when they said that they were against free trade. They did not even mention it in the campaign and then, after being elected, are going to lock Canada into this deal, sell out the country forever, and turn Canada into the fifty-first state of the United States. The Prime Minister can be the governor of the "Estate of Canada".

This is also unparliamentary. After months and months of intensive negotiations in secret by various negotiators, the Prime Minister, and some of his major advisers, the Parliament of Canada has been given five days to debate this issue. As you well know, Madam Speaker, we sometimes spend four or five days on a fairly simple tax Bill which will amend the Income Tax Act.

This, however, is not a typical piece of legislation. In the Prime Minister's words, this is the most important trade legislation in the world. The Prime Minister has said that it is the most important trade deal ever struck between two nations and he has allocated only five days for parliamentary debate. The Government is now going to use its huge majority to curtail debate, muzzle Parliament, and for all intents and purposes prevent it from working effectively on behalf of the people of Canada.

Not only is this legislation anti-Canadian and anti-democratic, it is also anti-parliamentary. I could add that it is also anti-constitutional. One of the key components of this trade deal is the paragraph which says that this deal overrides all provincial legislation. It does not matter whether this deal goes against the Constitution of Canada or the negotiations which the federal Government has had with provincial Governments over the last 121 years, this deal takes precedence. When push comes to shove we can forget all the arrangements that we have made constitutionally and through negotiations with the provinces. That is clearly unconstitutional.

It is preposterous when you think that this deal is about to be wrapped up through closure when you consider what the deal does for us. Canada set out to accomplish three basic things. One was open, guaranteed, and secure access to the American market. Time and again the Minister for International Trade (Mr. Crosbie) indicated that if we did not get unrestricted access to the huge American market of 242 million, there would be no deal. We did not get unrestricted

access to the American market. The United States administration retains the right to launch countervail and anti-dumping suits against Canada.

In other words, nothing has changed. The situation between Canada and the United States as a result of this deal will be the same next year as it was 10 years ago. The Americans retain the right to launch countervail against Canada as they did on softwood lumber, shakes and shingles, steel, and in other areas. Therefore we failed to achieve that ultimate goal we had set out.

Second, we wanted a binding dispute settlement mechanism so that if there was a dispute between Canada and the United States in terms of trade in a certain commodity, there would be a powerful decision-making body with teeth which could move in quickly and resolve the dispute. We failed to accomplish our second bottom line. All we got was a review panel to ensure that the Canadians and Americans are following the laws of their countries in a trade dispute. This panel has no teeth, it has no ability to move in and make a quick decision. Therefore, we failed to achieve our second bottom line as well.

Finally, we wanted an exemption against the United States protectionist trade laws. We did not get that either. The Americans retained the right to pass what they call trade remedy legislation against Canada and we accepted that. Therefore, we failed to achieve every single one of the three fundamentals which we set out to obtain.

The Americans also had three fundamentals which they hoped to achieve and they got all three of them. First, they wanted unlimited access to our markets. They wanted to be able to move in and buy immediately a company valued under $150 million. The Government gave them that right. The Government said that the Americans can have secure access to our energy resources and we cannot charge them more than we are charging our own customers. Third, they wanted to harmonize the wage laws, workplace laws, pension systems, and so on of the two countries. Canadians do not want the Americans to have any of those three objectives.

I am afraid my time is up, Madam Speaker. I hope I will have a chance to return to this another time.

• (1200)

[*Translation*]

Hon. Pierre Blais (Minister of State (Agriculture)): Madam Speaker, the Free Trade Agreement which is being discussed in the form of the Bill now before us, the Agreement reached with the United States, in my view offers innumerable advantages to both countries. It will enable our two economies, Canadian and American, to grow and prosper. It will help the private sector to create jobs. Despite what we have heard in the past few minutes, from alarmists trying to frighten children with bogeymen, I don't believe the people of Canada and of Quebec will let themselves be fooled. We have, I believe, the support of a large and growing majority of the people, and whatever the alarmists say, Madam Speaker, I think we can have confidence in the people of Canada. They will know how to met the challenge of excellence that we have raised over the past four years, and they know now that with a government with backbone, which can offer Canadians the challenge of excellence in the future, with a historic Agreement with our neighbour, they won't let this chance slip.

We have to bear in mind that we undertook these negotiations with our neighbour to the South because we were faced with an unprecedented wave of protectionist measures, and we had to do something. We could not sit by while the various sectors of our economy fell victim, one after another, to protectionist manoeuvres from the other side of the border. We not only had to reply to those attacks, we also had to offer, both to Americans and to Canadians, a new choice and a new challenge in the economic sector. That is what we have done.

We will also be in a position, in the months and years to come, to show the people of Canada and the world an example of what can be done by two trading partners.

Agriculture, whatever some people have claimed—and I was listening to the Member of Montreal—Sainte-Marie just now—Canada never said that agriculture was not a subject for negotiation. That's not true. It has never been true. What we said was that we would protect the various marketing boards, and that in the sectors where we could ensure and expand our markets, we would do so. That's what we have done. We have protected, unequivocally, our dairy, poultry and egg marketing boards. And we have also received the support of the people in the commercial sector. We have quite broad support in the agriculture sector, although I concede that there are still some concerns there.

Quebec co-operatives that market agricultural products have expressed approval of the Agreement. The Coopérative fédérée du Québec, which processes and sells agricultural products, Agropur, the largest co-operative, and Agrinove, another dairy co-operative, have expressed approval of the Free Trade Agreement.

And if there is some reticence on the part of agricultural producers, I can tell you, Madam Speaker, when one meets these people in person and can answer their questions, they are, in most cases, reassured.

I have met hundreds and even thousands of agricultural producers recently in the region of the Lac-Saint-Jean constituency, and I think they have given both the Member for Montreal-Sainte-Marie and the Member for Shefford (Mr. Lapierre), who have been going around haranguing these producers for weeks—the producers have not been deceived. They realized where the truth lay.

We made sure with Article 11 of GATT, Madam Speaker—we incorporated that Article in the body of the Agreement. We also added agricultural products in the dairy sector to the list of controlled imports, which will ensure security in the dairy sector in the future. And the dairy sector is the backbone of farming in Quebec especially and in Ontario.

We have safeguarded that sector and the other sectors protected by marketing boards.

In the red meat—beef and pork—sector, the Canadian Cattle Breeders Association and the Canadian Pork Council have come out substantially in favour of the Free Trade Agreement. When one has over one billion dollars worth of trade with the United States, a flourishing trade—it has tripled in the pork industry in recent years—one cannot take the chance, Madam Speaker, of abandoning and jeopardizing that sector. We cannot do what our opponents would do and turn to markets . . . I even heard the member for Shefford say at one point: "Forget the Americans; we should trade with Japan." I heard him say that here in the House. It is an absolutely inconceivable misunderstanding of the facts by a Member of this House. We know what growth there has been in our trade with the Americans, in processing industry employment in both Ontario and Quebec, where the jobs are, the people who wear white smocks and process our agricultural products here in Canada so they can be sold in the United States. To say: "Let's ignore that; let's sell it in Japan!", when there has been a severe downturn in that area in recent years, is to put one's head in the sand, Madam Speaker. And that is not what we are here for; we are here to encourage our producers and our processors on this side of the border to meet this challenge.

On that note, Madam Speaker, I will conclude. I think we have a historic opportunity to sign this Agreement with the Americans and to assure the future of Canadian agriculture in the 21st century. I think we must not do as those people are doing, looking in the rear-view mirror; we must look ahead and assure the future of Canadian agriculture. This Agreement is historic, and I think we cannot take the risk of missing this opportunity.

[*English*]

The Acting Speaker (Mrs. Champagne) Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mrs. Champagne): The question is on the amendment of Mr. Langdon. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mrs. Champagne): Call in the Members.

The House divided on the amendment (Mr. Langdon), which was negatived on the following division.

• (1210)

(*Division No. 418*)

YEAS

Members

Allmand
Benjamin
Blaikie
Caccia
Cassidy
Foster
Fulton
Gagliano
Garneau
Gauthier
Gray
(Windsor West)
Guilbault
(Saint-Jacques)
Henderson
Hopkins
Hovdebo
Keeper
Killens
Langdon
Malépart
Manly
Murphy
Nunziata
Nystrom
Orlikow
Penner
Prud'homme
Riis
Robichaud
Rodriguez
Young—30

NAYS

Members

Binns
Blais
Bosley
Bourgault
Boyer
Brightwell
Brisco
Cadieux
Caldwell
Clark
(Brandon—Souris)
Coates
Collins
Comeau
Cook
Cooper
Crosbie
(St. John's West)
Domm
Dorin
Duguay
Edwards
Fennell
Ferland
Fontaine
Fraleigh
Fretz
Gagnon
Gervais
Gray
(Bonaventure—Îles-de-la-Madeleine)
Grisé
Hardey
Hawkes
Hnatyshyn
Holtmann
Horner
Jourdenais
Kempling
Kindy
King
Landry
Lanthier
Lawrence
Leblanc
Lesick
Lewis
Lopez
MacDonald
(Kingston and the Islands)
MacDougall
(Timiskaming)
Marin
Martin
McCain
McDermid
McKenzie
McKinnon
Mitges
Moore
Nowlan
Oberle
Oostrom
Peterson
Plamondon
Porter
Reid
Schellenberg
(Nanaimo—Alberni)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Sparrow
Stackhouse
Stewart
Tardif
(Charlesbourg)
Taylor
Towers
Tremblay
(Québec-Est)
Van De Walle
Vankoughnet
Vézina
Weiner
White
Wilson
(Etobicoke Centre)—79

• (1230)

The Acting Speaker (Mrs. Champagne): I declare the amendment to the amendment lost. Is the House ready for the next question?

Some Hon. Members: Question.

Some Hon. Members: Debate.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Renfrew—Nipissing—Pembroke (Mr. Hopkins).

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Thank you very much, Madam Speaker. I rise today to participate in this last day of debate on this reading of the trade agreement, the Mulroney-Reagan trade agreement, which is going to change the course of Canadian history. Before any of this happened—

The Acting Speaker (Mrs. Champagne): Order. The Chair will now hear the Hon. Member.

Mr. Hopkins: Thank you, Madam Speaker. I said, before any of this happened, the Prime Minister (Mr. Mulroney) uttered some remarks that are going to be heard a lot as time goes on and, of course, as did some of his present colleagues. We know that in 1983 the Prime Minister said these famous words: "Canadians rejected free trade with the United States in 1911. They would do so again in 1983. Canada must increase its share of total world trade, which has dropped in recent years." Now, that is from the Prime Minister of Canada. What has he done since? He has done precisely what the electorate of Canada would expect him to do; he has turned around and done the very opposite. His Government is becoming famous for that record.

Then we have the Minister of Finance (Mr. Wilson) who stands up in this House and answers questions so blandly. What did he say? At the same time, in 1983, the present Minister of Finance said: "Bilateral trade is simplistic and naive. It would only serve to further diminish our ability to compete internationally." Does that mean, today, that we are to accept the fact that the Minister of Finance is now naive because he has accepted free trade? He has accepted this trade deal.

Then we have the famous words from another front-bencher in this Government—who has far more respectability across this country than the Prime Minister—the Secretary of State for External Affairs (Mr. Clark). He is far more popular than the Prime Minister of Canada today. He said at that time: "Unrestrained trade with the United States raises the possibility that thousands of jobs could be lost in such critical industries as textiles, furniture and footwear." But today, what is he doing? He is marching to the same tune as the Prime Minister and the Minister of Finance, and they have the trained seals behind them all going along with them.

We hear from time to time in this debate that Prime Minister Laurier campaigned on free trade in 1911, but they are using it in the sense that he was defeated on that free trade. They are not bringing those points out. I just want to point out today that it is interesting to note that before Sir. Wilfrid Laurier got on the reciprocity bandwagon in 1911, he had 133 seats in this House of Commons. The Conservatives had 85 seats. There were three independents. There were 221 seats in the House as a whole. After the free trade election was over in 1911, the Conservatives under Sir Robert Borden, who opposed free trade, had 133 seats, exactly the same numbers as the previous Government. The Liberals under Sir Wilfrid Laurier had 86. There were two independents. You cannot help but note the complete and precise turnaround in Party standing. Both before and after the election, the Government Party had an over-all majority of 45 seats.

I just point this out because I think that the Government has to be prepared for what is going to happen after this election on the precise turnaround. Let us take a look at it today. There are other things that are the same. At that time the proponents of free trade were bragging about and really pushing it as the great answer to the Canadian economy. We are hearing the same thing today from the front benches of the present Government. We are hearing enthusiastic speeches from the Prime Minister. In 1911 we heard the same thing from the Government of the day.

• (1240)

Mr. Murphy: It was a Liberal Government.

Mr. Hopkins: It is not enough for the Government to have a massive majority in this House of Commons. The Tories have to call upon international people to support them in their free trade deal. When the Prime Minister of Great Britain was speaking in this House on June 22, she praised the Prime Minister of Canada. She spoke the following words:

> A Canadian Prime Minister at the turn of the century predicted that "the 20th century would be the century of Canada".

Note, Madam Speaker, she did not say that Sir Wilfrid Laurier stated those words. She said "a Canadian Prime Minister". Then she went on to make this ridiculous remark:

> The last 12 months have certainly shown his prophecy to be true.

No partisan comment could be more blatant than those particular words. Later on in her speech, she went on to say:

> On the basis of Britain's experience of joining the European Community, you need have no fear that Canada's national personality will be in any way diminished. Fifteen years of European Community membership have left our people no less British and no less proud of their history and independence.

For a Prime Minister of Great Britain to stand up in the Canadian House of Commons, make that statement and expect everybody to believe it is really expecting a lot.

Let us look at the facts. One, Britain has been an industrialized nation for centuries. It has a population of 55 million people. Mrs. Thatcher joined the European Common Market

with whom? With Luxembourg which has a population of something less than 400,000, with Holland with approximately 10 million people; with Belgium having around 12 million people, with France with a population of about 40 million and West Germany with a population of about 80 million people. Let us look at this realistically. Here you have Great Britain with 55 million people, an industrialized nation for centuries, joining a group like that. How can any world leader stand up and compare that situation with the situation we have right here in Canada today as we are cut off in debate discussing one of the most important pieces of legislation that this House has ever seen, namely, a trade deal between the United States and Canada?

On the southern side of the Canada-U.S. border there is a nation of 250 million people. Here in Canada we have 25 million people. That would be similar to comparing Great Britain having a trade agreement with Holland. What Mrs. Thatcher did was nothing but plain interference in a major internal issue on trade between Canada and the United States, internal interference in Canadian politics by a British Prime Minister. Let us not be too foolhardy about accepting the ideas that came out of that particular part of the speech.

We cannot help but think that international terrorism has been around for a while and we have been trying to blot it out. Now that this has happened on the floor of the Canadian House of Commons we have a new phenomenon here today. We have international Toryism where one Tory leader comes to another country and supports its Tory leader in the internal affairs of political life and economic history.

If we look at the agricultural industry, we find there is a real danger for our agricultural community.

Mr. Caldwell: Where?

Mr. Hopkins: In the case of dairy products, a free flow of products from the United States would mean a loss of sales in Canada to U.S. products. The cost of raw milk for the Canadian dairy industry is more than 25 per cent more in Canada than in the United States. Canada cannot compete. Obviously I am getting the facts out very well because I can hear shouting from the sidelines. This trade agreement would be a substantial threat to the Canadian manufacturers of dairy products, probably the destruction of the dairy farming industry, a serious loss of employment and employment opportunities for Canadians and the loss of control of a stable Canadian food supply. Energy and food are extremely important to any nation and its future. We will be dependent upon the United States for both food supply in the long run and for prices asked for dairy products. In other words, we are losing control of our own price structure and becoming dependent upon another nation. That is not the story of Canada.

It is really a sad day for Canada when this Government brings in closure on a Bill, such as this, which will set the stage for the future of Canada in a very detrimental way and a new course, one that is diametrically opposite to that which the Prime Minister promised the Canadian people in 1983. He will be reminded of his change of heart every day this Parliament remains open until the next election. Then, we hope Canadians will have an opportunity to express themselves on this, the future of Canadian nationalism and our ability to run our own affairs in our own way.

We will go out in the world and get trade internationally. We have confidence that we can do that, and it will be done.

Mr. Neil Young (Beaches): Madam Speaker, I am pleased to be given an opportunity today to say a few words about the legislation to implement the trade deal. Over the last several months I have been asked primarily by senior citizens across Canada what impact this free trade agreement will have on Canada's social programs, our pension system, medicare, unemployment insurance and other programs which many elderly Canadians have fought for over the years. We have established a social safety net that is probably the envy of most countries in the world, particularly the U.S.A.

I have responded to questions that no one can say for sure what impact free trade will have on social programs. Many of the initiatives, if you can call them that, taken under this agreement will take about another five to seven to ten years to negotiate. Most people are under the impression that the negotiations have been concluded when, in fact, they have not. The agreement has not been concluded. Negotiations will carry on for a long period of time. I can say this much, that if you take a look at the attitudes of the people who did negotiate this agreement at the bargaining table, there is absolutely no doubt in my mind that Canada's social programs were indeed a part of these negotiations.

Mr. Murphy, the American negotiator, made no bones about the fact that as far as the Americans were concerned Canada' social programs were up for grabs, which included old age pensions, medicare and unemployment insurance. The Americans consider Canada's social programs to be far superior to those that exist in the United States, and indeed, they look upon those social programs as being an unfair subsidy in Canada-U.S. trade relationships.

• (1250)

The Prime Minister (Mr. Mulroney) and other cabinet Ministers have denied all along that social programs were a part of these negotiations. Let us go back to the first so-called Shamrock Summit when the Prime Minister and President Reagan first sat down together. What came out of these discussions? Two or three things did. First, we know and the record shows that the possibility of a free trade agreement was first raised between these two gentlemen at that time.

We also know, and there is absolutely no doubt about it, that at that same meeting, President Reagan raised with the Canadian Prime Minister the injustice, as he saw it and as the multinational pharmaceutical industries certainly saw it, of the Canada Patent Act which dealt detrimentally with the

pharmaceutical industry based in the United States. In fact, I am thoroughly convinced that as a precondition to any negotiations opening up on free trade, the United States President demanded that Canada amend its Patent Act. There is absolutely no question about that, and that is indeed what happened.

Canada did amend its Patent Act and that legislation went through the House last year. During the debate on amendments to the Patent Act, seniors across Canada predicted that if the amendments the Government was trying to ram through the House and indeed did ram through the House at that time became law, drug prices would return to what they were prior to 1969 when the drug companies enjoyed a monopoly on drug prices in Canada. The Government, and particularly the Minister of Consumer and Corporate Affairs (Mr. Andre), denied that that would happen and continues to deny that that has been happening. Yet we know that since that legislation went through the House, many drug prices have increased by some 50 per cent over what they were a year ago.

We also know that shortly after the Shamrock Summit at which social programs were probably discussed, the first Budget was presented by the Minister of Finance (Mr. Wilson), containing a proposal to deindex old age pensions. That may be a coincidence, but I doubt it very much. In line with the proposal to deindex pensions which senior citizens fought against and forced the Government to back off on, the Government also proposed and still proposes to deindex public service pensions. In my view, that is the opening round of the attack against the pension system.

On top of that, since this Government was elected, it has opened up the medicare system to private enterprise in the United States. Our hospitals are now open to the American style of administration which is medicare for profit, a thing that Canadians have fought against since Tommy Douglas introduced the first medicare program in Saskatchewan. Medicare is a valued program in Canada.

When Canadian seniors go to Florida and see what happens to our American neighbours when they run into medical difficulties and find out how much it costs them for medical services, and then look at what the Government has been doing in terms of opening up the medicare system to multinational organizations which operate it for profit, they become concerned. I do not blame them for becoming concerned, because I can very well visualize that some time within the next seven-year period, this Government, if it is still in power, will open up the whole area of social policy in the free trade negotiations. I hope this Government will not be around after the next election so that it cannot follow that kind of course, but there is absolutely no doubt in my mind whatsoever that the steps taken since 1984 until this time have been a direct attack on Canada's social programs. I think it will be made even worse after this trade agreement is signed on January 1 of next year.

I expected some Conservative Members to start taking umbrage to what I have been saying.

Mr. McDermid: I do.

Mr. Young: I know you do. Rather than having me continue that line of argument, let me tell Hon. Members what some people in industry have been saying about Canada's social programs and the trade agreement. For example, a champion of free trade, Colin Harper, President of Camco, a white goods manufacturer, had this to say:

> The impact of free trade on Canadian manufacturing is going to be like a wave breaking at the beach—several things would be needed to survive. First of all consistency from the Canadian government in terms of taxation, regulation and legislation which all affect the cost of doing business and hence, our competitiveness.

That gentleman seems to be advocating already, before we have even signed this agreement, that Canada's competitiveness with the United States after the agreement is signed on January 1 of next year will be such that Canadian employers will have to cut back on the benefits they pay to employees in order to be competitive with U.S. industry. If those employers start to attack benefit programs for the people who happen to be employed by them, I can well imagine what the Government will do to support them.

In light of that, I move an amendment to the amendment:

> That the amendment be further amended in line 5 after "Canadian people", by adding: "is against the immediate and long-term interest of average Canadian families, and"

The Acting Speaker (Mrs. Champagne): The Chair would like to reserve on the amendment at this time and will give a ruling after Question Period.

With the consent of the House, I would like to call it one o'clock.

Some Hon. Members: Agreed.

The Acting Speaker (Mrs. Champagne): It being one o'clock p.m., I do now leave the chair until two o'clock p.m.

The House took recess at 12.59 p.m.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

ENVIRONMENTAL AFFAIRS

POSITION OF PRIME MINISTER

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, at the conference on the changing atmosphere held in Toronto last week, the Prime Minister (Mr. Mulroney) declared his

Government has tackled the immense and urgent task of restoring the integrity of the environment on a priority basis. Yet the record of his Government reveals that renewable energy research at the National Research Council has been eliminated. The marine ecology laboratory in Nova Scotia has been closed. The proposed Guelph-Toronto toxicology laboratory and research centre has been cancelled. Climate research has been reduced. Environment Canada has lost $71 million to inflation, and 336 persons have been laid off since 1984.

The facts reveal prime ministerial doubletalk. Will the Prime Minister ever learn that preaching without practising severely damages his credibility?

* * *

[*Translation*]

ECCLESIASTICAL AFFAIRS

ELEVATION TO CARDINALATE OF MONSEIGNEUR PAUL GRÉGOIRE

Mr. Claude Lanthier (LaSalle): Mr. Speaker, last Wednesday, in Rome, a Canadian parliamentary delegation of which I was a member witnessed the elevation of Msgr. Paul Grégoire, Archbishop of Montreal, to the cardinalate.

This most impressive religious ceremony was graced by the presence and imposing personality of His Holyness John-Paul II, of course, but all of the delegates from some eighty nations also had the opportunity of noting at first hand the simplicity and moral stature that radiate from the personable Cardinal His Eminence Msgr. Grégoire of Montreal.

Please allow me, dear colleagues of this noble House, to offer our most cordial tribute to this exemplary Canadian who will now be called upon to play an important role internationally.

On behalf of all Canadians in general, Quebecers in particular and Montrealers of course, bravo and long live our Cardinal Paul Grégoire of Montreal!

* * *

[*English*]

NATIONAL DEFENCE

OPPOSITION TO PROPOSED GOLF COURSE ON VANCOUVER ISLAND

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, the Government has before it a proposal to build a golf course at Royal Roads Military College at Colwood, Vancouver Island. Local people object to the proposal for a number of reasons. First, the golf course would eliminate an attractive area of bush with several large trees. This would aggravate an already serious problem with surface water at a nearby subdivision.

Most seriously, however the proposed golf course threatens the Esquimalt Lagoon. Golf courses use large quantities of chemical fertilizer to maintain the greens. At Royal Roads much of this would drain into Esquimalt Lagoon.

One biologist wrote me to say that the influx of nutrients would stimulate rapid growth of unicellular plants and a tremendous production of biomass. When that died and decomposed it would rob the water of oxygen. Fish and invertebrates would die from lack of oxygen and birds would no longer land. The lagoon would begin to stink. Instead of being a place of life and beauty, it would have been destroyed.

We are only beginning to recognize the importance of lagoons, salt marshes, and estuaries in the total ecology of our world. Since the proposed golf course poses a real threat to the Esquimalt Lagoon I urge the Government not to consent to its construction.

* * *

ABORTION

RIGHT TO LIFE UPHELD

Mr. Gordon Taylor (Bow River): Mr. Speaker, Canadian society today does not, and I hope it never will, permit a doctor, or two doctors, or Parliament, or anyone else to choose whether a crippled senior riddled with disease should live or be murdered. He has a right to live. Why, then, should one or two doctors, or Parliament, or anyone else decide whether an unborn human baby should live or be murdered?

The motion and both amendments concerning this matter presently on the *Order Paper* permit a choice. Who gave us the right to choose? I cannot support the motion or the amendments. Human life is fundamental to our society. The right to live is not negotiable. That is why I support Bill S-16 which protects human life from the moment of conception. The choice is God's, not ours.

* * *

HARBOURS AND PORTS

CONDITION OF MEAFORD, ONT., HARBOUR

Mr. George Henderson (Egmont): Mr. Speaker, the condition of two harbours in Meaford, Ontario, located on Georgian Bay, was recently brought to my attention.

Last August the Minister of Fisheries and Oceans (Mr. Siddon) announced a plan to build a new harbour. This project was to be fully completed within the next two years. This year a drastic drop in water levels rendered the existing harbour

unusable. In fact, the Coast Guard had to relocate its vessel to Owen Sound.

Despite numerous requests the federal Government refused to dredge the harbour which was last dredged 26 years ago.

In a letter dated April 22, 1988, the Minister said: It is anticipated that the present water levels will increase by one foot by the beginning of May. This will help reduce the quantity of dredging required to have the harbour at least partially operational for the summer of 1988." The water level has not changed and finally, after a loud protest, the Minister came up with $50,000 for emergency dredging but local citizens would have to match it.

I believe that providing and maintaining safe harbours is a responsibility which deserves proper funding from the federal treasury. To make matters worse, departmental officials have advised local citizens that they will also be responsible for any dredging in the new harbour.

I call on the Government to allocate the necessary funds to ensure that Canadians in Meaford and across this country will have safe harbours.

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[*Translation*]

OFFICIAL LANGUAGES

THE CANADIAN REALITY

Mr. Nic Leblanc (Longueuil): Mr. Speaker, in July 1969, the federal Government officially recognized that Canada was a bilingual country. From 1969 to 1984, a period of almost fifteen years but for a few months, the Liberal Government did not, during all those years it was in power, do a single thing to promote the French fact in Canada. And today, the federal Liberals have the gall to criticize us! Even if there were a few amendments, Mr. Speaker, we would still have more to be proud of than the idleness the Liberal Governmment indulged in during those fifteen years. Bilingualism is a Canadian reality, and we are going to do everything in our power to make Francophones and Anglophones feel at home everywhere in Canada, in a stronger and more united Canada.

* * *

[*English*]

CANADA POST CORPORATION

B.C. LIVESTOCK PRODUCERS WEEKLY REPORT—REQUEST FOR SECOND-CLASS MAILING STATUS

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, the British Columbia Livestock Producers Co-Operative Association publishes a weekly market report for its 2,200 members. This publication is devoted exclusively to agriculture and provides practical and essential information for British Columbia cattlemen to enable them to make well informed decisions about livestock production.

The severe drought conditions, coupled with increasing insecurity due to international and domestic market fluctuations, increasing feed costs, unfair competitive practices, and many other challenges, make it mandatory for cattlemen to have all the pertinent information possible to deal effectively and efficiently in today's market-place.

The Association requested second-class mailing status for its informative publication but the request was rejected by Canada Post. Second-class mail status would save the co-operative thousands of dollars in mailing costs. As well, by granting this request Canada Post would add considerably to the viability and stability of the British Columbia livestock industry.

I appeal to the Minister responsible for Canada Post and the Minister of Agriculture (Mr. Wise) to do whatever is necessary to enable the British Columbia Livestock Producers Co-Operative Association to receive second-class mailing status for this market publication.

* * *

TRADE

ONTARIO GOVERNMENT'S SEMINAR ON SOFTWARE EXPORTS TO UNITED STATES

Mr. Girve Fretz (Erie): Mr. Speaker, in an article which appeared recently in the Niagara Falls *Review* I read that the Ontario Government has spearheaded a two-day seminar under the new Exports to Border States Program for Ontario software companies. The seminar was developed to teach those companies how to export their products to the U.S. It was open to all first-time exporters.

I am pleased and relieved that finally the Liberal Government of Ontario led by David Peterson has seen the error of its ways and has reasoned that the large U.S. market and our access to it are vital to Canada's economic prosperity. It is reassuring to know that Canadian small businesses are not standing idly by but are preparing for that time when the free trade agreement comes into being so they will be in a position to take advantage of that which the agreement affords.

I encourage Mr. Monte Kwinter, Ontario's Minister of Industry, Trade and Technology, not to keep his program secret but to tell Mr. Peterson just how well it ties in with the free trade agreement.

S. O. 21

CANADIAN NATIONAL RAILWAYS

EMPLOYMENT IN NORTH SYDNEY, N.S.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, on June 20 the Minister for International Trade (Mr. Crosbie) said that the closure of the railroad in Newfoundland would not mean any job losses in North Sydney. This was confirmed to him by both Canadian National and Marine Atlantic. Yet the very next day, June 21, CN sent a directive to all its offices in Atlantic Canada directing them to send all containers for eastern Newfoundland east of Gander, including St. John's and all of the Avalon Peninsula, to Halifax for shipment directly to St. John's.

• (1410)

The President of Atlantic Container Express has said that the closure of the Newfoundland railroad will mean an increase in cargo shipments from Montreal to Corner Brook and St. John's of 12 to 15 per cent in 1988.

While the people in Montreal are counting new jobs the Government refuses to acknowledge the loss of jobs in North Sydney. Why is this happening? Why is the Government refusing to give compensation to the town and the people of North Sydney? Why is the Government doing unofficially what it refused to do officially, that is, acknowledge the loss of traffic in North Sydney, which is perhaps a prelude to the closure of the railroad in Nova Scotia between Truro and North Sydney?

* * *

[*Translation*]

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—POSITION OF OPPOSITION PARTIES

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, yesterday, the Hon. Member for Windsor West (Mr. Gray) complained that the Government did not allow enough time to discuss free trade in this House. However, he forgot to say that for weeks on end, the Liberal-socialist coalition has not stopped wasting the time of this House, never on substantial issues, always on procedural questions.

Mr. Speaker, he complained during the day yesterday. Last night during the free trade debate that lasted until ten o'clock, there was not a Liberal in the House, including the Hon. Member for Windsor West who did not even dare to come! The Liberals don't even bother to debate when given the time for it, but they ask for time.

That means what they say and what they do are two different things. That is how Canadians will judge them, Mr. Speaker.

[*English*]

INCOME TAX ACT

EFFECT OF PROPOSED AMENDMENTS ON MANITOBA TEACHERS' PENSIONS

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, recently I had occasion to meet with representatives of the Manitoba Teachers' Society to hear their concerns about draft amendments to the Income Tax Act and the effect that some of these will have on the early retirement provisions of their pension plan. It is a concern shared by other groups as well, such as the Manitoba Organization of Nurses Associations.

For example, the teachers' plan has, over the years, been bargained from a point of full actuarial reduction between age 55 and 60 to a point where this was eliminated entirely in 1985 with a service requirement of only 10 years.

The Government's proposals would set this progress back 20 years and unilaterally undo an important dimension of a benefits package that was arrived at through teachers giving up other things at the bargaining table because of their conviction about the importance of full early retirement benefits in a stress-filled profession which also has many younger teachers unable to find work. At a penalty of 3 per cent a year, which the Government proposes, a 15 per cent reduction for those retiring at age 55 is almost certain to prohibit such needed retirements and the consequent turnovers.

Furthermore, the proposal to lengthen service requirements discriminates against women, many of whom have had to interrupt their careers. Teachers and health care workers in particular are concerned about these proposals as both groups have a very high proportion of women. I call on the Government to rethink these ill thought out proposals.

* * *

TRADE

DEBATE ON CANADA-UNITED STATES FREE TRADE AGREEMENT

Mr. Ted Schellenberg (Nanaimo—Alberni): Mr. Speaker, what would happen if a great debate were held in this House and opposition Members of Parliament failed to take part?

That is what happened last night as government MPs filled the gap while Liberal and NDP Members failed to rise. Yet we have heard these same Liberals and NDPers crying the blues day after day about the limited time for debate on this issue.

So the great debate became the great collapse for the opposition Parties last night. You would have heard all about it in the media this morning, but the media didn't bother to show up last night either.

"Curiouser and curiouser" said Alice in Wonderland. The more we talk, the less they say. Clearly the Government of Canada is winning the debate on free trade in this nation.

* * *

[*Translation*]

REGIONAL ECONOMIC DEVELOPMENT

QUÉBEC'S SHARE—GOVERNMENT COMMITMENTS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, the Conservative Government has not respected its commitments on shipyards to Quebecers.

We remember, Mr. Speaker, that the Government promised benefits from the frigates. Quebec got nothing. This resulted in the closure of the Sorel shipyard and of Vickers in Montreal. The workers in Lauzon tell us that the Hon. Member for Lévis (Mr. Fontaine) has not looked after them and their jobs and that he has let them down.

Moreover, yesterday I met workers from the riding of Laurier—Sainte-Marie who told me that the Government has not kept its commitments on rail transport. We know about the Angus shops and Bombardier. We know that the Government allowed 30 locomotives to be built in the United States.

Mr. Speaker, we learned from a study in *Le Devoir* that once again the Conservative Government is not keeping its commitments on space research. *Le Devoir* tells us that in the past three months, the Conservative Government has given nothing for research in Quebec. Zero! Nothing! No economic benefits from research for Quebec.

* * *

[*English*]

HOUSING

METRO TORONTO—FUTURE USE OF GOVERNMENT LAND

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, the Canadian and Ontario Governments have a chance to make a large tract of land just north of Metro Toronto available for affordable housing. Over 100 acres in size, it is being sought from Works Canada by the Municipality of Vaughan for so-called institutional purposes.

It boggles the mind that a town of 57,000 people needs over 100 acres for institutional buildings. Not since the pyramids would there have been such an orgy of public construction.

The Canadian and Ontario Governments owe it to the people of the Metro region to ensure that a major part of this land is devoted to affordable housing.

Let the two Ministers involved—Canadian and Ontario—do what only they can do. Let this deal be stalled. Let the rezoning be halted until provision has been made for affordable housing as well as for institutional buildings. We need people as well as institutions.

* * *

CORRECTIONAL SERVICE

IMPACT OF PROPOSED PAROLE CENTRE ON YORK-SOUTH WESTON

Mr. John Nunziata (York South—Weston): Mr. Speaker, it has come to my attention that a parole and bail centre is proposed for 330 Keele Street in my riding in Toronto. The site being proposed is a building owned by Public Works Canada which also houses the Keele Centre, a federal community correctional centre, in other words, a halfway house.

According to the Metropolitan Toronto Police, this particular centre, which would be operated by the police, would encompass 3,000 to 4,000 visits per week. This would vastly increase the traffic of parolees and those out on bail in this area of Toronto, an area which already has more than its fair share of federal and provincial halfway houses.

Tomorrow night at Annette Street Public School the local ratepayers' association is holding a meeting to discuss this proposal. I would urge the Solicitor General (Mr. Kelleher) or a representative from the Solicitor General's office to be present at the meeting to listen to the concerns of the public. There has been too little consultation in the past and the Government has shown a flagrant disregard for community concerns and views.

I call on the Solicitor General to hold off on this proposal until the public is completely informed of the implications and the impact of this particular proposal on the community.

ORAL QUESTION PERIOD

[*Translation*]

OFFICIAL LANGUAGES

STATEMENT BY MEMBER FOR ATHABASCA—GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is directed to the Government, to the Acting Prime Minister. Only the Prime Minister can and does appoint parliamentary secretaries, who are official spokespersons for the Government. The Hon. Member for Athabasca, the Parliamentary Secretary to the Minister of Energy, Mines and Resources, should have been fired by the Prime Minister when he objected to the hiring of Francophones in his Department. He should also have been reprimanded for stating that only Anglophones should work for Petro-Canada. How can the Prime Minister let the Hon. Member for Athabasca continue

in his post as parliamentary secretary after insulting Francophones across Canada?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, because of their duties, parliamentary secretaries must act within certain limitations. In other words, they have to abide by those limitations or take the options available to them. The question is about official languages. The Government's position was very clear yesterday on Bill C-72, and there will be a vote on Thursday. I think our position is quite similar and the Government is against all the amendments and action of any kind. I think the position of the Government and of the Prime Minister is quite clear in this respect.

QUERY WHY PRIME MINISTER HAS NOT DEMANDED RESIGNATION OF MEMBER FOR WINNIPEG—ASSINIBOINE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, parliamentary secretaries are official Government spokespersons appointed by the Prime Minister. Another parliamentary secretary, who works for the Minister of Veterans Affairs, and I am referring to the Hon. Member for Winnipeg—Assiniboine, holds the view that only English should be used as the language of work in the Canadian Armed Forces. That is an insult to Francophone troops like the Twenty-Second Regiment and many others who have defended the honour of this country on the battlefield. This parliamentary secretary should have been sacked immediately, not the next day or the day after, for approving of this kind of retrograde measure.

Considering the Prime Minister's failure to act on repeated attacks by his own parliamentary secretaries against the Government's language policy, why didn't the Prime Minister show this anti-francophone, anti-bilingualism and retrograde Member the door?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I explained earlier that parliamentary secretaries are subject to the limitations imposed by their duties. The House is well aware of the fact that bilingualism is a fundamental policy of this Government. The Prime Minister has shown very strong leadership in this respect, and he has provided leadership here in the House of Commons and across this country.

• (1420)

[*English*]

REQUEST THAT PRIME MINISTER REPLACE PARLIAMENTARY SECRETARIES

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, these are not ordinary backbenchers. These are official spokespeople for the Government.

Mr. Schellenberg: What is wrong with ordinary backbenchers?

Mr. Gauthier: The Prime Minister and only the Prime Minister is responsible for appointing Parliamentary Secretaries. I just mentioned the Parliamentary Secretary to the Minister of Veterans Affairs and the Parliamentary Secretary to the Minister of Energy, Mines and Resources who have insulted francophones and got away with their repeated attacks on the official language policy of the Government.

When will the Prime Minister muster his courage and do the honourable thing by removing and replacing these negative, subversive individuals who occupy important and official positions as parliamentary secretaries?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, no Member of this House, including the Hon. Member who just spoke, can accuse the Prime Minister of Canada of being negligent on the position of official languages in this country.

Mr. Grisé: You know that very well.

Mr. Axworthy: Get him to do something.

Miss MacDonald: The Prime Minister has provided leadership to all Members of the House. He has provided leadership to Members and to the people of this country on the question of official languages.

I hope the Hon. Member who asked the question will recognize that this is an issue with regard to the Official Languages Act. Certainly Parliamentary Secretaries are appointed with limitations on their actions and they know that they must abide by those limitations, operate within them, or take the options available to them. There will be a vote on this very important issue on Thursday. We will see what people do in that regard.

I want to assure the Member and all Members of the House that the Prime Minister has provided leadership on this issue that no one can question.

Some Hon. Members: Hear, hear!

[*Translation*]

REQUEST THAT AMENDMENTS BE WITHDRAWN

Mr. Jean-Claude Malépart (Montréal—Sainte-Marie): Over the past few days, Mr. Speaker, the Prime Minister and the Secretary of State have been behaving like scaredy cats in the eyes of Francophone Canadians. I have something to say to the lady acting Prime Minister concerning the slap in the face which was given to all French-speaking Canadians by the Tory Members who tabled 136 amendments to the Official Languages Bill, including one which would make English the language of work in Federal institutions and in the National capital. Moreover, the Parliamentary Secretary to the Minister of Energy, Mines and Resources is blaming the department for hiring Francophones. The Hon. Member for Calgary North is also blaming the department of Energy, Mines and Resources for hiring Francophone employees.

My question is directed to the acting Prime Minister. In view of the insult offered by these people on behalf of the Tory Government to the French speaking people of Quebec and

Canada, and since the caucus will meet tomorrow, could she ask these anti-francophone Members to withdraw these amendments which are an insult to all Canadian men and women?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, we are going to turn down all the amendments which are contrary to the principle of the Official Languages Bill. Our policy is to apply the principle of bilinguism in Canada. Bilinguism is a fundamental tenet of the Prime Minister and all his Cabinet Members. No one can deny that. Mr. Speaker, I can assure you that the bill in its present form will be adopted on Thursday.

PARLIAMENTARY SECRETARIES—BILINGUALISM—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montréal—Sainte-Marie): Mr. Speaker, the Minister is entirely out of touch with the feelings of Francophones. It is not a question of legislation, it is a question of pride. Are we in Canada, yes or no? If so you will have to ask the two Parliamentary Secretaries who support anti-francophone legislation to resign. How could a unilingual Francophone citizen or veteran of the Montréal—Sainte-Marie riding trust a Parliamentary Secretary who does not want any Francophones to work in his department? How can the people from the Gaspé accept a Parlementary Secretary to the Minister of Energy, Mines and Resources who does not want any Francophones to work in that department?

Are you going to ask these people to resign as Parliamentary Secretaries? Also, you should withdraw the amendments and finally on behalf of all Francophones in Canada and those in Quebec in particular, I ask that these people publically apologize to all Francophones.

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I have already stated that we were going to turn down all the amendments which are contrary to the principle of the Official Languages Bill. We have already done so. Mr. Speaker, I can assure you that we will adopt Bill C-72 in its present form this coming Thursday.

* * *

[*English*]

EXTERNAL AFFAIRS

DOWNING OF IRANIAN AIRLINER BY UNITED STATES NAVAL VESSEL

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is directed to the Acting Prime Minister. Yesterday Canadians were not only shocked by the reality of the downing of the Iranian jetliner, they were also shocked by the response of the Government to questions about the Canadian response to this event, and its apparent unwillingness to consider requesting an international inquiry into this incident. They were shocked by the apparent uncritical attitude of the Acting Prime Minister of the day toward the American version of events.

The Government has had a day to think about it. Does it have a different response today? Is the Government willing to join the call for an international inquiry into this tragic incident?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the Government is not going to react with knee-jerk anti-Americanism as the hon. gentleman opposite constantly reacts whenever any matter comes up in the national or international sphere. There is an automatic Pavlov's dog reaction against the United States by the hon. gentleman opposite.

Of course we attach great importance to the safety of international civil aviation. We regard ICAO as the principal organization for ensuring the goal of safe international civil aviation. We support the convening of an extraordinary session of the ICAO Council to consider the Iran Air 655 incident. We would also support an independent investigation by ICAO to determine the facts.

As I said yesterday, we have no reason to doubt the version of the facts that the United States has presented to the world. We are not going to assume automatically that the United States version is wrong, as the Official Opposition and the NDP seem to want Canadians to believe. We are not going to react with automatic anti-American tendencies as the Hon. Members of the Opposition do. We wait, investigate, and ascertain the facts first.

• (1430)

ICAO is the right agency to look into this.

Mr. Axworthy: You don't know what you're talking about. You are an embarrassing disgrace to this problem.

Mr. Crosbie: Pavlov's dogs. They slobber whenever they hear the words "U.S.".

Mr. Blackburn (Brant): Shut up!

Mr. Axworthy: Aren't you a childish little jerk.

Mr. Crosbie: They are not even Labrador retrievers.

IRAN-IRAQ WAR—UNITED NATIONS RESOLUTION

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, it is a sad day when the office of a Cabinet Minister has to be so downgraded as it is by the persistent responses of the Minister.

Some Hon. Members: Hear, hear!

Mr. Blaikie: It is not a question of uncritical acceptance of the U.S. view, or an uncritical rejection of the U.S. view. It is a question of Canada playing its proper role on the international stage and asking for an inquiry to establish what actually

happened. That is all the Minister was asked for yesterday. That is all that he is asked for today.

We see some progress in what the Minister has had to say despite the preamble. Therefore, I would like to ask the Minister this question.

What does the Government of Canada plan to do at the U.N., using its good offices there and the reputation that we still have despite the Minister, to bring international pressure to bear on Iran and Iraq for the implementation of Resolution 598, and measures such as the arms embargo, so that we can suffocate this conflict in that tragic area?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I must point out to the House the difference, of course, between the present situation and the situation in 1983 when we had the tragedy of the KAL 007 incident. There we had eight of our Canadian citizens who were actually on that flight and went to their deaths as a result. There is a claim that we have made on their behalf against the U.S.S.R. which has never been settled. At that time—

Mr. Axworthy: Iranian kids are different from Canadian kids, is that it?

Mr. Crosbie: If I might speak without interruption—at that time we were an aggrieved party. We do not have any of our citizens involved in this incident today.

Mr. Tobin: Does that make a difference?

Mr. Crosbie: As Iran has requested that there be a meeting of the ICAO Council, we, of course, support that request since that is the proper body to investigate.

With respect to the United Nations, we are not an aggrieved party. We are not going to initiate action there.

I trust that has answered the hon. gentleman. Our position is no different today than it was yesterday. However, we are not going to react automatically unless there are some facts that indicate to us that there should be a reaction immediately. The mere mention of the name "U.S." does not mean that we are going to react in an anti-U.S. fashion.

PROPOSAL TO ESTABLISH UNITED NATIONS PEACE-KEEPING FORCE

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, the Minister says that we are not an aggrieved party. I submit that we are all aggrieved whenever commercial jet traffic such as this is put in such a position.

Some Hon. Members: Hear, hear!

Mr. Blaikie: We were not an aggrieved party in the Suez crisis in 1956 but that did not stop Canada from playing an important role. That is the type of leadership that we are looking for from the Government.

I ask the Government what is its response to the proposal made only recently by Norway, and in previous days by other countries, with respect to the idea of a U.N. naval peace-keeping force in the Gulf to replace the U.S. presence there which is becoming so destabilizing.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, our position is that we support fully the efforts of our allies, including the U.S.A., which are designed to protect international shipping and freedom of navigation in the Gulf.

Mr. Blaikie: Norway is our ally, too.

Mr. Crosbie: We continue to believe that the continued presence of U.S. naval forces contributes to the lessening of prospects for escalation of this conflict and limits the possibility of a spread to other areas.

We urge today, as we have in the past, and we will continue to urge the belligerents in this situation, that is, Iran and Iraq, to bring this eight-year old tragic conflict to an end. It should be brought to an end. We will lend our efforts to any reasonable position that might hasten the arrival of the end of those hostilities.

The suggestion the Hon. Member makes can be considered. But there has been no viable proposal for any U.N. naval force to be put in the area to keep the peace as he has suggested. We can see if any such development occurs. We can then make a decision as to whether that is a suggestion which is practical and supportable.

IATA REQUEST FOR U.S. AND IRAN DOCUMENTS AND RECORDS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my supplementary question which I pose to the Acting Prime Minister, the Acting Secretary of State for External Affairs, is this.

In the answers he has just given he seemed to say that this issue is one of whether one is pro-American or anti-American, or whether we are an aggrieved party. I simply want to say to him that I do not think it is a question of being pro or anti-American. It is a question of whether innocent civilians flying on international flights will be safe and secure from military attack. It does not make a difference whether Iranians or Canadians are the victims of this kind of action. They are human beings and therefore we have a responsibility to take some kind of action.

Some Hon. Members: Hear, hear!

Mr. Axworthy: When the Minister says that the Government has changed its position from yesterday, something we are pleased to hear, do the measures which the Government is now prepared to support include those that are proposed by IATA, the international airline association, which asks that both the major participants in this, the United States and Iran, be asked to provide all documents, all information, and all

records to ICAO so that there can be a full and impartial investigation?

Will the Canadian Government send a note both to the Iranian Government and to the American Government asking them to comply with that request?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, there has been no change in policy between yesterday and today, or tomorrow. Our policy is exactly the same.

Since yesterday Iran has requested a meeting of the ICAO Council. We will support that request for a meeting of the ICAO Council. We will support an independent investigation by ICAO of this incident. What the resolution will be and what resolution we will support will depend on the resolution that goes before the ICAO Council.

If there is to be an independent inquiry, then naturally it must have access to all the records and all the information, or it can hardly be a valid or worth-while inquiry. We do not need the suggestion of the hon. gentleman that we support a resolution of one type or the other until we see what the resolution is going to be.

With respect to us as a party, there is a difference between having our own citizens on an aircraft and therefore having a direct interest on behalf of our nation to pursue their interests, and being a nation whose citizens are not involved directly. We are not a direct aggrieved party in this matter as we were in the Korean matter.

In addition, we should also remember this. This incident occurred in an area in which hostilities were occurring—

Mr. Cassidy: And that makes it all right.

Mr. Crosbie: —in a hostile zone, not as occurred in 1983. There are a number of differences.

I say again that we have no reason to doubt the U.S. version of events that the U.S. has put out. If there comes a time in the future when there is some reason to doubt that, we would be the first to say so. We are not going to assume that the United States is guilty of any particular set of facts until they are established.

CHICAGO CONVENTION—NON-RATIFICATION BY CERTAIN COUNTRIES

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, in my supplementary question I simply point out to the Minister that no one is assessing guilt or blame. What we are trying to find out are the facts of the case. We are asking the Government to support the request made by the airline association that those facts be properly provided to international agencies. The Minister refused to say whether in fact the Canadian Government would be supporting that position.

I would further ask him this specific question. In 1983 the Canadian Government put forward proposals to ICAO that were amendments to the Chicago Convention detailing new rules of procedure dealing with the military interception of civilian aircraft. I am pleased to say that the Canadian Government has ratified that Convention, but many other countries, including the United States and the Soviet Union, have yet to ratify those new amendments to the Convention that would provide and enhance protection for international air travel.

• (1440)

Does the Canadian Government intend to pursue those countries, particularly those which are our allies, to get them to ratify the new rules that would register, monitor, and regulate international skyways in order that we can have a more secure system and not end up with the type of tragedy that we had in the Gulf two days ago?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, it is clear that there is already prohibition against the use of weapons against civil aircraft. There is Article 3 of the Chicago Convention on International Civil Aviation which has been put forward. We were actively involved in the adoption of that article. The present administration of the Government of Canada ratified that article on September 23, 1986.

We have regularly spoken out at the International Civil Aviation Organization in favour of its early ratification by all member states, not only those friendly to us. We have urged all states to ratify that amendment to the convention, and we will continue to do so.

We are glad to see that the Hon. Member opposite supports this being done.

Mr. Axworthy: I proposed it, John, never mind support.

* * *

[*Translation*]

OFFICIAL LANGUAGES

BILL C-72—PROPOSED AMENDMENTS—GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Quebec senior Minister and has to do with the Conservative caucus internal crisis over the Bill C-72 amendments. Mr. Speaker, the Quebec senior Minister responsible for bilingualism . . . I have no idea who he is because both the Prime Minister and the Secretary of State are absent.

Does the Minister agree with the Hon. Member for Charlevoix who has stated that he feels betrayed by the amendments introduced by the dinosaurs?

Does the Minister agree with the Hon. Member for Richelieu who has been talking about a schism within the

Conservative Party and who is asking that the amendments be withdrawn because they are an insult to all Canadians?

Does the Government intend to take action against the caucus dinosaurs who question the Conservative Party's commitment to bilingualism? Or will the Government remain paralysed, so much so that the Quebec Conservative Members will split from the caucus because of these amendments?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I have already said that the Government has rejected all the amendments which run counter to the principle of the Official Languages Act. The Government has turned them down.

[*English*]

POSITION OF MINISTERS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my supplementary question is directed to the Acting Prime Minister. She seems to be saying that Conservative back-benchers can put up any amendments in contradiction to government policy, to Conservative Party policy, and to the position of the Government, and there is nothing wrong with that at all.

Can the Acting Prime Minister explain why there has been no disciplinary action? Why have the Parliamentary Secretaries who proposed those amendments not been suspended from their functions? Why there has been no disciplining of those particular back-benchers? Why has the Prime Minister been silent? Why has the Secretary of State been silent? Can she explain why the Government is stonewalling while this crisis is breaking out in the Conservative caucus, which could split the Conservative caucus asunder, and our country as well?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, the Government and the Prime Minister have not stalled on this particular piece of legislation.

Mr. Cassidy: They have been silent.

Miss MacDonald: Not at all. I want to assure you, Mr. Speaker, that the actions we took yesterday to bring this Bill to a vote on Thursday speak very clearly of the intentions of the Government in this regard.

The Hon. Member for Ottawa Centre would want to put a muzzle on the House of Commons and in many ways he has tried already to do that. We say that parliamentary action should take place. Parliament should be able to express itself.

On Thursday of this week Parliament will speak. The Official Languages Act will be passed and members of the Government in its Cabinet will be united in their opposition to amendments that have been put forward that are contrary to the fundamental spirit of official languages in this country.

CORRECTION SERVICE

INDIVIDUAL ON SPY CHARGES ASSAULTED WHILE IN CUSTODY

Mr. George Baker (Gander—Twillingate): Mr. Speaker, I wonder if the Government is aware that Stephen Ratkai, who is being held on charges of spying for the Soviet Union, was assaulted on Saturday while in custody in St. John's. He was assaulted badly enough to be taken to hospital.

Can the Government explain why someone charged with such a serious offence as spying would be so loosely guarded? If he were important enough to cause such an international incident between the Soviet Union and Canada, then why was he not kept in more restrictive custody?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I can advise the Hon. Member that yes, indeed, initially Mr. Ratkai was confined in special custody. At the request of his lawyer he was released into the general population.

The assault took place several hours after that release. He was taken to hospital. It was determined that his injuries were not serious. He has now been returned to the institution and is being retained in special custody, as he originally was.

I would also point out that the institution in which he is confined is a provincial institution and not under the jurisdiction of the federal Government.

Mr. Baker: If the Government had lived up to its 1984 election promise and built a new federal penitentiary in Newfoundland perhaps this would not have taken place.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

REQUEST THAT GOVERNMENT BUILD PENITENTIARY IN BUCHANS, NFLD.

Mr. George Baker (Gander—Twillingate): Mr. Speaker, when is the Government of Canada going to fulfil its 1984 election promise and build that new penitentiary in Buchans, Newfoundland, where everybody in Newfoundland agrees that it should be built—in my future riding?

Some Hon. Members: Oh, oh!

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I am amazed at the question and allegations of the Hon. Member, although I suppose I should not be.

It was the Party of the Hon. Member that for years promised a federal jail in Newfoundland, and it never came good on its promise. But our term has not ended. I am engaged in very fruitful conversations with officials from Newfoundland, I may say at the constant urgings of the Hon. Member for St. John's West, and I am hopeful that in the very near future we will indeed be able to keep our promise as the former Liberal Government never did.

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—SMALL BUSINESSES

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is directed to the Minister for International Trade who, despite his efforts for Newfoundland, has not done very well for Canada.

Despite the Government's cross-country propaganda conferences, the research director of the Canadian Federation of Independent Business has now stated that Canadian small businesses are not likely to benefit from the extra U.S. procurement spending open under the trade deal.

How can the Minister justify a deal that leaves Canadian small businesses entirely locked out of U.S. purchases from small businesses when we have to give American firms equal treatment?

• (1450)

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I am glad the hon. gentleman has asked that question so we can try to straighten him out again.

The free trade agreement was negotiated. We know that there is a U.S. small business set-aside program. It was agreed to have a mutual opening of government procurement which extends the multilateral provisions already signed under the GATT, and estimating the size of the U.S. government procurement market which will be opened to competition from Canadian businesses, including small businesses, the portion excluded under the U.S. set-aside program has been netted out. The estimate is that Canadian businesses will be free under the agreement to compete for a portion of the U.S. government spending, estimated at $3 billion Canadian. That was not possible before, Mr. Speaker.

Why is it that the hon. gentleman always attempts to twist the agreement? Doesn't he realize, as Thomas Shelton once said: "The truth shall always prevail above lies as the oil above the water"?

Mr. Langdon: Yes, Mr. Speaker, that is my faith.

Mr. Crosbie: Practise it.

TERMS OF AGREEMENT

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have a supplementary question.

Why is it that not just small business offsets have been left out of these agreements? According to the U.S. draft statements of administrative action the following categories have also been left out of possible purchase contracts from Canadians: small business and minority business programs; Department of Defence programs; the hand tools program, cargo transportation preferences; construction contracts; service contracts; purchases by the Department of Agriculture and purchases by state and local governments? How can there be so much left out for Canadian small business—

An Hon. Member: Because of your complaining.

Mr. Langdon: —when this Minister claims that he is trying to help small business with this deal?

An Hon. Member: What about the provinces, and the Crown corporations?

Hon. Otto Jelinek (Minister of Supply and Services): Mr. Speaker, I cannot understand how the Hon. Member can ask that supplementary question after the Minister for International Trade just explained very clearly to him that he was totally wrong in his initial question put to the Government.

The set-aside program for small business in the United States has been taken under consideration in drafting the free trade agreement. Canadian businesses will have access to $3 billion worth of new business in the United States.

Further to the announcements made by this Government yesterday, the small business community, which is the backbone of the economic might of this country, will get its fair share of all government contracts in low dollar value contracts as well as sub-contracts for major purchases, so the winners are Canadian small businesses now and in the future.

* * *

MULTICULTURALISM

GOVERNMENT FUNDING FOR NEW PROGRAMS

Mr. William G. Lesick (Edmonton East): Mr. Speaker, my question is for the Minister of State for Multiculturalism. The Minister of State for Multiculturalism and the Deputy Prime Minister announced some weeks ago a significant increase in the programs in the multicultural sector. He announced an increase of $60 million in new money for new programs to give effect to the commitments made in Bill C-93.

Will the Minister inform the House about his intentions for implementing these programs, and that includes those in Alberta and possibly Edmonton, as well as assure the House that he intends to act swiftly to bring forward the new measures he and the Deputy Prime Minister announced some weeks ago?

Hon. Gerry Weiner (Minister of State (Multiculturalism)): Mr. Speaker, our intention is to proceed now. Program criteria are in preparation for the new directions that stem from the C-93 policy commitments. Announcements will be made very soon and I know the Hon. Member will be very pleased.

I hope all Members of Parliament will want to endorse the view of the CEC which has given strong support to the improved multiculturalism Bill in which the Government is

bringing forward our continued commitment to the ethnocultural communities.

* * *

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—SMALL BUSINESSES

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, my question is for the Minister for International Trade.

The *Financial Post*, which is a newspaper in favour of free trade, and Catherine Swift, Research Director of the Canadian Federation of Independent Business, who is also in favour of free trade, said that Canadian small businesses will lose $4 billion worth of U.S. procurement. Why are Canadian small businesses limited to American procurement while U.S. small businesses are open to Canadian procurement? Why this discrimination?

Hon. Otto Jelinek (Minister of Supply and Services): Mr. Speaker, it is obvious that once again the members of the Liberal Party are not listening to what is going on in this Parliament. Exactly the same question was posed two or three minutes ago and answered both by the Minister for International Trade and myself.

While I am on my feet, let me confirm again what I and my colleague, the Minister of State for Small Businesses, announced yesterday. The initiatives which this Government has taken with respect to procurement on behalf of the Canadian small business community will increase opportunities for Canadian small businessmen in Canada with the free trade agreement, as well as with general procurement in Canada, by over 50 per cent.

This is a major step in the right direction and I can assure the Hon. Member that members of the International Federation of Independent Business who were at my press conference in Toronto yesterday were in total and full support of these initiatives taken by the Government.

REQUEST FOR AMENDMENT OF LEGISLATION

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, yesterday the Minister gave us smoke and mirrors. He gave us no regulations or detail on how he will accomplish this new policy.

Specifically, will the Minister amend the legislation in order to correct the discrimination between U.S. small business and Canadian small business? Why is Canadian small business not allowed to have total access to the American procurement?

Hon. Otto Jelinek (Minister of Supply and Services): Mr. Speaker, I cannot understand the Hon. Member asking that question again. How much clearer can we put it in saying that the Canadian business community will have access to an estimated $3 billion worth of United States business while the Americans will have access only to $400 million worth of Canadian business?

Clearly the Canadian businessmen come up on top, nearly 10 to 1 on this initiative. That is just one reason that the free trade agreement is good for Canada, good for Canadian small businessmen, and good for all Canadians.

* * *

INDUSTRY

DISPOSAL OF MASSEY COMBINES ASSETS

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is for the Minister of Regional Industrial Expansion.

By this time tomorrow the assets of Massey Combines Corporation will have been sold off unless the Government intervenes to delay that sale when it comes before the Supreme Court of Ontario. Will the Government let hundreds of Canadians jobs disappear forever, or will it screw up its courage at this last chance to buy some time so we can find a buyer who will keep those 2,000 jobs in Canada, in Brantford, Ontario?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, as my hon. colleague well knows we have been following this very carefully. A receiver has been appointed by the court. Some assets are being sold according to the dictates of the court. That process, as I say, is being monitored very closely.

REQUEST THAT MINISTER INTERVENE

Mr. Derek Blackburn (Brant): Mr. Speaker, the Minister knows the bottom line is to keep the parts manufacturing as a nucleus here in Canada. That parts manufacturing for the conventional combine has already been transferred to none other than Victor Rice whose Varity Corporation wholly owns Massey Ferguson of the United States.

Here is the Canadian owner buying back his own technology at bargain basement prices and transferring jobs out of Canada, out of Brantford, to the United States. I am asking this Minister to intervene tomorrow at Osgoode Hall as a major shareholder of Varity Corporation to stop this scandal, because that is what it is. It is morally repugnant not only to the people of Brantford but to Canada itself.

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, first, I dispute many of the claims that my hon. colleague has just made.

Mr. Blackburn (Brant): They are facts.

Mr. de Cotret: The facts are as I mentioned before in this House, the two very major packages of MCC assets were sold to Canadians with the very specific intention of retaining the technology, particularly the axle technology, and the jobs associated with it in Canada and the supply of combines and parts to dealers in Canada.

Mr. Blackburn (Brant): What about conventional combines going to the United States?

* * *

• (1500)

AGRICULTURE

WESTERN DROUGHT—PRICE OF BREAD

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of State for Grains and Oilseeds. Today's press carries reports indicating that the baking industry is planning to raise the price of bread by up to 10 cents a loaf as a result of the drought in western Canada. The price of a bushel of wheat to the industry will in fact fall at the end of this month due to the abandonment of the two-price wheat system.

Will the Government allow bakers to increase the price of bread charged to Canadians at a time when the price of wheat is actually falling?

Mr. Lee Clark (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, as all Hon. Members know, the drought in western Canada has in fact moved the price of grain up at the export level, but as most Hon. Members know, Canadian bakers have been buying their product under the two-price system for many years and will continue to do so until August 1 of this year. The truth is that even with the increase in grain prices which has occurred these last few weeks and perhaps months, there will be a decrease in the price of grain assuming no further increase as of August 1. Therefore, there should be a saving to the consumers of Canada rather than an increase as of August 1.

Any action by the bakers of Canada or any other food processors to take advantage of the drought by trying to pass unjustified price increases on to the consumers of Canada will in fact be unwarranted and unconscionable.

REQUEST THAT PRICES BE MONITORED

Mr. Maurice Foster (Algoma): Mr. Speaker, my supplementary question is directed to the Acting Minister of Consumer and Corporate Affairs. Now that the Parliamentary Secretary has confirmed that there is no justification for increasing the price of bread even though there is a drought in western Canada, will the Acting Minister of Consumer and Corporate Affairs put in place a tough monitoring system to ensure that consumers do not get ripped off and that prices are not unjustifiably increased?

[*Translation*]

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, there are obviously control mechanism in that regard at the level of Consumer and Corporate Affairs Canada, and I will make sure the Department gives that matter proper consideration.

* * *

[*English*]

UNEMPLOYMENT INSURANCE ACT

PARENTAL BENEFITS

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, my question is for the Minister of Employment and Immigration. Last month, a landmark decision was made by Justice Barry Strayer of the Federal Court of Canada who ruled that the Unemployment Insurance Act discriminates against natural parents by denying them the child care benefits which are available to adoptive parents.

In his ruling, Justice Strayer makes a clear distinction between pregnancy benefits which are benefits extended to women for purposes of health, and parental benefits which are benefits available to adoptive parents for the purposes of child care and bonding.

When will the Government introduce legislation to amend the Unemployment Insurance Act to remove discrimination against natural parents?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration)): Mr. Speaker, we have received the reasons for the decision and naturally we are waiting for the final decision. When we get it, and we do not expect it before September, we as Government will take the necessary measures.

[*English*]

REQUEST FOR AMENDMENT OF LEGISLATION

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, there is an urgent need for these amendments. We know that Canada is ranked behind other industrialized nations in the provision of child care benefits. This has been made very clear by the courts. When will the legislation be amended so that natural parents will not be discriminated against?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration)): Mr. Speaker, there is no need to reiterate to this House the concerns that I also have as a woman and a mother.

We have, of course, studied the situation very closely and as I have just said, the Government is waiting for the final decision to be rendered before implementing the measures that will be needed to uphold the right of natural parents.

ROUTINE PROCEEDINGS

[*Translation*]

PEACE PROCESS IN CENTRAL AMERICA

PRESENTATION OF FIRST REPORT OF STANDING COMMITTEE

Hon. John W. Bosley (Don Valley West): Mr. Speaker, further to this morning's decision, I have the honour of tabling, in both official languages, the first report of the Special Committee on the Central American Peace Process.

[*English*]

The report is entitled *Supporting the Five*, and out of respect for those most central to this report, a Spanish version is being produced for distribution in the region.

The committee has examined ways in which Canada could play a constructive and positive role. Clearly, the peace process itself must continue to be directed by Central Americans. Canada's role should be to assist and to encourage those in charge of that process.

Specifically, Canada can immediately help in designing and possibly participating in ceasefire verification systems. In fact, we are awaiting a formal invitation. Beyond that, Canada can strengthen the peace process through human rights and democratic development programs, economic assistance and by the consolidation of diplomatic representation in the region.

This report is unanimous. All our recommendations spring from the single conviction that has guided our work, namely that Canada should do everything in its power to support Central Americans in their own search for peace in ways they deem useful.

GOVERNMENT ORDERS

[*English*]

CANADA-UNITED STATES FREE TRADE AGREEMENT IMPLEMENTATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Crosbie that Bill C-130, an Act to implement the Free Trade Agreement between Canada and the United States of America, be read the second time and referred to a legislative committee; and the amendments of Mr. Axworthy (p. 16661), and of Mr. Young (p. 17089).

The Acting Speaker (Mrs. Champagne): Before the House rose at one o'clock p.m., a subamendment to the amendment on Bill C-130 was proposed by the Hon. Member for Beaches (Mr. Young). The Chair took the subamendment under advisement and I am now prepared to place it before the House.

Hon. Edward Broadbent (Oshawa): Madam Speaker, this debate that we are currently involved in is about two possible futures for our country. The one possibility is based clearly and constructively on our own historical traditions and the other represents a clear departure from that tradition and a radical shift away from what has become the Canadian heritage.

Beyond the surface similarities, there are on this North American continent of ours two strongly competing images of the good life. If this deal is consummated, the odds are very great that it will be at once witness and participant to the triumph of one image over the other.

With unintended irony, the Prime Minister (Mr. Mulroney) said in his first speech in the House of Commons: "Give us 20 years and you will not recognize this country". Well, we do not intend to give the Prime Minister 20 years. We do not intend to give him even eight years because we love this country of ours, and it is neither desirable nor his right to change our country beyond recognition.

[*Translation*]

Madam Speaker, this agreement surrenders our inalienable right to make our own decisions. It takes away our right to control our ancestral heritage. It denies us control over our natural resources. It even makes our water available to the United States. It threatens many jobs in our factories, in the agricultural sector and in our resource industries. It is a threat to the Auto Pact. It is a threat to women, especially those working in the service industries. It weakens our control over the environment. It gives Washington powers that are the prerogative of our provincial capitals. Madam Speaker, it does not even guarantee us access to the U.S. market. This agreement is totally unacceptable.

• (1510)

[*English*]

Although it does all these things, and for those reasons alone, in the opinion of my colleagues and a majority of Canadians who have now become more and more familiar with what is involved, the deal should be rejected. Today I want to talk about the much broader context within which I believe this accord ought to be seen. I do this because I deeply believe that what is at risk is the very idea of Canada as it has come to be known, particularly during the last five decades.

[*Translation*]

I may point out, Madam Speaker, that I did not say Canada itself is at risk. What is at risk is our present values, those that are shared and respected by all Canadians, both Francophones and Anglophones. If we hold these values dearly, we cannot accept this agreement. I am not talking about economics but about values and principles.

[*English*]

This debate is not about whether one narrowly defined economic system or aspect of commercial activity or another should be accepted. That is a much too restrictive interpretation to put on what is clearly involved in this historic decision. This debate is really about whether what I would call the Canadian way or the American way will prevail in our country. Both images overlap, of course, but such commonality should not obscure some very important and quite profound differences.

If you will permit me, I would first like to explain what I mean when I say "The American way". I mean by that a kind of society in which not only market values have been embedded in the system directly, but one in which those values come to dominate virtually every aspect of life. I want to be specific. I refer not simply to the buying of goods and services according to market principles but to the virtual transformation of everything else in society within the framework of those market values. I refer to culture, I refer to religion, I refer to social policy—

Mr. Hnatyshyn: Religion?

Mr. Broadbent: —all of which, I suggest to the Minister of Justice (Mr. Hnatyshyn), properly understood in American society, have come to be dominated by market values. The most significant growth in religion, I say to the Minister, is in the fundamentalist sects in the U.S. which have come to equate Christianity with the successful making of money. That is not my view, it is a view which has been expressed not only by some North American but the world's leading theologians.

Market values have come to be all pervasive in the United States. Of course, and I say it right away, there are exceptions, but this is unquestionably the pattern of U.S. development as every serious observer from Alexis de Tocqueville in the past to Michael Harrington in the present has had the intelligence and insight to understand. It has its pluses and it has its minuses, but Canada has marched to the tune of a different drummer.

Yes, we, too, have accepted the market principle in Canada but from the very outset of our country's history we understood the limitations that ought to be put on that system. We have not allowed market values to become all pervasive. We are committed to life and liberty but we are also committed to a sense of community. This has become in my view particularly marked during the historical developments of the last 50 years but also, as I said, right at the outset.

Our founding Prime Minister, Sir John A. Macdonald, well understood that if this country called Canada, with its two founding nations but soon to be rich and diverse in language and cultures, was to survive, then something other than market values would have to exist. That was particularly true at that time as illustrated by state involvement in the building of our transportation system, which would never have come into being if we had relied upon the market system of the United States.

However, as I say, the changes which have come to characterize and distinguish Canadian life from American life have become most marked since the 1930s and, I would argue, have now come to be so pervasive that it makes immense good sense to talk about a Canada distinctively different from the country immediately to the south. It is in this development we have taken on a character as a nation that makes us much more similar to countries in the northern part of Europe than to the United States of America.

Recently, to illustrate a small point, I was invited to speak in another country. I left my home, got in my car, bought gas in a PetroCan gas station, listened to the CBC, and got on an Air Canada plane. All of this was perfectly routine for me. All of those institutions, as Canadians will recognize, are Canadian institutions in the public sector, none of which exist in those forms in the U.S.

Let me be even more concrete in talking about how different values have worked themselves out in our two quite different nations. First, something which is on the surface mundane and practical, is our medicare system. In the U.S., because of a different value system, the medical care system is still regarded as a marketable item to be bought and sold in the market-place like any other good or service. Americans are encouraged to fend for themselves. The consequence, of course, has been that in the U.S. today there are 36 million Americans without any form of medical insurance whatsoever, twelve million of whom happen to be children. In Canada, where we made the decision that the market-place is not something to dictate all values, we took medical services out of the market-place and have long since regarded them as a right of citizenship, not simply a good to be purchased by whoever can afford it.

If we look again at something as practical in the lives of real human beings as unemployment insurance and minimum wages, we find once again the value systems of the two countries are quite different. In the U.S. there is a strong belief that if a man or woman becomes unemployed, it is predominantly to be understood to be his or her own fault. In Canada we recognize, particularly since the 1930s, in our institutions reflecting the change in values, that if a man or a woman becomes unemployed, overwhelmingly the fault is not within that man or woman but in the economic system. As a consequence of these two quite different value systems the two countries have assumed quite different practical institutions. In the U.S. today only 25 per cent of American workers are covered by unemployment insurance. In Canada, 85 per cent of workers are covered by unemployment insurance. In Canada, all provincial minimum wages are over $3.20 an hour. Eight states in the U.S. have absolutely no minimum wage whatsoever and three are set at less than $1.60 an hour.

• (1520)

Another practical aspect is the right of trade unions, to which people on the other side very frequently allude when talking about countries like Poland. They claim the importance

of trade unions in that country and other unfree systems but are only very infrequently prepared to defend those institutions here in Canada. I, as a Canadian, believe that apart from the development of democracy itself in the last 100 years, the right of trade unions to exist in developed societies is probably the most important institution giving freedom to workers which has emerged in the last 100 years.

In Canada our rate is hardly yet comparable to western and northern Europe, but 37 per cent of our workforce is in unions. However, in the United States only 17 per cent of the workforce is unionized. While the situation continually gets better in our country, I regret to say that it continually gets worse in the United States.

With regard to agriculture, when subsidies have been brought to bear in the United States, they have been seen to be anomalous to the system and described as exceptions to the rule. They have been said to be temporary even if they have lasted, at times, a decade or so. In other words, they have gone against the prevailing system which is to leave each farmer on his own, not only in the market-place in the United States but in the global market-place.

In Canada our approach has been different once again. With regard to institutions as diverse as the Canadian Wheat Board and marketing boards for egg, poultry, and milk producers, we have not responded simply in an ad hoc fashion to bail farmers out in any given crisis. We have seen farmers and farming families as an integral part of the community with rights which should include certain organizational principles which will not leave them the uncared for victims of a market system which can simply throw them hither or yon. Once again, we have brought an organizational principle to the economy which differs radically from that which exists in the United States.

Another area is regional development. We in this country have developed, particularly since the Great Depression, a commitment to the view that regional development is fundamental to the notion of what Canada is all about. Some of us worked hard in the 1981-82 constitutional period to ensure that the notion of equality was written into our Constitution in terms of regional development opportunities. I can tell you that you will not find that in the United States Constitution where, once again, the concept of a market-place prevails.

I go beyond my Party on everything I have said in terms of value systems. Elements in all Parties and all regions believe that a young boy or girl growing up in this country in 1988 ought not to have to move to Toronto to get a job. Our diverse country has really four or five economies within the bosom of one nation. We believe that the federal Government has a fundamental obligation to deal with regional economic development. In our view the present Government has not adequately addressed that issue.

The principle I am talking about is crucial. We have become aware as a nation of the importance of that principle in our economic development whereas in the United States, apart from the crisis actions of Roosevelt in the 1930s with the Tennessee Valley Authority, the only major economic policy coming from the national government in terms of regional economic development has been to use the military as an instrument for building jobs in one part of the country or another. The notion that you ought to interfere within the so-called natural workings of the market-place to ensure genuine equality of opportunity and development is not embedded in the philosophical system of that country.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Similarly, in cultural policy, our country, again in a tradition much closer to that of Europe, and many Asiatic countries as well, has almost from the start had the view that the Government as well as individual citizens outside the state mechanism have an important role to play in culture. Whether talking about the CBC, regulations in broadcasting policy to ensure Canadian content, provincial and federal Government grants for major art projects, or tax laws designed to encourage the development of Canadian magazines and the fostering of Canadian publishers, we have seen a role of the democratic state in the encouragement and fostering of Canadian individual talent. That tradition, shared elsewhere in the world, has been profoundly absent in the United States.

I want to make the point that important value differences exist which distinguish us from the United States. We have very different approaches to medicare, unemployment insurance, unions, farmers, regional development, wage policy, and culture. In short, Canadian life is remarkably different and, I believe, remarkably better in these crucial aspects of existence than in the United States.

Some Hon. Members: Hear, hear!

Mr. Broadbent: In this context, there are many Americans who share our view. They are not the mainstream Americans but there is the noble tradition of Eugene Debs and Thomas Payne and, in a different context earlier, Thomas Jefferson. There is the modern tradition of Michael Harrington.

Last Thursday night I was in New York at a remarkable gathering where I shared in the celebration of the contribution to American society of one Michael Harrington. I was pleased to be in that gathering with some very exceptional Americans who have gone against the tradition of their own country because they, too, one day would like to have established within their nation a different kind of tradition building on the foundation of their nation, of a minority tradition.

At this gathering was Ted Kennedy, Gloria Steinem, Barbara Ehrenreich, and Michael Harrington himself, all Americans. The very interesting thing was that those Americans said to me, on an individual basis, what they have said countless times in public. Whether talking about equality rights for women, state automotive insurance in our western provinces, or social programs as Michael Harrington mentioned, without exception these Americans are looking to

Canada for leadership and they want us to retain our independence.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Let me summarize in a graphic way the differences which exist in the 1980s through the following story. Not long ago I was discussing with another Canadian the respective elections which occurred in the United States and Canada in 1984. We were talking about how these elections illustrated, each in its own way, the very different countries which we have come to have at this point in history in North America.

I think this Canadian was dead on when he said to me that Canada is so far advanced over the United States in these respects that even a Conservative Party in 1984 would not have dared to openly attack medicare whereas the United States, in the same year, was so far behind that even a progressive American like Ted Kennedy could not openly advocate a state system of medicare and have it politically acceptable. That says a lot about the difference between our two countries. It is a very graphic and accurate illustration of the difference between our two nations, each very positive in its own way.

Speaking as a social democrat and a Canadian by birth, I certainly have no doubt about which land I would want my children and my grandchildren to grow up in. Therefore, I have no doubt at all about where I ought to be when it comes to voting on this particular measure.

• (1530)

[*Translation*]

We can either agree or disagree with this argument, but if we agree, there is of course the question: Is there a problem with these principles in the agreement? There certainly is a problem, Madam Speaker. The business world said so clearly enough, and I quote: "Life will become far more competitive for everyone. There can be no free trade, no liberalization even of trade between two countries if one has a host of social programs and the other has hardly any".

[*English*]

That was William Ritchie, President of the Scotia Bond Company. Another business person who spoke candidly about what was involved said:

[*Translation*]

"We in Canada will be forced to create the same kind of environment that exists in the United States, whether we are talking about unemployment insurance, compensation programs for employees, tax rates or just about anything".

This was said by Laurent Thibault, president of the Canadian Manufacturers Association.

[*English*]

I could cite many more, but perhaps one other will suffice. Recently I picked up a paper in the airport and read two observations made by the President of the Ford Motor Company in Canada. The first was that he favoured this deal. The second observation was directly related to that. He was speaking from an Ontario perspective and said that he objected to Ontario laws that have evolved over a period of years. He said the laws would have to change in order to compete with the United States. He said that we have labour laws that provide too many benefits—

Mr. McDermid: We compete with them now.

Mr. Broadbent: He said we will have to make changes in terms of safety considerations and pensions.

Mr. McDermid: I read what he said. He was wrong.

Mr. Broadbent: He was expressing very serious concern when he was asked where the Ford Motor Company might locate the next plant. He was quite specific in saying that the Ford Motor Company would have to consider all these important differences that exist in Canada compared to what exists in the United States—

Mr. McDermid: It is $1,200 cheaper in Canada.

Mr. Broadbent: This means that as a businessman he well understood the unstated agenda of many people in this country, which is to reduce all our social benefit levels down to those in the United States.

Mr. McDermid: Absolutely wrong. It is cheaper to build a car in Canada than in the United States. Get with it.

[*Translation*]

Mr. Broadbent: Madam Speaker, it is not just a question of businessmen's ideology. If one looks closely at the Agreement, one can read—and even the Minister could read, if he wanted to read the document —that over the next seven years, both Governments are to consider the concept of subsidies. The two Governments are to harmonize the concept, that is to say they must over the next seven years see to it that the notion of subsidy that exists in Canada is brought into line with the American notion.

[*English*]

That is to say, we will be drawing on our tradition and the United States will be drawing on its tradition to discuss and decide on a final common definition of what is to be a subsidy. That is not a small matter.

When we consider recent history in the United States, specifically in terms of the discussions that have taken place between the two countries to determine what they view is a subsidy, it should cause all Canadians who care about the future of this country a great deal of concern.

At a hearing in Atlantic Canada involving exports from there to the United States, no fewer than 50 of our programs

were described as constituting subsidies. Of course, these included regional development programs, Canadian pension plans, our medicare system and our unemployment insurance system. All of those are consistent with what I have described as the prevailing American ideology and all of which have become engrained in the belief of our system as not constituting subsidies but constituting an inherent aspect of the Canadian way of life.

Mr. McDermid: Hear, hear!

Mr. Broadbent: The Minister is saying that he agrees.

Mr. McDermid: Thanks for the promotion.

Mr. Broadbent: I do not want to insult the Member by suggesting he is a Member of Cabinet. I withdraw that.

When it is time to consider what will constitute a subsidy, is there any illusion about whose definition will be accepted?

Mr. McDermid: I give up. My hands are up.

Mr. Broadbent: I am saying that if any government in Canada sits down in the next seven years after this deal has been put in place to talk about what constitutes a subsidy, whose belief system will predominate? Is it that of Canada or that of the United States which is 10 times larger in terms of population and power? Anyone who says that the Canadian system will predominate is either misleading the people of Canada or dreaming in Technicolour.

Mr. McDermid: The biggest inferiority complex in Canada.

Mr. Broadbent: Leading a Party, fully aware that when these discussions started—

Mr. McDermid: "We can't compete". You will make a great leader of this country.

Mr. Broadbent: We will have that competition any time you want to call the election.

Some Hon. Members: Hear, hear!

Mr. McDermid: Ed Broadbent cannot compete. He is giving up on Canada already.

Mr. Broadbent: We hear the bogus argument about being unable to compete. I want to tell the Parliamentary Secretary that when the Government entered into this deal we were $19 billion ahead in competition. We knew who was ahead. We did not embark on this kind of idiocy.

Mr. McDermid: Because you are short-sighted.

Mr. Broadbent: Because we have confidence in the future of this country. We have decided that we do not have to become Americans to become successful. That is the difference.

Some Hon. Members: Hear, hear!

Mr. McDermid: We can compete.

Mr. Broadbent: The Conservatives may want to put all of our value system into jeopardy—

Mr. McDermid: Nonsense.

Mr. Broadbent: —but we in this Party are not prepared to put what is best for Canada at risk.

It may well be that the Tory vision is the one that Margaret Thatcher came here and preached. Margaret Thatcher is running a country that is more divided than at any period in its history. It has a south that becomes richer and a north that becomes poorer. She is destroying the medicare system and starving her universities. The Tories may want that vision for Canada but the New Democratic Party categorically rejects it.

Some Hon. Members: Hear, hear!

Mr. Broadbent: It is the same people with that ideology who like Ronald Reagan's model in the United States. During my visit to New York I went to a play where I picked up a program that advertised a watch for sale at $7,000. When I walked out of the theatre, I saw a woman lying on the street covered with blankets. They may want that kind of America, with the rich getting richer and the poor getting poorer, but we reject that.

Some Hon. Members: Hear, hear!

Mr. McDermid: Even you do not believe that, Broadbent.

• (1540)

Mr. Broadbent: We have no intention of turning this country into that kind of social and economic wasteland for the majority of people.

Mr. McDermid: You can't hang that on us. Come on, get serious!

Mr. Nystrom: McDermid, take a valium.

Mr. Broadbent: We are saying that regional development programs for Canadians must be made by Canadians, and the decisions for them in the future, as in the past, must be made in Ottawa, not Washington.

Some Hon. Members: Hear, hear!

Mr. McDermid: Right on!

Mr. Broadbent: We are saying that the way to assess a cultural accomplishment is to look at the work of a Glenn Gould or a Margaret Atwood and not measure it by the commercial success of their records or the number of books they might have sold.

We are also saying that medicare ought to be regarded as a human right and not as a marketable commodity so profoundly believed in by many Tories.

Some Hon. Members: Hear, hear!

Mr. Broadbent: We are saying that Canada must remain committed to life, liberty, yes, but also to a sense of community. We are saying, in short, no to this deal and yes to Canada's children for the future.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mrs. Champagne): Resuming debate with the Minister of Employment and Immigration (Mrs. McDougall).

Hon. Barbara McDougall (Minister of Employment and Immigration): Madam Speaker—

Mr. Murphy: You're getting the same treatment because of his idiotic behaviour—goddam ape.

Mr. Horner: Watch your blood pressure, Murph.

Mr. McDermid: We heard you last night.

Mr. Rodriguez: Get back in your cage.

The Acting Speaker (Mrs. Champagne): The Chair was under the impression that Hon. Members wanted to debate the subject. The floor belongs to the Minister of Employment and Immigration.

Mr. Rodriguez: No, we don't have to listen to her.

Mrs. McDougall: Thank you, Madam Speaker. As a patriot, I, too, rise, but I rise in support of the proposed Canada-U.S. Free Trade Agreement.

I wish to discuss three issues. First, the positive impact of free trade on Canadian women—

Mr. Nystrom: Sell out!

Mrs. McDougall: Does this count as part of my time, Madam Speaker?

Mr. Blackburn (Brant): Yeah! Did you not hear McDermid? You are going to get the same treatment right now.

Mr. Benjamin: McDermid is here, Barbara, so don't bother speaking.

Mr. Blackburn (Brant): Why not sit across from her, McDermid.

Mr. Nystrom: Yeah, make an ass of yourself twice today. If you can't take it, don't dish it out.

Mr. McDermid: That's right. You have never let me finish a speech yet.

Mr. Rodriguez: Back in your cage, McDermid.

Mr. Nystrom: Back in your cave.

The Acting Speaker (Mrs. Champagne): Order, please. The Hon. Minister has the floor.

Mrs. McDougall: The message I have is an important one for Canadians.

Mr. Nystrom: I doubt it.

Mr. Riis: Get serious.

Mrs. McDougall: I want to talk about the impact of free trade on Canadian women, something Hon. Members opposite have no interest in. In fact, they have no interest in women's issues at all.

Mr. Rodriguez: Blame McDermid.

Mrs. McDougall: Second, I wish to deal with the impact on our social programs. Third, I wish to consider the impact free trade will have on employment.

Let me make it clear to start with that here is where we are different from the other Party.

Mr. Blackburn (Brant): *Vive la difference*!

Mr. Fulton: Nine Tories turn out for your speech, heavy batting.

Mrs. McDougall: We regard women as contributors to the Canadian economy, as workers, as entrepreneurs, and as consumers. Women have a right to a substantial share of opportunities and benefits that will be generated by free trade, and they shall have it.

Mr. Riis: Name one.

Mrs. McDougall: If you would listen, you might hear some.

Free trade will mean increased employment opportunities for women in the service sector—

Mr. Cassidy: A chance to work for McDonald's.

Mrs. McDougall: —where 84 per cent of employed women work.

Mr. Blackburn (Brant): You would be well advised not to read.

Mr. Fulton: You can't read speeches in the House. It is against the rules of the House to read speeches.

Mrs. McDougall: Women can anticipate new employment opportunities and new chances to advance further in their careers.

Mr. Hnatyshyn: Madam Speaker, I rise on a point of order. We sat and listened to the Leader of the New Democratic Party respond. I wonder whether or not Members of the New Democratic Party would do the courtesy of allowing the Minister of Employment and Immigration to speak. These

people who purport to believe in democracy should allow a free speech on the floor of the House.

Mr. Cassidy: Where were you when the Member for Brampton—Georgetown (Mr. McDermid) was intervening?

Mr. Nystrom: Madam Speaker, I rise on the same point of order.

Mr. Blackburn (Brant): Don't complain, never explain.

Mr. Nystrom: Madam Speaker, I think you noticed that the Hon. Member for Brampton—Georgetown when our Leader was speaking made a real fool of himself and embarrassed the House of Commons. I think if there needs to be anybody reprimanded in the House it should be him.

Mr. Rodriguez: That is a courtesy that you guys have to learn, and you will learn it the hard way.

Mr. McDermid: There is no greater heckler than you around here.

Mr. Hnatyshyn: They will never elect a bunch of fools to the House of Commons.

Mr. Cassidy: Yes, they will. There is one right there.

Mr. McDermid: Why don't you wait until I speak, and then go after me? Don't go after her, go after me.

The Acting Speaker (Mrs. Champagne): Order, please. The Chair has listened very carefully to the point of order raised by the Hon. Member for Yorkton—Melville. I wonder if he has listened to himself.

Mr. Nystrom: Yes.

Some Hon. Members: Oh oh!

The Acting Speaker (Mrs. Champagne): Perhaps he would consider acting accordingly.

Mr. Murphy: You never stopped McDermid once.

Mr. Rodriguez: McDermid was out of his seat and right up front and you didn't stop him once.

Mr. Fulton: A little bias, I think. That is what I heard.

Mrs. McDougall: It is a great pleasure for me today to talk about increased employment opportunities for women. In the service sector, where 84 per cent of women work, women can anticipate new employment opportunities and new chances to advance further in their careers. That is a very exciting opportunity for Canadian women.

Mr. Rodriguez: You're very exciting!

Mrs. McDougall: More efficient and better competitive industries will mean more and better jobs for women in the manufacturing sector—

Mr. Cassidy: How many women's jobs will be lost? What about the textile industry?

Mrs. McDougall: Growth in the primary industries will expand opportunities for women in non-traditional areas. I may say as well that women are used to dealing with children, which is what I feel like I am doing now.

For Canadian farm women the free trade agreement will improve access to the U.S. market for agricultural products and make that access more secure. Women entrepreneurs, whose numbers and successes continue to grow, will benefit from new business opportunities created by free trade.

Canadian consumers will find that the agreement will result in more competitively priced goods and a wider selection of quality goods and services. That is important to Canadian women because they are the ones who spend a substantial part of their individual or family incomes on food, clothing and shelter.

Mr. Fulton: Madam Speaker, I rise on a point of order. I think, as the Chair is well aware, there is an enforceable rule of this House that experienced Members cannot and may not read speeches into the record.

Mr. Holtmann: That's what your boss did.

Mr. Cassidy: Tear it up.

The Acting Speaker (Mrs. Champagne): The Hon. Minister.

Mrs. McDougall: Madam Speaker, the remarks I want to make today I can make with or without notes. I want to make sure that I cover it all. Hon. Members who are not listening may not be interested but the people of Canada are—

Some Hon. Members: Hear, hear!

Mrs. McDougall: —particularly since I was just approaching a point about elderly women, something which, clearly, Hon. Members opposite are not interested in at all. Elderly women, single women, and women who are heads of households are the ones who will benefit from more competitive prices for a wider variety of consumer goods.

• (1550)

[*Translation*]

As Canadians, we have good reason to be proud of our social programs and I am happy to say that a good number of these programs were implemented to satisfy needs first brought to light by women and women's groups.

The free trade agreement does not in anyway affect this vital network of social programs nor our ability to create new ones. This means that existing programs, such as the Health Insurance Program, pensions and survivor benefits, and the Unemployment Insurance Program will not be modified by free trade, nor will new programs such as our National Day Care Strategy.

In fact, the free trade agreement will cause economic growth that will allow us to put in place a solid financial base for social programs that might be needed in the future.

[*English*]

A major part of that growth has been newly created jobs, tangible indicators of the progress that this Government has made and which will continue under the free trade arrangement. Since September, 1984, 1.2 million new jobs have been created in Canada, and the national unemployment rate has dropped to 7.8 per cent. They are not make-work jobs invented by Government, but dynamic jobs created by the private sector. Another fundamental difference is that our job as a Government is to create the climate for a vital private sector. That is what we have done, and we are very proud of it. Our programs for economic renewal and revitalization are working, and so are Canadians.

As we have pointed out before, Canada's job creation performance has been the best of any OECD nation. Furthermore, our average rate of growth over the past four and a half years has been the fastest among the major OECD nations.

Mr. Cassidy: Without free trade, so why go into free trade?

Mrs. McDougall: But we will not maintain this growth momentum, as the Hon. Member knows, unless we secure our markets and expand our ability to trade—

Mr. Cassidy: You failed to secure the market.

Mrs. McDougall: —because that is where tomorrow's jobs will come from.

In today's environment to stand still is to lose ground. That is why the Canada-U.S. Free Trade Agreement is so important.

[*Translation*]

The analysis of the economic impact of free trade carried out by the Department of Finance shows that by 1993, the agreement will have brought about the creation of 120 000 additional jobs. In addition, the number of new jobs will continue to increase when the agreement is applied in its entirety.

There is no doubt that these new jobs will require more skilled workers, and that is consistent with the objectives of the labour market development programs of the Department I am responsible for.

As a Government, we have recognized that we must take conclusive and innovative measures to help Canada's labour force adjust to the rapid development of markets and technology.

[*English*]

Over the past three years, unlike previous administrations, our Government has worked closely with provincial governments and with the private sector to develop the skilled and flexible workforce that Canada must have. Adjustment will be necessary but that is true today; it is true today without free trade. Adjustment, and the ability to adjust, are signs of a healthy economy. Some industries will have to make changes, as they do today. Some workers will have to acquire new skills, as they do today.

Mr. Cassidy: Like cooking hamburgers at McDonald's.

Mrs. McDougall: But these adjustments will be small in comparison to the large numbers of jobs that free trade will create.

We already have proven programs in place that will help workers and help employers respond to the new opportunities. For examples, an old program, the Industrial Adjustment Service that brings together business and labour to address adjustment and find their own solutions, has been doing that and proven itself for more than 20 years. So, too, is a new concept, the Canadian Jobs Strategy that has developed a reputation for responsiveness to changing labour market needs at every level.

Mr. Cassidy: Time. Madam Speaker, 15 minutes.

Mrs. McDougall: The Canadian Jobs Strategy is unique. There is no question about that. It is new. It encourages communities and their industries to find their own solutions to labour market challenges. In a modern environment, this flexible response to new opportunities will be invaluable.

We are confident that our programs are sufficient to meet the adjustment needs caused by free trade.

The Acting Speaker (Mrs. Champagne): On a point of order, the Hon. Member for Ottawa Centre (Mr. Cassidy).

Mr. Cassidy: You assured me today, Madam Speaker, of your desire to maintain objectivity in the House of Commons. I would like to point out to you that it is now some 15 or 16 minutes since the Hon. Minister rose. Perhaps you allowed a minute or two because of interventions, but certainly the time now is excessive, unless you are taking the view that Ministers have the right to finish the text prepared and written for them, whereas ordinary Members have to be confined to 10 minutes. I would urge you to bring the Hon. Minister's speech to an end. She has far exceeded the time available.

The Acting Speaker (Mrs. Champagne): There were quite a few points of order that were raised once the Minister tried to get the floor. Actually, the Hon. Minister commenced her intervention at 15:48, and now another minute has gone by. Therefore, the Hon. Minister will have the floor until 15:59.

Mr. Cassidy: I rise on a point of order. I have to abide by your judgment, Madam Speaker. Certainly the clock that the New Democrats can see from this side of the floor indicated that the Leader of my Party took his seat at 20 minutes to the hour, some 16 or 17 minutes ago. If that is not the Speaker's finding, then let her live with it.

The Acting Speaker (Mrs. Champagne): When I first gave the floor to the Hon. Minister it was 15:43. We were interrupted until 15:45. Then the Hon. Minister was given the floor and actually started her intervention at 15:48. The last time I gave the time I said it would be 15:59, now it will be 16:00 hours.

Mr. Cassidy: But you wouldn't intervene for the Leader of the New Democratic Party (Mr. Broadbent) when the Member for Brampton—

Mrs. McDougall: Madam Speaker, the Hon. Member does not want to hear that our programs are sufficient to meet the adjustment needs that will be caused by free trade.

Mr. Cassidy: We want a Speaker who will be fair to both sides of the House.

An Hon. Member: Order.

Mr. Kempling: Are you challenging the Chair?

Mr. Epp (Provencher): Withdraw.

An Hon. Member: Throw him out.

Mr. McKinnon: Most boorish Member in the House.

Mr. Prud'homme: Ask him to withdraw.

The Acting Speaker (Mrs. Champagne): Different things have happened. First, I would like to comment on the Hon. Member's statement that I let other Members make comments from across the aisle while his Leader had the floor. At no time did his Leader, or any member of the Hon. Member's Party, let it be known that it was bothering the Hon. Member. In fact, at one point the Hon. Member engaged in what seemed to be a conversation with the Hon. Parliamentary Secretary.

Mr. Keeper: Boy, you are biased!

Some Hon. Members: Order.

Mr. Keeper: Are you the Chair, or not?

Mr. Cassidy: This is serious, Madam Speaker.

Some Hon. Members: Order.

The Acting Speaker (Mrs. Champagne): I know that this is very serious. At that time no one asked for the Chair to call order. No one said anything.

Mr. Keeper: Has the Chair no ears itself?

The Acting Speaker (Mrs. Champagne): The Hon. Member will wait a minute.

Mr. Keeper: Has the Chair no ears itself?

Mr. Nunziata: Throw them out.

The Acting Speaker (Mrs. Champagne): I interrupted the debate when the Hon. Minister asked for help. Two Hon. Members have made remarks which are totally unacceptable. I will give them time to think, while I listen to the Hon. Member for York South—Weston who has asked for the floor on a point of order.

Mr. Nunziata: We in the Liberal Party have been sitting back patiently listening to the debate. We find it absolutely disgusting that members of the NDP should carry on in the fashion they have been. On a number of occasions several members of the New Democratic Party, and it appears that their behaviour is condoned by their Leader, have been challenging the impartiality of the Chair. There is a long-standing tradition in the House that the impartiality of the Chair not be challenged. The NDP Members are doing so openly.

I would submit, Madam Speaker, that you have no alternative but to name the Hon. Members who are challenging the impartiality of the Chair.

• (1600)

Mr. Epp (Provencher): Madam Speaker, I very distinctly heard the Member for Winnipeg North Centre (Mr. Keeper)—as was also indicated by the Liberal Member who made an intervention just prior to mine—use the word "biased", that the Chair was biased. I believe you will find that that is unparliamentary, and I think that the House has no recourse but to ask the Hon. Member to withdraw those remarks.

Some Hon. Members: Hear, hear!

Mr. Keeper: Thank you, Madam Speaker. I would not have risen, but the Member mentioned me specifically. I want to point out that, while my Leader was speaking on a question of historic importance to this country, he was constantly hassled by a member of the Conservative Party, and that the Chair at that point made no intervention. That is what I call biased. That word is unparliamentary and I withdraw it.

Some Hon. Members: Hear, hear!

Mr. Keeper: I stand by the fact that that Member was allowed to hassle my Leader without the Chair intervening, but when we heckled the government Member, the Chair intervened. I see a difference in those two behaviours. I do withdraw the word "bias".

The Acting Speaker (Mrs. Champagne): I thank the Hon. Member for Winnipeg North Centre (Mr. Keeper) for withdrawing a remark which was totally unparliamentary. As to his further comment, he may want to recall the fact that one person may have interfered during his Leader's speech, whereas, when the Hon. Member rose, there were quite a few Members who, together, interfered.

Mr. Keeper: In response to that speaker.

The Acting Speaker (Mrs. Champagne): The Hon. Minister asked the Chair to intervene, which the Hon. Member for Oshawa (Mr. Broadbent) did not. Now there is another point in front of us. I would imagine that the Hon. Member for Ottawa Centre (Mr. Cassidy) may want to rise on a point of order at this time.

Mr. Cassidy: My comments with respect to fairness may be unparliamentary. I do withdraw them. However, I do want to indicate in a serious way my concern, which I have reflected upon a minute ago in the House, about the behaviour of the Hon. Member from Brampton—Georgetown (Mr. McDermid) when he was out of his seat, when he was deliberately sitting directly opposite my Leader, the leader of one of the three Parties. The failure of the Speaker to take any notice of that does lead to grave misapprehensions and inquietudes on the part of my Party.

An Hon. Member: Withdraw.

Mr. Cassidy: I did.

The Acting Speaker (Mrs. Champagne): Can the Hon. Member assure the Chair and the House that he has totally withdrawn the implications—

Mr. Cassidy: Madam Speaker, I preceded my remarks by withdrawing those comments and, I repeat, I withdraw.

The Acting Speaker (Mrs. Champagne): There are three minutes left in the Hon. Minister's speech.

Mrs. McDougall: I want to talk about our programs and how confident we are that they will be able to meet the adjustment needs caused by free trade. As I have outlined, adjustment is part of a healthy and growing economy. But to ensure the fastest and most relevant response to change and to opportunity, to ensure that Canadians can take advantage of opportunity, the Government has an established advisory council on adjustment. That council consists of representatives from business and labour and consumer groups and educational institutions, with *ex officio* representation from the Government. It will assess our programs to make sure that existing programs are being used effectively and, also, to ensure that we keep ahead of emerging opportunities in the labour market, because opportunities are such an important part of adjustment.

Let me end where I began. For Canadian women, free trade will mean new opportunities for employment and new opportunities for advancement in their service careers, in the manufacturing sector and in their farming and entrepreneurial lives.

Free trade—and this is where it catches the imagination—presents Canada and Canadians with both challenges and opportunities. It challenges the status quo, slow growth and limited opportunity and restricted expectations, all of which have hampered women's chances of fulfilling their potential in a country that is bursting with promise.

Free trade also offers Canada opportunities to broaden our economic and industrial capabilities as a nation and to expand the employment choices in the manoeuvrability of our workforce. This will surely benefit women, who represent a major source of our nation's potential for future jobs and, as I said in the beginning, who are full contributors as entrepreneurs, as consumers, and as workers.

New opportunity is what this agreement is about, for our regions, our industrial sectors, for individual Canadians, for men and for women and, most particularly, for our children and for our grandchildren who are going to look at the opportunities that we have left them, who are going to look at how they can afford the social programs that we have today, who are going to look at the history of our country, which began with traders and has continued with traders. Whenever we have expanded our trade potential, our opportunities have increased. We owe our children and our grandchildren no small legacy. What we owe them is the opportunities that we have had over the past 40 years and will continue to have through the expansion of our trade opportunities.

Some Hon. Members: Hear, hear!

Mr. Keith Penner (Cochrane—Superior): Madam Speaker, it is probably fair to say that no one can predict with any accuracy or any great certainty either the economic effects or the impact of this Canada-U.S. trade deal. I think the Government's propaganda that this will open the door to unprecedented future prosperity, that it will be the panacea for all of our future economic woes, has to be overstating the case, must be challenged and can be challenged.

The Hon. Mitchell Sharp, himself a former Trade and Commerce Minister, as well as Minister of Finance and Minister of External Affairs, a gentleman who served with great distinction in this House and was respected by all, has written recently, and I believe written objectively, the following:

> It is difficult to contest the assertion, at least theoretically, that the removal of remaining trade barriers between Canada and the United States would, after time—perhaps a difficult time—result in a net economic benefit to both countries, and that Canada would share this benefit, which would however be relatively modest.

So I would like to refer to three aspects of the agreement that are involved in Bill C-130. First of all, those remaining trade barriers, second, the difficult times which this agreement will undoubtedly bring for some and perhaps for many; and finally, the benefits and the costs of this agreement to our Canadian nation.

First of all, let me say that the Canadian resource sector seems generally to favour the trade agreement. They do so mainly because they believe that this agreement will provide them with a secure access to an ever expanding U.S. market. I think the question for Hon. Members is: Will it? The forest products industry has already paid heavily for this agreement in the form of a 15 per cent export tax or, now translated in some parts of Canada into higher stumpage fees, additional

government costs imposed upon the industry. The forest products industry paid dearly and paid heavily. They did so because Canadian lumber prior to the last countervail action was taking a larger share of the U.S. market. They were doing so as a result of our Canadian industry being more efficient and competitive, coupled with the advantage that we had from a favourable exchange rate.

• (1610)

Michael B. Percy and Christian Yoder, in an outstanding piece of work, a study of the softwood lumber dispute, concluded:

> It is clear that once a Canadian industry increases its market share in the United States, the formidable array of contingent-protection mechanisms will be brought to bear on it.

And he said:

> Canadian industries are thus very aware that continued access to the U.S. markets depends critically on not exceeding some implicit or explicit market share.

I contend and I say to you, Madam Speaker, and to all Hon. Members, that this principle was in effect before the trade agreement was negotiated and signed, before Bill C-130, and this principle will be in effect after Bill C-130 and the trade agreement go into effect. Surely, everyone of us in this House can understand that for any beleaguered U.S. industry all competition tends to be unfair and injurious, even if that competition stems from true market-based cost advantage. That is a thesis that has been tested in the past and will be tested in the future.

Market share, I predict, will continue to be a problem for Canadian industries selling into the United States of America. At the same time, the pricing of our resources will in many cases cease to be under our control. If a province, for example, were to restrict production of a particular resource in order to raise the export price of that resource, the province could very well be faced with a challenge under the agreement we are ratifying today. Thus, on the one hand, our access to U.S. markets will continue to be restricted and will continue to be a problem for many Canadian industries and on the other hand, U.S. access to our resources at the best possible price for them will be assured. That being the case, Madam Speaker, is it any wonder that the present Minister of Justice (Mr. Hnatyshyn) when he was Minister of Energy in 1979 told Jack McArthur of the *Toronto Star*:

> Free trade in energy with the Americans is like wife swapping with a bachelor.

Second, while I acknowledge that there may be a modest economic gain for Canada after a period of time, perhaps a time of some difficulty, what can be said of these difficulties which are almost certainly to be encountered by a large number of workers in this country? What can we say about these times of trouble? During the adjustment period I asked what help would be available for displaced workers. I tried to listen with great care to the Minister of Employment and Immigration (Mrs. McDougall). She tried to leave the impression in this House that the existing programs, labour adjustment and job strategy will be enough. I would like to challenge her and all members on the government side and say to them that I doubt that very much.

The Government of Canada has not tied this comprehensive trade agreement to a comprehensive adjustment program for industries that will be adversely affected, for employees that will be displaced or for the communities in which they live to be assisted.

I want to tell you, Madam Speaker, that I do not share the total faith of this Government or the faith of President Reagan or Mrs. Thatcher, a total faith in the intrinsic value of unrestricted, unfettered free market forces. Of course, it is true that they create enormous wealth for some. Undoubtedly that is the case, but at the same time it also imposes terrible poverty and tragic hardship on others, and we can expect to see more of that in Canada as a result of this Canada-U.S. Free Trade Agreement.

Finally, what will it cost Canada to embrace this policy of continentalism, which is implicit in Bill C-130? Sir Robert Borden said in an election message to Canadians in 1911:

> We must decide whether the spirit of Canadianism or if continentalism shall prevail in the northern half of this continent.

That message won for Mr. Borden an election in that year. Again, I refer to the analysis offered by Mr. Mitchell Sharp. He told us it is difficult to determine with accuracy the economic benefits. He went on to say:

> It is equally difficult to contest the assertion that a comprehensive preferential trade agreement with the United States would to some extent at least erode Canadian independence and sense of identity.

W. L. Mackenzie King is quoted as having said in 1948:

> I felt sure that the long objective of the Americans was to control this continent. They would want to get Canada under their aegis.

In his diary in 1950 he wrote:

> The more I think over the whole situation, the more I believe . . . that the U.S. foreign policy at bottom is to bring Canada into as many situations affecting themselves as possible with a view to leading ultimately to the annexation of our two countries.

Despite Mrs. Thatcher's purring assurances in this House that national identity is not at stake in comprehensive trade agreements, I do fear that a large, powerful, rich and influential nation like the United States of America can easily overwhelm us if we let it happen. I believe that Bill C-130 and this trade deal will help make that possible.

There is an old Indian elder in my constituency who lives along the shores of James Bay. I consider him to be one of the wisest gentlemen with whom I have ever had the privilege of conversing. He said to me not long ago when we were speaking about this trade agreement with the United States, and I end on this:

> Beware, when a small nation makes a treaty with a large and powerful one—look what happened to us.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am interested in participating in the debate on Bill C-130. I would like to spend another moment or two tracking the history or, as I have said before, tracking the genetics of this deal.

It was not a proposal that swelled from northwestern British Columbia or from British Columbia or from any of the provinces or either of the territories or from any single identifiable group within Canada; it is a business deal that was hatched in the late 1970s in the United States and became part of the campaign platform of Ronald Reagan. It took a number of years for the Republicans to find someone who could carry it forward in Canada but they certainly found a willing person in the present Prime Minister of Canada (Mr. Mulroney).

Prior to being elected in 1983-84 he went on the record time and again openly opposing the concept of a trade deal with the United States. I suppose if one looks back at the track record of the present Prime Minister of Canada, one can see perhaps, in his handling of Schefferville, how the Iron Ore Company used him as a proxy for the United States to close down that community and to close up Schefferville and turn it into a ghost town. Perhaps going back even earlier to his childhood, one finds that he used to sit on the knees of visiting American dignitaries and, for a couple of bucks, sing *Danny Boy*.

We should look too at the present Minister for International Trade (Mr. Crosbie). As I said yesterday evening, it was that same Crosbie family who wore black arm bands in 1949. They were so discouraged that Newfoundland would join Canada and Confederation rather than becoming part of the United States, that they thought it was something to mourn over.

• (1620)

There are a certain number of tests to which one must put any piece of legislation in order to determine whether or not it is worthy of a nation's approval. I suppose one would have to start by asking if the deal is reciprocal, does Canada get as good a deal based on a careful reading of the text as the United States does. The answer, of course, is clearly no.

The principle that was enunciated time and time again by government Members across the country as being the absolute bottom line was that unless there was a binding dispute settlement mechanism, the deal could not fly, the negotiations would have to be called off. Anyone would know after taking a look at the agreement that there is no binding dispute mechanism in it because U.S. law prevails under all circumstances.

Bill C-130 places all Acts of this legislature, all Acts of Parliament, beneath it. It places all Acts of the legislatures of the provinces and territories subsidiary to it, but it is not the same situation on the U.S. side. Bill C-130 places everything below it in Canada. It rises above all other Acts. However, in the United States, of course it is U.S. trade law that will prevail.

Let us take a moment to contrast our two nations, the two systems, and see where this deal is likely to go. Let us begin with a point of evaluation made by the present Solicitor General (Mr. Kelleher). While he was holding another portfolio, he calculated that the dislocation in the labour market will affect about 800,000 workers in the short term. The present Minister of Transport (Mr. Bouchard), while he was the Minister of Employment and Immigration, estimated that up to 500,000 Canadians could lose their jobs because of the trade deal. Those are not figures that came from the NDP research department or figures that I saw written on the back of the curtains somewhere. Those are figures developed by the Government of Canada for the Conservatives to be used publicly.

Let us look at the binding dispute settlement mechanism. Binational panels are bound only to U.S. laws and practices whenever U.S. firms want to challenge how we do things in Canada. They have no powers to investigate, gather facts or direct national agencies to make specific judgments. All they can do is to judge whether American trade legislation has been applied properly.

Governed by U.S. law and precedent, the U.S. can define subsidies almost any way it wants to. It can continue to harass Canadian exporters and block free access over such issues as research and development grants, seasonally-adjusted unemployment insurance and regional-provincial-local development schemes. That is something of which the people of my constituency are well aware as are most northern Canadians. The regional development programs that have been developed particularly since the end of the Second World War will no longer be possible in their present form.

Since all Canadian producers are to some extent subsidized by government-run hydro, telephones, postal services, health care systems and so on, failing U.S. firms will never run out of grounds for filing unfair trade practice suits. Following a suit brought by the New England fishing industry, for example, the U.S. International Trade Commission identified 58, not five, not eight, but 58 Canadian government programs it labelled as unfair subsidies for the Canadian fishing industry.

That will mean that in the future, under the so-called binding dispute settlement mechanism, those same kinds of trade harassments on softwood lumber, shakes and shingles, fish, potash, pork, you name it, will still be able to proceed, and because American law prevails, the Americans will still be able to sustain the kinds of incredible harassments they have been practising against us in recent years.

A couple of areas deserve particularly close scrutiny. What about the impact on the first citizens of Canada, the aboriginal people? The only major study I have seen so far on what the impact will be on the First Nations of this country—and I do not think the Department of Indian Affairs has even touched on it—has been done by the Native Council of Canada, and it shows that the implications are devastating. This is principally because of the kinds of occupations in which most of the First Nations are still involved, including tourism, trapping and other indigenous activities including those activities in British

Columbia that are highly evolved in the forestry and fishing sectors. Both of those sectors, particularly in British Columbia, are under enormous threat.

What about the environment? There has been very little talk about the environment, particularly from the government side. Where is the Minister of the Environment (Mr. McMillan)? Where has a position paper from Environment Canada been hiding, or has it been developed yet? Having studied with great care the impact of acid rain on our country, we now know that the losses in terms of tree growth is billions of dollars per year. We know that the sugar maple is dying. We know that 40,000 lakes are in the process of dying as a result of acid precipitation. Nothing is being done by the U.S. or by the present Government to deal with a very serious problem.

What is being done about the greenhouse effect? What is being done about the hole in the ionosphere caused by chlorofluorocarbons and other chemicals that have an industrial origin? These are major planetary and global matters that not only are not addressed by this deal but in fact will be made worse.

The underlying desire is to lower wage structures, to lower the availability and accessibility of social programs in order to make the systems more competitive. We must understand that in making things more profitable in the present market-driven systems we see particularly in the United States, most of the major costs are externalized. Acid rain is an externalized cost.

I was in the United States when the Hudson River caught fire. Canadians would scratch their heads and say, "Rivers catch fire in the United States?" That is how much pollution there has been on a number of occasions on the Hudson and on other rivers in the United States that they have actually caught fire from the crap floating on the surface.

What about the Niagara escarpment, the Love Canal and all of the various waste dumps there? If our industries are to be bilaterally competitive with those in the United States, will we have higher environmental standards? Do we hear the Minister of the Environment trying to sustain that argument? No, we do not, because our environmental laws will be degraded by the impact of this deal.

Let us take a contrasting look at some of the main components of Canada's economic and social system versus that of the U.S. We in Canada have universal hospital and medical coverage with compulsory employer contributions. In the U.S., 40 per cent of the population is eligible for publicly-funded hospital and medical services and 36 million Americans have no insurance. Employer contributions are voluntary. All provinces have minimum wage laws as do both territories. Nine U.S. states have no minimum wage laws, and in Texas the minimum wage is only $1.40 per hour.

In Canada we have unemployment insurance. The rate of unionization is double that in the United States. Five point 3 per cent of our national income or $3,420 U.S. per pupil is spent on education in Canada. In the U.S., it is only 3.7 per cent of the national income. We have a much fairer system of income distribution in Canada than they have in the U.S. We know that the Canadian hospital system is the area that will first come under attack from this deal.

What do U.S. health care corporations look for when minimizing costs? In the words of a U.S. corporate executive:

> You cut down on people, cut down on space, cut down wherever you can. If you still can't solve the problem you try to find out if there are abuses.
>
> You let some doctors go; if you feel you're doing too much indigent care you just put a cap on the level of indigent care you will accept.

If any thinking Canadian were to take a look at what the impact on energy, the environment and social programs will be and what benefits may possibly flow from the agreement and weigh the two against each other, he or she would come to the intelligent conclusion that this deal is bad for Canada and should be opposed by every single thinking Canadian.

Mr. William G. Lesick (Edmonton East): Mr. Speaker, after all that doom and gloom, I categorically, enthusiastically support the Canada-U.S. Free Trade Agreement because it represents significant opportunities and benefits for Canada but specifically for Alberta from where I come.

Free trade is best understood as enhanced trade, as encouraging free enterprise, as encouraging our ability to work and progress, the basis of our capitalistic, democratic society. Canada is a trading nation. The Canadian economy and society have been built and structured on foreign trade. Our ability to trade creates prosperity for Canadian families. Canada must have enhanced trade to compete in an aggressive, international market-place. Free trade means more jobs, greater job security, and lower consumer prices.

• (1630)

A broad spectrum of respected economic agencies promote the benefit of a secure trading market with the world's largest free enterprise economy, the United States. The agreement respects Canada's political independence and cultural sovereignty, our unique social programs and regional development policies.

At present Canada is the only major free enterprise economy that does not have unrestricted access to a market of 100 million people or more. Thus, we are economically isolated unless we trade with the U.S. For example, Israel entered into a free trade relationship with the U.S. but not with the same benefits and not as all-sweeping as ours. Israel has not lost its unique cultural or linguistic identity because of its economic trade relationship with America. The European Economic Community also expanded its market potential for Britain, France, Germany, Italy and The Netherlands. These expanded trade markets are proof that the old systems of trade protectionism must be replaced with open markets.

The free trade system will of course create significant economic benefits for Alberta's economy. Alberta will no longer rely upon domestic markets only in buying and selling

its resources. The Alberta Cattleman's Association and the Alberta Petroleum Association are avid supporters of free trade and the opportunities it will create for Albertans. An expanded and secure resource industry will create permanent service and support sector jobs.

The agreement will build a stronger future for Canada's youth. Long-term growth means existing plants must grow, and new and better facilities must open. The youth of Alberta must have the opportunity to be employed by new as well as traditional industries, or start businesses on their own. New industries will be established as a result of the agreement. Canadian industries will remain in Alberta, no longer having to relocate in the U.S. to avoid protectionist trade barriers.

Of great importance to Alberta youth are the agreement's precedent-setting arrangements regarding trade in the service sector. Alberta is world renowned for its tourist and travel opportunities as witnessed by the success of the Calgary Winter Olympics. With service sector jobs growing faster than any other sector, the agreement will ensure that opportunities abound in this area.

Most analysts agree that the free trade agreement will benefit western Canada, especially Alberta. The Canada West Foundation, a non-profit, western based research institute has done extensive research on the Alberta free trade issue. Their study confirms that free trade is beneficial for western Canada.

The agreement assures secure market access for Canadian energy exports to the U.S. Alberta oil, gas and electricity producers support the enhanced access and security to the American market and easing of National Energy Board export regulations as a positive development for the western Canadian economy.

In talking about energy we might think only of the big companies, but it involves much more than that. It affects the petrochemical industry, research, transportation by truck, rail and air, steel manufacturing, skilled trades, and construction. The service sector will expand. An increased population will result and that creates a demand for education, public services, hospital care, recreation services. All this from an expanding energy sector.

Meat packing, the largest food processing sector in western Canada, will benefit from free trade. Oilseed mills will also benefit from the removal of high U.S. tariffs on processed oilseeds. Projections indicate that the sectors directly benefiting from the agreement account for 33 per cent of Gross Provincial Product. Most important, 75 per cent of Alberta's exports depend upon a secure American market.

Again, the agreement does not and will not adversely affect existing social programs such as medicare, child care, maternity benefits, job training, pay equity, the Canada Pension Plan, pensions for the disabled, and unemployment insurance. Neither does it prevent the introduction of new programs. We must remember that all those programs must be paid for by the Canadian people. Under the protectionist system there will be mass unemployment. We must remember that two million Canadians are working because of our exports, most of which go to the U.S.

I heard the Leader of the NDP talk about how great Canada is, and we all agree with that. He talked about the shortcomings of the Americans. After all, not every country can be as good as ours. However, essentially what he was advocating was protectionism. That is the way of the fearful. It is for those who have no self-confidence. It is for those with an inferiority complex. History has clearly demonstrated over and over again that protectionism is the way of a weak and insecure country. The NDP preach protectionism and that will lead Canada, and Alberta in particular, to stagnation, economic rust and high unemployment.

Our parents and grandparents could have said they were not going to leave the comfort of their own countries. Yet they did. They took risks, asking only for an opportunity. If this protectionist sentiment existed among our grandparents I wonder if there would have been any NDP Members here today. What if their parents or grandparents had been afraid to come to a wild country such as Canada? Wild, yes, but with opportunity.

I am suggesting that it is very important that we have this opportunity for free trade with the Americans. Theirs is the richest country in the world and they are one of the only countries who have the money to purchase some of our products and natural resources.

Several years ago we had another Government and it was supported by the NDP. Our national debt rose from $18 billion to over $200 billion. Today we pay $29 billion in interest on that debt annually with no increase in productivity to show for it. We are now paying more in interest on that debt than we are for our social programs, and if in the last twenty years we had a Government such as this we would have been able to pay for all our social programs and we would have been eminently successful.

In conclusion, free trade offers Alberta many challenges and Canadians many opportunities. The lowering of tariff barriers and a more stable business and investment climate will stimulate economic growth and create new jobs. This will result in higher wages, an improved standard of living for Albertans, and that is why we need this agreement between the U.S. and Canada.

* * *

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill S-17, an Act to authorize Montreal Trust Company of Canada to be continued as a

corporation under the laws of the province of Québec, to which the concurrence of this House is desired.

* * *

• (1640)

CANADA-UNITED STATES FREE TRADE AGREEMENT IMPLEMENTATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Crosbie that Bill C-130, an Act to implement the free trade agreement between Canada and the United States of America, be read the second time and referred to a legislative committee; and the amendment of Mr. Axworthy (p. 16661), and Mr. Young (p. 17089).

Mr. George Henderson (Egmont): Madam Speaker, I am pleased to have a few moments today, I guess 10 minutes is all I have, to speak on Bill C-130, an Act respecting free trade between Canada and the United States.

At the outset, I do not think there are too many people in the House who do not believe in improved trading relations, from wherever they may come. However, it is one thing to talk about improving our trade relations with any country and quite another to talk about jeopardizing the sovereignty of our country.

When he was campaigning for the leadership in 1983, the Prime Minister (Mr. Mulroney) said, "This country could not survive with a policy of unfettered free trade. I am all in favour of eliminating unfair protectionism where it exists. This is a separate country, we'd be swamped. We have in many ways a branch plant economy, in many ways in certain important sectors. All that would happen with that kind of a concept would be the boys cranking up their plants throughout the United States in bad times and shutting their entire branch plants in Canada. It is bad enough as it is".

During that leadership campaign in June of 1983 he went on to say the following with regard to free trade, "It affects Canadian sovereignty and we will have none of it, not during leadership campaigns or any other time".

I do not think anyone could have said it better. What the Prime Minister was saying at that time was absolutely correct. It was absolutely correct in June of 1983, and it is probably even more correct in July of 1988.

In the Province of Prince Edward Island, from which I come, our most important industry is, naturally, agriculture. Our second most important industry is fisheries, and our third most important industry is tourism.

With regard to fisheries, we were told that with this Mulroney-Reagan free trade agreement we would have guaranteed and unfettered access to American markets. Nowhere in this free trade agreement do I find that we have any protection whatsoever for our access to the United States markets as far as American remedy law is concerned, neither the laws which exist in the United States today nor the omnibus trade Bills which are before the United States Congress and the U.S. Senate at the present time.

Therefore, not only are we subjected to laws which are presently in effect in the United States, we will be further subjected to their laws in the future. There is nothing in that agreement which gives us protection from them. This agreement does not give us any more access than we have had in the past number of years. We will always be subject to American trade law.

The dispute settlement mechanism is, in my opinion, a farce. If an American manufacturer or supplier says that his product sales are being affected by subsidized goods coming in from Canada, the dispute settlement panel can only judge whether or not American trade laws have applied correctly. That is all we have, same as in the past. There is no provision whatsoever to lower the risks of such manoeuvring by American business.

On Prince Edward Island there are about 28,000 people employed, directly or indirectly, in agriculture and the fishery, that is, those involved in the processing of agricultural and fisheries products as well as the primary producers involved in the harvesting of these resources. That is about 50 per cent of our total employment force in the Province of P.E.I.

Harrison McCain is a very important business person in Atlantic Canada. Not only is McCain Foods established in Atlantic Canada but in almost every country in the world including Australia. An article in *Business Watch*, written by Peter Newman, quotes McCain as follows:

> "We're free traders by nature," he told me. "If the government were to just come out and say, 'Hey, McCain, do you favor lowering tariffs in every case that's practical' I'd of course say 'Yes.'"

The key here is "that's practical". The article continues:

> But, McCain continued, "in the case of this particular deal, I'd have to say, 'Don't dupe us in the food industry.' The problem is that we have to buy our mozzarella cheese for the pizzas we make in Canada through marketing boards. That means it costs 39 per cent more than it would in the United States. At the moment, the Americans are not allowed to ship their cheese into Canada, but with free trade, they'll be selling their pizzas here duty-free. How do we buy cheese in Canada at 39 per cent more and still be competitive? We can't be. And we have exactly the same problem with our frozen dinners because of chicken marketing boards, and so on."

That is what Harrison McCain is saying. The article continues:

> "What I'd really like to hear," came McCain's parting shot, "is somebody standing up in Vancouver, or Halifax, or Toronto right now and declaring: 'Free trade is such a great deal, I'm going to start building a factory tomorrow. I'll double my capacity! I'll build a whole new industry! My God, just let me at it!' Why aren't we hearing that? I wonder . . . "

A lot of Canadians are wondering that. We hear a lot from the business world in Toronto and Montreal saying what a great thing free trade is. However, I do not hear them saying

that they are going to expand tomorrow. It is not going to happen.

Returning to the fishery, a GATT ruling was imposed on fish processed in British Columbia. A fisherman by the name of Bruce Burrows wrote me an interesting letter which I want to read into the record. He said:

> Before I leave to go fishing this summer I have to do a little spleen-venting about yet another example of our federal government's stupidity and spinelessness. I am referring to Brian Mulroney's decision not to contest the recent GATT ruling on exports of west coast fish.
>
> Just to refresh your memory, this was a ruling by an international trade board, resulting from American complaints, that Canadian regulations calling for some of our fish to be processed here prior to export are contrary to the GATT Treaty.
>
> I'll deal with the economic effects later, but the first thing that angers me about this ruling is that it's a clear violation of Canadian sovereignty. These are our fish, our natural resources. We should have the absolute and final say on how they are disposed of. If we want to rule that every salmon exported from British Columbia must have a cherry stuck in its mouth and be called a sea pig, that is our right. Our Conservative government, whose normal negotiating position in matters of American wants is either kneeling or supine with legs spread, evidently disagrees.

I think that is a good indication of the negotiations the Government has had in the past. This is not from a processor, but from a fisherman in the Province of British Columbia. He concluded:

> We have, I think, only three possible courses of action—order a spine transplant for Mulroney and his cohorts, buy them all knee-pads for their next round of negotiating, or vote the mendacious sychophants out of office at the earliest opportunity.

I certainly would agree with that. The free trade agreement with which we are faced right now is certainly the most important agreement into which this country has ever entered. I believe that the people of this country must have an opportunity to express their views on it before it is passed and signed. I challenge the Prime Minister and the Government to dissolve the House immediately, to go to the electorate, and to let the people decide whether free trade is good or bad for this country. I, for one, welcome that opportunity. I would not mind coming back and supporting free trade if the people supported it. However, I can say that people from a province like mine have nothing to gain and everything to lose with free trade.

• (1650)

If free trade and access to the American market is such a good thing, why are the farmers, the fishermen and the forest industry in the State of Maine not making a lot of money? We know that they are far worse off than we are. They are far worse off in the hills of Kentucky than we are in this country.

Mr. Sid Fraleigh (Lambton—Middlesex): Madam Speaker, I listened with interest to the leader of the socialist Party outline the many things that make us distinctly Canadian. I support most of what he said about what makes us different, because we are different. We are Canadians.

I differ with him in how we perceive the results for Canada if we sign a commercial trade pact with one of our trading partners. In the past 20 years, trade between Canada and the United States has increased dramatically. In that same period, many of the programs that were identified by the leader of the socialist Party were either started or improved dramatically.

We must ask, why should any further improvement or expansion of trade endanger any of those programs that we enjoy, support and that make us distinctly Canadian?

Many of the programs we enjoy require funding. The best way I know to preserve and fund those programs is to have a strong and vibrant economy.

Let me take a minute to respond to the Liberal Member for Egmont (Mr. Henderson) who asked a question that I believe deserves an answer. He asked why people were not standing up and announcing their plans to build plants. One reason is that his leader is entirely negative and is threatening to tear up this agreement if he becomes the Prime Minister of Canada, heaven forbid. I am sure that upon final approval of this agreement Canada will embark upon a period of stability and economic growth. This stability, in great part, will be due to the removal of the uncertainties that face our industries and traders in dealing with our largest trading partner, the United States.

I believe this arrangement will not be a disaster for Canada, nor will it be a panacea. Other problems in trade will exist, as recent rulings by GATT have shown. However, anything we can do to level the playing field for Canada is a positive step forward.

It is my intention to limit my remarks to the impact the trade deal will have on my riding, which is predominantly agricultural with a number of small industrial plants concentrated in the urban centre, as well as a single large petrochemical plant. My riding is probably not much different from many other ridings in Canada and is a fair reflection of all of Canada.

When this Government initiated the negotiations on this pact, we made certain commitments to agriculture. We promised to consult, and we did, setting up sectoral advisory groups from the private sector to assist and advise our negotiators.

The group representing basic agriculture plus the food and processing industry was made up of individuals highly respected by their peers for their experience in various sectors. Having known some of these people personally, I can assure the House that they were of the highest calibre and brought much to the bargaining table. As Canadians, we owe these people thanks for a job well done.

We also made a commitment to the supply management sector that their marketing system and the underpinnings which are necessary for it to survive, namely import controls, would remain intact. Not only did we deliver, but in the dairy sector we have added to that list a number of processed

products which the industry indicated were vulnerable. The Minister of Agriculture (Mr. Wise) has stated many times that if a secondary processed product threatens any of the supply managed systems, it will be added to the list. As well, just last week this House, under the leadership of the Government, passed in all stages a new Canada Agricultural Products Act that will protect our horticulture industry from seasonal dumping by U.S. producers.

For those who have any doubts about this Government's commitment to this sector, the Government approved the establishment of a national boiler hatching egg agency at the very time the bilateral trade negotiations were in progress.

It was our Party that established the chicken marketing agency in 1979, which the chicken producers of this country now enjoy.

Let me turn to those sectors which stand to gain by this arrangement and are supportive of the initiative. These sectors include the grains and oilseeds and the red meat groups, as well as a large number of secondary processors in the food and beverage sector.

Red meat producers have had free movement across the border with very limited tariffs for some time. Under this agreement, that access will continue.

Pork is our second largest export commodity in agriculture. We operate in what is considered to be a North American market in red meats, both cattle and hogs, where meat and meat products move back and forth across our borders with limited or no tariffs. In all cases, those tariffs are reciprocal.

Some 20 years ago, when I first became involved with the pork industry, we had 9 per cent of that North American market. Today we have 16 per cent of that market because we outsmarted and produced a better product than the Americans.

The Canadian oilseeds sector has punitive tariffs against it, which effectively has shut it out of the U.S. market. According to this agreement, those tariffs will go. End user certificates in grains will maintain our quality control system. It is a system that has made us a world leader in supplying quality grain to the export market.

According to this arrangement, the U.S. will not be able to use export subsidies for products going into the Canadian market. Canada maintains the right to protect our horticultural sector from seasonal dumping by the United States. Canadian agriculture can and will prosper.

I want to outline the benefits the trade agreement will bring to other industries in my riding. Like all other petro-chemical plants in the neighbouring riding of Sarnia—Lambton, commonly known as chemical valley, the plant in my riding is fully supportive of the trade initiative. This plant is world scale and is looking forward to the day when the punitive tariffs against its industry will be removed.

The Acting Speaker (Mrs. Champagne): Order. Unfortunately, I must interrupt the Hon. Member. Is there unanimous consent for the Hon. Member to conclude his remarks?

Some Hon. Members: Agreed.

Mr. Fraleigh: The other main component of my riding affected by this deal is the small industries located in the urban centres. While some have concerns, almost without exception they believe there are opportunities.

The best way I can illustrate this is to relate what one of those small industries has done. This company previously had no involvement with the export market. When the initial announcement was made that a tentative agreement had been reached, did they cry that they would not survive? No. Did they tell their employees that their jobs would be finished? No. Did they come asking for the Government to exempt them from the deal? No. Instead, they identified their concerns, immediately hired a U.S. sales manager and participated in a major trade show for their industry in the United States.

• (1700)

They are convinced that they can compete. That opinion is shared by most of the other small industries in my area. In fact, most are grateful for the opportunity provided through this agreement.

We as Canadians do some things very well. Quite often we do not give ourselves credit for those things that we do so well. What has become apparent from the outset of this debate is that those people who are presently traders are fully supportive and think that this is a good deal for Canada. Those people who have never traded outside Canada have the greatest concern. I suppose that is a natural reaction, as nothing promotes uncertainty more than fear of the unknown.

I believe as Canadians that we must reject this fear. We must reject those who have no confidence in our abilities. We must take this agreement for what it is—an opportunity for our country to grow and to prosper, not only in the North American economy but in the world economy.

We can no longer hide behind the protectionist barriers of the past. We have to reach out and take our place in the world. That process begins right here with this agreement.

[*Translation*]

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

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

FINANCIAL INSTITUTIONS

ADVISABILITY OF INFORMING DEPOSITORS WHEN DEPOSITS ARE UNINSURED

The House resumed from Tuesday, May 31, consideration of the motion of Mr. Riis:

> That, in the opinion of this House, the Government should consider the advisability of co-operating with the provinces in establishing a system whereby those individuals who deposit money in financial institutions not covered by deposit insurance be required to sign a waiver form indicating that they are fully aware that their deposits are not insured in the event that the institution goes bankrupt.

Ms. Marion Dewar (Hamilton Mountain): Madam Speaker, I am pleased to rise to speak to this motion since I think it is an important one. If we have watched the evolution of the financial institutions in our country over the last decade then we have seen some pretty disastrous situations happen. I know that we have recognized the fact that there are certain depositors who are not protected. What we have seen as a result of the inquiry that is taking place right now in Alberta is the fact that many of these people did not realize that their deposits were not protected by insurance. Therefore, they are the ones who became innocent victims.

In this resolution what we are looking for is the ability of the federal Government to co-operate with the provinces so that there will be a consistent policy in place across the country as well as protection for those people who very often think they are protected but are not. We have grown up in a country in which there has been a great deal of trust in our banking system. Certainly, our Bank Act protects us in ways that we do not see south of the border. We now recognize that with the amendment to our Bank Act. It has allowed banks to go into the selling of securities and that type of marketing. Under the free trade agreement we no longer have the freedom to establish banking institutions in the United States. Yet the Americans can come here to establish banks because that action is not consistent with their Bank Act, whereas their banking and our selling of securities in our banks is consistent. That shows a great lack in the free trade agreement.

What we are really talking about in terms of this resolution is the fact that people who often think they are protected are not protected. As a result of the change in the Bank Act there is not the same type of protection for small investors. We certainly know that the Canadian way very often is to put the very last bit of savings that these people have into banks thinking that no matter what happens they will be protected. It seems to me it is important that we provide such protection and that it be given in consultation and through working with the provinces.

As Hon. Members know, Canadians are becoming more and more mobile. People move from one province to another. It would be a real tragedy if there were new legislation in place which was not consistent in every province and territory. That is why the author of the resolution suggests that such a measure be undertaken with the type of co-operation that would be needed with all the provinces.

As parliamentarians we have a responsibility to look at what has been happening in our society over the last decade. We have seen some of the tragedies that have taken place. That evidence is coming out as a result of some very expensive public inquiries which have and are taking place.

My background is in prevention. When I look at public policy I like to think that we are stopping things from happening that could hurt people rather than waiting for them to happen and reacting afterwards. It is important that we look to changing the habits of investors and attempt to give them the protection that they do not now have.

As we look at this matter we see that we are not just protecting the individual as an investor but that we are protecting society collectively. Now when we get into situations where there is not this type of insurance, small business hurts. Small communities are often hurt very badly in such instances. All that is needed is the failure of one financial institution in a small community in which many small businesses have invested to see this happen.

This type of motion makes a great deal of sense to me. I hope that everyone in the House will support it. We have seen in some cases that accidents have happened, while in others we see that their cause was verging on fraudulent behaviour. This is what has been coming out of the inquiries. Unfortunately, it is always the small person who is the most vulnerable. If a person must sign a piece of paper that says that a certain amount of money is not insured and that the investment is at a greater risk, then that is very important. Very often we know that it is information that can save a great deal of heartbreak later on. That is exactly what the author of the resolution is getting at when he suggests that this become the norm for people who are participating in investment if insurance is not be in place.

We must continue to encourage people to insure the majority of their investments, particularly small investments. This would help the public, our consumers, to understand the level of risk that they are taking. It would ensure that there would be broader protection in a collective, community sense. In this way the whole financial environment could be stabilized. That is very important.

There are a great many Canadians who were shocked in the early eighties when they began to realize what could happen in the country. Up until that time we had been fairly free of that type of risk. But once the world got into financial risk situations we also became victims of it. I saw it happen in municipalities. I saw it happen with individuals. I know a great many people who thought their investments were secure and had no idea that they would suffer the losses that they did suffer.

Not only would such a measure protect the consumers, making them aware of the risks they are taking, but it would also help to give education to the consumer about the type of obligations that financial institutions are under. It would show consumers that they are not just faceless, souless types of institutions in which one puts one's money thinking it will be safe for ever and ever. It would show people that there are certain types of activities that take place that put some investments at risk. This is a good resolution.

• (1710)

I hope Members of the House will support the motion. I know members of my Party will support it. It is one way of helping ordinary Canadians become better informed about the type of society in which they are living, and what financial institutions can and cannot do for them. Therefore, they will be much more cautious in the investments that they make and feel much more secure about it.

Mr. Murray Dorin (Edmonton West): Madam Speaker, I have a strong interest in the matter raised by the Hon. Member for Kamloops—Shuswap (Mr. Riis). As a member of the Finance Committee I participated in our investigation into the situation of the Canadian Commercial and Northland Banks. I also participated with that committee in our study of the regulation of financial institutions. Approximately two years ago we issued a report which included major recommendations in that area. Subsequently the Government has moved in a legislative sense on most of those recommendations, not always completely in agreement, but addressing all the areas of concern.

One of the problems is that the federal Government does not have complete jurisdiction in this area. Essentially, this motion is suggesting that the Government should consider the advisability of co-operating with the provinces. There has never been any lack of intent to co-operate with the provinces in achieving the intent of this motion. The Minister of State for Finance (Mr. Hockin) has been attempting to do that. I suppose that is one of the difficulties of the federal system, but it is heightened in a system where people do not necessarily know under what rules the institution may be operating.

In large measure the motion has been triggered by the collapse of the Principal Group, with which I am familiar because it is resident in my own city. I might mention that none of the 127 companies associated with the Principal Group were federally registered. In fact, only one company, Principal Savings and Trust, was CDIC insured. I would suggest that if the Principal Group had been federally registered, none of those problems would have occurred, because in large measure those problems were the result of or compounded by what is referred to as "self-dealing" which are transactions between related companies. Many of those transactions would not have been allowed under the proposals put forward by the Finance Committee in the new legislation, or even under the existing legislation.

When the CCB and the Northland Bank collapsed, the federal Government paid insured depositors, as was required under the CDIC Act, and it also acted to reimburse insured depositors for two reasons. One, it felt there was an element of fairness required to reimburse those people. The Government had indicated that it wanted to see those banks continue, and that it wanted to play a part. Therefore, to some degree the Government was a partner in continuing those institutions prior to their collapse. Second, in paying out more than $1 billion to uninsured depositors, the federal Government recognized that at that time the economy of western Canada, particularly Alberta, could not stand the blow of losing $1 billion.

One of the dichotomies of this is that the Party, and the Member who proposed this motion, was one of the leading critics of the federal Government acting to reimburse a billion dollars or more of uninsured deposits. I read in an article in *The Globe and Mail* of March 1 that the Hon. Member is suggesting that this rule should be put in place to protect uninsured depositors, and that the CDIC Act should be amended to cover investments not backed by any form of government insurance. These include deposits of more than $60,000, foreign currency deposits, deposits with a term of maturity of more than five years, and about $3.5 billion in deposits placed with investment dealers. It behooves me to understand why day after day that Party, and the Member in particular, criticized the Government for reimbursing uninsured depositors, and now as part of this motion the Hon. Member is suggesting that it should be an every day practice.

Notwithstanding the desirability of that motion making the Government liable for every type of investment that people might make, which is obviously impractical, in a large measure we must consider that the Hon. Member is talking about areas that fall completely under provincial jurisdiction, for example, the $3.5 billion in deposits placed with investment dealers. As we know, those fall virtually under provincial jurisdiction. To suggest that the federal Government should take responsibility for insuring people who place their money with investment dealers or stockbrokers is a questionable strategy and one that I find a little strange coming from a member of the New Democratic Party.

All of us in the House believe in the concept of deposit insurance. I question that we want to insure everyone against all potential losses. The current existing deposit insurance of $60,000 protects very small investors. Those persons with greater than $60,000 in assets should have some responsibility for looking after their own affairs.

On the question of having people sign for an uninsured deposit, where the deposit is placed with what would normally be regarded as a deposit-taking institution such as a trust company, that is a reasonably and possibly effective method of consumer protection. Many of the problems that have arisen have arisen with quasi-financial institutions. The problem and the difficulty would be to define what is a legitimate deposit-taking institution. Is a lawyer who receives $50,000 from each

investor and invests it a deposit-taking institution that would be drawn in under this law? Given that there is no definition or suggestion of how this might operate, we will find great difficulty in the House in accepting this motion.

In closing, the Government has been acting in the area of consumer protection. There are new measures being put forward. I agree with the Minister of State for Finance when he states that new and up-dated legislation must be brought forward. I will be supporting those Bills. I expect that the House will move on them quickly to allow the type of protection that we are all seeking. It will also prevent the type of abuses that we have seen in some of those situations.

Mr. John Nunziata (York South—Weston): Mr. Speaker, I appreciate the opportunity to make submissions with regard to this particular motion which states:

> That, in the opinion of this House, the government should consider the advisability of co-operating with the provinces in establishing a system whereby those individuals who deposit money in financial institutions not covered by deposit insurance be required to sign a waiver form indicating that they are fully aware that their deposits are not insured in the event that the institution goes bankrupt.

That particular resolution has been moved by a member of the New Democratic Party. I find it somewhat curious that the New Democratic Party should move such an amendment, because it often purports to represent the ordinary Canadian, the little guy.

Mr. Hovdebo: This protects ordinary Canadians.

Mr. Nunziata: Hear me out. The NDP has mastered the art of heckling, but I ask with respect, hear me out.

We are talking about people who deposit in excess of $60,000. I do not know about NDP Members who talk about protecting the little guy, or how much money they have stashed away, but there are not too many of my constituents in the federal riding of York South—Weston who can boast of having more than $60,000 in a bank or in a trust company, because anyone who does have under $60,000 is insured.

• (1720)

The NDP says that those who deposit or have on deposit more than $60,000 in a trust company or some other financial institution, a bank or whatever, should be required to sign a form that says that they are aware that their deposit is not fully insured, that the excess of over $60,000 is not insured, and in the event that the financial institution should go bankrupt, that they cannot look to the Government or to any one else for any type of compensation or recompense. It is a motherhood type of issue, but it is somewhat curious, and I found it amusing, that the New Democratic Party should be so preoccupied with protecting rich Canadians, Canadians that have more than $60,000 in the bank.

Be that as it may, I believe that no financial institution, whether it is a bank or a trust company, should ever go bankrupt if you have the proper system of regulations in place to ensure that they do not mishandle moneys that are on deposit.

We can look at examples of banks and financial institutions that have failed—the Canadian Commercial Bank and the Northland Bank. Those two institutions went under because you did not have the proper system, the proper laws, the proper regulations, the proper inspection in place, to ensure that they acted as trustees and that they acted in a reasonable, prudent fashion in the handling of the moneys that they were holding in trust for depositors.

I hope that a lesson was learned by the Government of Canada and, indeed, by all the provincial Governments, from one end of the country to the other, that they cannot just hope that the financial institutions will regulate themselves and will act prudently, that there is an absolute necessity that we have some very strict and stringent legislation, rules and regulations in place, with proper inspection procedures, to ensure that no bank and no trust company ever goes bankrupt. There is no reason for it. If you have the system in place, you will not have to worry about people signing waivers, people who have more than $60,000.

I know the Hon. Member from Kamloops—Shuswap (Mr. Riis) is well-meaning and he is concerned about all the rich people in Kamloops—Shuswap, all those who have in excess of $60,000, but does he really believe that people going into banks really read forms? If I had the opportunity, I would put the question to him, and the Hon. Member is in the House now. Does he read every document, every form that a bank hands to him when he opens a bank account, or when he transacts business with the bank? I suspect not, because most Canadians do not. You have dozens and dozens of forms that have to be signed. Does he really believe that someone is going to be deterred—some of his rich friends on Bay Street and elsewhere—from depositing $100,000 or $150,000, or a quarter of a million dollars, because they have to sign a waiver of sorts?

I would submit that people who have that amount of money surely must be sophisticated to the point where they know that only a portion of it is insured. We are talking about people with big bucks. We are not talking about ordinary Canadians who do not have savings. They have debts.

In any event, I know that the Hon. Member is well-meaning, and he is concerned. I would submit to the Hon. Member that his efforts would be better spent, better utilized, if he were to participate with the Liberal Opposition—and hopefully members of the government side—to ensure that proper regulation and inspection, very stringent regulations, are in place to ensure that institutions do not go bankrupt.

We have a big problem, even with deposit insurance, and that is because of the terrible precedent that was set by the Conservative Government of Canada. A few years ago the Canadian Commercial Bank and the Northland Bank went belly-up. They went bankrupt. All those who had $60,000 or less were reimbursed because they were insured up to that

amount. There were a great number of uninsured depositors, people that had more than $60,000. They were not insured for the portion invested that was over $60,000. The Government, in its wisdom, decided to pay off those people, those unnamed people. To this day, I do not know who those people are. I believe at the time the Government refused to submit a list. I say that they were not ordinary, poor Canadians. They were people that had substantial assets and interest.

As a result of the Government's negotiating over a billion dollars, the integrity of the system has been affected. If another financial institution goes bankrupt in the future, those people that are uninsured are going to look to the Government of Canada and they are going to cite the precedent of the Canadian Commercial Bank and the Northland Bank that went under during the Conservative rule of Government, in that short-lived Government between 1984 and 1988.

Regardless of the short tenure of that particular Government, the precedent was set. It was a bad move. It was an imprudent move on behalf of the Government of Canada, because it was paying off or compensating people who took risks in two financial institutions that maybe gave out more interest than a chartered bank, for example, might give on a deposit. Those people who take those risks have to be prepared to pay the price, in the event that, statistically, they are caught in the remote situation where a financial institution goes bankrupt. Where the Government went wrong is that it compensated those people. In effect it set a precedent.

In closing let me say that the resolution does not do any harm. It is motherhood in nature but, as I indicated earlier, I am surprised at the concern of the Hon. Member from Kamloops—Shuswap about his rich friends on Bay Street, those who have more than $60,000. It does not do any harm to co-operate with the provinces and have the people sign one extra form to say that, in the event that the institution goes bankrupt, they cannot hold anyone responsible. I reiterate that a more comprehensive approach ought to be taken. Unfortunately, the NDP at times look at problems in a very narrow, simplistic fashion. If they do not like the banks, nationalize the banks, they say, in their policy platform. If they do not like cable companies, nationalize them. In terms of the problem before us, and that is the trust in banks and financial institutions, a comprehensive approach is necessary to ensure that laws are in place here in the Parliament of Canada, in each of the legislatures across the country, to make sure that these financial institutions are properly controlled, properly monitored, so you do not have a situation where these institutions go bankrupt. Thank you, Madam Speaker, for giving me the chance to say a few words on this subject.

• (1730)

[*Translation*]

Mr. Jean-Guy Guilbault (Drummond): Madam Speaker, I welcome this opportunity to speak to the motion of the Hon. Member for Kamloops—Shuswap (Mr. Riis) which says, and I quote:

> . . . the government should consider the advisability of co-operating with the provinces in establishing a system whereby those individuals who deposit money in financial institutions not covered by deposit insurance be required to sign a waiver form indicating that they are fully aware that their deposits are not insured in the event that the institution goes bankrupt.

As many of my colleagues did earlier in this debate, I would like to start by thanking the House Leader of the New Democratic Party for giving us this opportunity in the House to address the matter of protecting consumers of financial services in Canada.

I am sure Hon. Members will agree that financial institutions should provide their customers with more information about the deposit insurance available to them.

As you know, a great deal has already been done in this respect, and I am thinking of the reform of our financial institutions, and the federal Government has initiated various attempts in this direction in connection with its responsibility for the Canada Deposit Insurance Corporation, and I am referring more specifically to Bill C-42, legislation that reinforces federal supervision of financial institutions. Watchdog agencies will be regrouped in the new Office of the Superintendant of Financial Institutions. Thanks to the new powers conferred on it by this legislation, the Canada Deposit Insurance Corporation will be in a better position to protect the interests of depositors and other creditors. Federal regulators will also have more definite and more specific powers that allow them to take over financial institutions that are insolvent or have failed to meet their legal obligations.

At the present time, the Government is committed to reinforcing its ability to supervise financial institutions as part of a comprehensive reform of the financial sector. Formerly, four federal agencies were involved in a supervisory role. The Office of the Inspector General of Banks supervised chartered banks; the Department of Insurance supervised insurance companies and federally-chartered trust and loan companies; the Canada Deposit Insurance Corporation insures deposits and the Bank of Canada plays the role of lender of last resort. The other important measures contained in the bill are the consolidation of the Office of the Inspector General of Banks and of the Department of Insurance into a new Office of the Superintendent of Financial Institutions, and some provisions would amend the Canada Deposit Insurance Corporation Act.

Thus, any unauthorized statement by agents of a member institution of the CDIC that their institution or its deposits are insured is prohibited. Secondly, any member institution that takes an uninsured deposit must provide written notice of that fact on the deposit receipt, and member institutions that solicit funds for investments for a person who is not a member of the CDIC have an obligation to advise their clients of the fact that such investments are not insured.

Furthermore, the Government is considering new measures to protect consumers in light of the growth of one-stop shopping for financial products. These measures will aim to ensure that consumers are informed, firstly, of the identity of the person they are really dealing with when they purchase

financial products or services sold by a financial institution, and secondly, of whether their deposits or investments are insured or not.

All federally-regulated financial institutions, including banks and insurance conpanies, trust companies and lending institutions with federal charters, will be governed by these new measures.

The motion, seen in the context of Government policy, proposes the selection of a specific provision in the overall context of the implementation of Government strategy. Like most of the Members who took part in this debate, I feel that this or a similar measure certainly deserves to be examined by the officials of the Canada Deposit Insurance Corporation.

However, I must point out that the measure proposed in the motion raises a number of questions. It overlooks the fact that we do not really have a single deposit insurance system. In fact, our system here in Canada consists of a number of insurance plans covering deposits and similar investments held by financial institutions. These deposits may be insured under the Canada Deposit Insurance Corporation Act, but also the *Régie de l'assurance-dépôt du Québec* which, like the CDIC, insures deposits with loan and trust companies and credit unions chartered by the Province of Quebec; by the *Corporation de fonds de sécurité* of the Desjardins Group, which also covers credit unions in Quebec; by various stabilization funds and deposit insurance companies that provide a similar service for credit unions in the other provinces; and by compensation plans for holders of life insurance and general insurance annuities and policies. Deposit insurance plans vary, depending on the institutions—banks, credit unions, insurance companies, and so forth—and the federal or provincial authorities responsible for their charter.

When the motion refers to insured deposits, it is therefore not immediately clear what is meant. And it is not a foregone conclusion that the proposed measure is the best way to ensure that consumers receive all the information they need. The motion also suggests co-operating with the provinces. That is not a problem, because since 1984, this Government has promoted co-operation and reconciliation with the provinces, and we have proved that we can agree and enter into agreements with the provinces. Nevertheless, we must not forget that these institutions are federally chartered and are thus supervised by the federal Government.

For these reasons I cannot support the motion in its present form. With my other colleagues, however, I want to join the House Leader of the New Democratic Party in asking the authorities responsible for various deposit insurance plans at both levels of government to set a priority on implementing measures that will improve consumer access to information on deposit insurance.

[*English*]

Mr. Elliott Hardey (Kent): Madam Speaker, I am glad to speak on this important subject. We have now spent just half our allotted time on this motion and it is the fourth time the motion has been called for debate. I hope our time is being used well. Certainly Members on this side of the House have been making effective contributions to our understanding of the basic issues which underlie this motion.

Let me go over what we understand the key issue to be. We do not believe that the issue is the form of consumer protection, that is, the precise mechanics and wording of the regulations. We believe that the real issue is the fact of consumer protection; the concrete steps already taken by our Government to ensure that legitimate rights of depositors are effectively secured. Financial issues, with implications for consumer protection, have been raised in this House many times in the past. We are all well aware of the kinds of problems that have arisen and might conceivably arise again. I do not suppose any Member in this House is not aware of some of the dimensions of the problems.

But when I turn from the underlying situation and the very real issues which can be discussed to the particular motion we are debating this afternoon, I begin to have certain problems. Let me go over them. First, this motion raises the subject of consumer protection and, of course, that is well done. But it assumes that the Government has not already acted effectively through legislation and regulation. The motion ignores the further measures to protect consumer interests that will be an important part of further legislation to reform the financial sector.

Finally, the motion makes a single proposal as if that measure, and that measure alone, were a perfect and sufficient solution to the problems. I happen to believe that we can agree on a goal of consumer protection without accepting the rightness of this particular solution.

• (1740)

While I have no problem with the Hon. Member's choosing to raise the issue in this House, I do have difficulties with his tactics and with his motion. As I have said, it is important to be aware of the concrete steps taken by the Government to overcome problems in the system. While I am satisfied that a good system is in place already, I would certainly agree that if improvements can be made, they should be made. Let me go over the provisions of the present system so that all Hon. Members are clear on what is happening already.

Our financial sector reform to date has involved two Bills passed and proclaimed last summer. Even before the Government moved on these two Bills, however, non-members of the Canada Deposit Insurance Corporation were prohibited from representing themselves as being insured by the CDIC. For some time, there has been a requirement that uninsured instruments should be stamped as such.

As I understand it, some people have from time to time had problems with institutions falsely claiming coverage or falsely claiming that specific instruments were covered. That is a problem with all regulation. We cannot regulate against

misrepresentation, whether it is intended or not. If the existing provisions of the law have been ignored, that is not in itself an argument for adding to the regulations, the tack being taken by those who support this motion. Rather, it is justification for more stringent administration of the regulations, such as that which has been encouraged in our reforms of the financial sector.

Bills C-42 and C-56 which implemented the first stages of that reform included both general and specific measures relating to consumer protection. Together they established a more effective supervisory authority. The Superintendent of Financial Institutions replaces the former Inspector General of Banks and the Superintendent of Insurance, and the new office has been given greater powers and resources to ensure that its duties are well carried out.

In addition, this stage of the reform strengthened the CDIC. As a result, that corporation is better able to carry out its own functions. Together, this means that the kinds of situations which have arisen in the past, in part perhaps as the result of overstretched supervisors without the resources or powers needed, will not happen again.

Bill C-42 also added three further important elements to the existing CDIC regime. First, it made clear that the existing ban on unauthorized representations of insured status of member institutions or deposits received by them applies both to the institution and to all persons acting as their agents.

Second, the Bill made it a statutory requirement that when an institution takes a deposit which is not insured, this must be indicated in writing on the deposit contract. This provision comes very close to the proposal made by the motion before us, and the change made in Bill C-42 moves it from the regulations to the law itself.

Third, Bill C-42 instituted a new requirement that institutions that solicit funds for investment on behalf of their investment company subsidiaries or other non-members of the CDIC must give notice to investors that these companies are non-members and that such funds are not insured by the CDIC.

I have already mentioned that the Government will be proceeding as quickly as possible with the remaining legislation to implement its reform of the financial sector. Among other things, those proposals will grant broader in-house powers to federal financial institutions to enable them to provide their clients with a wider range of financial services.

Specifically, financial institutions will be permitted to own or to enter into networking arrangements with other types of financial institutions. We expect that this will provide Canadians with more choice and more convenience in obtaining the financial services they want. As well, the diversification of institutions into new lines of business should enhance their ability to meet the challenge of increasing competitiveness, both domestic and international.

A number of consumer protection issues arise, of course, in this new situation. For example, insured deposit-taking services may be only one of the services offered by a group of related financial institutions, not all of which are members of the CDIC. The draft trust and loans legislation takes account of this by enabling the Governor in Council to make regulations imposing terms and conditions on the activities that companies undertake in the areas which will be open to them. Similar provisions will be incorporated in the legislation governing banks and insurance companies. Although there will be a more complex situation than at present, we have already taken steps to ensure that consumers are protected.

Bill C-56 also dealt with certain aspects of this general problem. Some of its provisions will facilitate the creation of annuity and policy-holder compensation plans. The final details are still being worked out, but these plans will fill a gap in the insurance of deposit-like instruments. They will extend a form of coverage for insurance company annuities similar to that which the CDIC provides for deposits.

Work is already taking place to implement the measures set out in Bill C-42. The CDIC is always vigilant to ensure that it takes account of concerns expressed by others, especially Members of this House, and that it considers changing circumstances as well.

I am satisfied that a good system is being put in place, and I believe this motion ought not to be accepted as it stands. It does not recognize the many measures now in place. Nonetheless, I hope we will see the degree of co-operation the Hon. Member wants and that this country will continue to enjoy a financial system that protects the interests of all involved.

Hon. Bob Layton (Lachine): Madam Speaker, today's debate on the motion of the Hon. Member for Kamloops—Shuswap (Mr. Riis) gives me a welcome opportunity to address a number of concerns about consumer protection in the financial system. I know these concerns are common to many Members on both sides of the House. I think it is particularly appropriate to be looking at the consumer protection issues raised in this motion at a time when other consumer protection issues in the sector are also in the news.

Hon. Members opposite, or alongside of me in the House, and I share concerns in this case, but I have to be frank and make it clear that our common goals do not mean that we agree on the motion. Indeed, we approach this motion in very different ways.

Earlier in the debate when the motion first came before the House, I heard it being used as a springboard from which to attack the Government for its position with respect to the Principal Group's activities rather than as a means of discussing the most effective way to secure protection for the interests of consumers. That was disappointing, both because it diffused attention that should be paid to the issue of consumer protection and because it showed that this motion's mover either did

not know or did not care about the jurisdictional limits on the federal Government's role in the financial system.

Having said this, I want to return to the important issues raised by this motion. Events of past years have ensured that we are all very sensitive to situations in which it appears that additional measures or actions are needed to protect the interests of consumers, depositors and others. We must always be vigilant, we must always have concern for the legitimate interests of the people who use our financial system. As a Government, we have already moved to make significant changes in the former regime to do just that.

To set the scene, I want to remind Hon. Members that even under the former regime, the law prohibited any institution other than a member of the CDIC from representing itself as a member of the CDIC. Then in Bill C-42, proclaimed last July, the Government undertook a number of specific improvements to the CDIC regime. It made three specific improvements to the provisions about which the Hon. Member is concerned. We have now entrenched in legislation regulations which ensure that when institutions take deposits which are not insured, they must indicate that in writing on the contract.

• (1750)

Second, we have extended the ban on unauthorized representations of the insured status of institutions or deposits to persons acting as agents for institutions.

Third, we have also required that member institutions soliciting funds for investment on behalf of their investment company subsidiaries or other non-members of CDIC must give notice to potential investors that these funds are not insured by CDIC.

The CDIC covers all federally regulated deposit taking institutions and the major provincially regulated deposit taking institutions as well. It seems to me that for companies within federal jurisdiction our measures go almost as far as the Hon. Member's motion if we assume that people signing contracts read them. That is surely not an unreasonable assumption to make when we are drafting laws and regulations. As a result, I think the legislation and regulations which govern these institutions is already in an acceptable state.

The motion before us draws attention to institutions and other types of instruments other than classic deposits. Many of these other institutions and instruments are already being used. As the Government's reform of the financial sector continues to be implemented and as the sector grows accustomed to the new opportunities it has, we can expect even more options and new developments. That means that it will be increasingly important to pay attention to consumer protection. For example, the new networking proposals which will undoubtedly give new opportunities to institutions and new options to their customers will also mean that customers will need more knowledge of these institutions. We have already seen links growing between banks which are members of the CDIC and security dealers which are not. Our reforms will now permit even further linkages.

At the same time, in order to deal with legitimate concerns, our reforms lay out requirements for organization, for corporate and individual behaviour, and for disclosure which will provide a significant increase in consumer protection. I hope that the legislation on trust and loan companies will soon be before us. In the meantime, we have been assured that the remaining legislation to implement reform will follow the outlines of the draft released in December, 1987. On that basis the Government is clearly moving effectively to deal with potential problems.

However, the legislation, when considered and passed into law by Parliament, will give the Government the power to make regulations imposing terms and conditions with respect to the potentially confusing activities of member institutions which are linked to non-members and which offer a variety of services, some of which are insured deposits and some of which are investments.

I think it is appropriate that the Government is also working with the insurance industry to arrive at an acceptable way of dealing with some deposit-like instruments. In effect, we want to find a way of insuring CDIC-like coverage for policy holders in both sectors of the industry. I understand that the two plans, one for the life and health companies and one for the property and casualty companies, should be in operation by the end of 1988 or the beginning of 1989.

I want to congratulate the Government, and particularly the Minister of Finance (Mr. Wilson), on their concern for consumer protection in the financial sector. Their actions and proposals enhance disclosure. They strengthen the regulatory and supervisory authorities. They have added significantly to the requirements of the CDIC. They ensure that those who take reasonable care and are not the objects of deliberately misleading activities will have the proper information and can make decisions without confusion.

No doubt there can be improvements. I do not know of a perfect system anyway. However, I do not think there is the kind of urgency for further change that lies behind Motion M-143. We are after all looking at an evolving system where many new provisions have to be allowed to settle down. It would in my opinion be premature to mandate further changes at this time, especially when, as I pointed out, the substance of the Hon. Member's proposal has already been effectively incorporated in changes made last year by this House.

Mr. Fred King (Okanagan—Similkameen): Madam Speaker, I am sure that all of us have heard from constituents worried about the stability and safety of Canada's financial institutions, particularly given the high profile failures of certain institutions over the past decade.

These incidents have pointed to flaws in the existing system which must be addressed by both federal and provincial Governments. The federal Government has given top priority

to protecting the consumer. In fact, it has been one of the most important principles guiding the Government's reform of the financial sector ever since it first came out with its Green Paper in the spring of 1985. Indeed, on the very first page of that discussion document the Government committed itself to 9 principles designed to better serve the public interest in the regulation of financial institutions in Canada.

The Acting Speaker (Mrs. Champagne): It is with deep regret that I must interrupt the Hon. Member.

The time provided for the consideration of Private Members' Business is now expired. Pursuant to Standing Order 36(2), the Order is dropped to the bottom of the list of the order of precedence on the *Order Paper*.

• (1800)

GOVERNMENT ORDERS

[*English*]

CANADA-UNITED STATES FREE TRADE AGREEMENT IMPLEMENTATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Crosbie that Bill C-130, an Act to implement the free trade agreement between Canada and the United States of America, be read the second time and referred to a legislative committee; and the amendments of Mr. Axworthy (p. 16661) and of Mr. Young (p. 17089).

Ms. Marion Dewar (Hamilton Mountain): Madam Speaker, I rise to speak to this Bill before us. This is probably one of the most important debates which has taken place in this country in many a decade, as other speakers have said. There is great concern that we do not have an in depth understanding of what this Bill means. This Bill amends over 27 of our statutes. We seem to be just putting it through in five days and not worrying too much about it. I think it is incumbent upon the Government to ensure that the committee travels in order to hear witnesses across the country. It is very important that that happen.

We first became suspicious of what was happening when we learned that the trade agreement was going to go on the American fast track and had to be ready by October. It was then delayed until January. A committee of the House travelled across the country to hear witnesses without even having the text of the agreement. When such a thing is pushed at you, you immediately become suspicious and realize that it is time to take a good look at it.

Many Canadians organized themselves very quickly in an effort to have a look at it. Most of them came from national institutions including the Canadian Union of Public Employees, the Canadian Auto Workers' Union, the Confederation of Canadian Unions, the National Action Committee on the Status of Women, many churches and social agencies, the native peoples' organization, and immigrant women's groups. These groups studied the agreement and have maintained their opposition to it.

It is important to look at the facts. I have heard people saying that it is going to create jobs, others saying that it is not going to create jobs, and some saying that we have an inferiority complex which makes us afraid to enter into the agreement. We must look at the reality.

The Finance Department released a study in January which indicated that rather than the 8 per cent to 10 per cent growth in the economy which it expected, there will probably be a 2.5 per cent growth, not annually, but for all time. The Economic Council promised us 350,000 jobs and that number was trumpeted across the country. We are now told by the Economic Council, after it looked at the service industries and so forth, that the jobs had dwindled to 120,000 over five years, or about 25,000 a year. The economy is now creating about 300,000 jobs a year and we are talking about 25,000 jobs. Are we willing to sell our heritage for that number of jobs, which is exactly what we are doing?

I heard the Minister of Employment and Immigration (Mrs. McDougall) speak this afternoon about the fact that the Canadian Jobs Strategy had the ability to do the training so necessary in a restructured economy. I was on the employment committee when it studied the Canadian Jobs Strategy. We heard from people right across the country. Government Members recommended a massive input of money into the Canadian Jobs Strategy if it is to deal with the restructured economy with which we are faced.

It is all very well for people to say that women will do well by it, but the reality is that women in the textile and garment industries cannot get training now to give them portable skills or language skills to enter into other areas of the economy. We are actually dealing these people out of our society for the long term future. That is grossly unfair.

We must also recognize the fact that the service industry employs many women. We know that jobs will be lost in the service industry and in data processing. That has been well documented by the study done by the Canadian Computer Association. It recognizes that it will lose jobs to south of the border.

We also hear about the great possibilities for foreign investment, that American money will flow into Canada and will be a great stimulus. We must recognize that from 1978 to 1985 Canadian owned companies created 876,000 jobs. U.S. investment in this country created 1,400 jobs and other foreign investment created 12,000 jobs. That certainly proves without a doubt that Canadian investment in Canadian plants is certainly a much greater job creator.

Apart from all that, we must deal with the allegation that we have no confidence in ourselves. When we consider the way the economy has been growing, and the fact that we have been

in a trade credit situation with the United States, we must recognize that we do not have to give away our sovereignty and access to our resources in order to continue in that way. The one thing that we do need more than ever is secondary manufacturing in order that we do not just sell our resources. This deal makes it even more difficult for us to have secondary manufacturing.

I have heard a lot of people ask what the alternatives are. The alternatives are to look at the skills which we have here. Anyone who understands economic development knows that you build on the strengths you have, you invest in your own country, and you start to get control over your own corporations. You do not have to give away your energy or treat every American company as a national interest.

We have enough confidence to know that by building Canadian companies and a Canadian economy we can compete anywhere in the world. That means that we must reduce the amount of foreign ownership. It means that we must do the economic planning that we have never done in this country. We must start to recognize that there are a whole lot of things that we can do very well. We do not have to be on our knees to anyone else.

The time has come for us to consider this. If the Government were sincere when it says that this is a good agreement, it would not be afraid to show it to the Canadian people and let them analyse it section by section. The Government refuses to go to the Canadian electorate with it. It should at least give the Canadian people the opportunity of having a close look at it, and it will recognize, as it is reading it with the Canadian people, that this is a very poor agreement.

Mr. Walter Van De Walle (Pembina): Madam Speaker, it is an honour to speak on the most significant legislation before this House. The Canada-United States Free Trade Agreement Implementation Act is the culmination of months of negotiation, consultation, and debate. That is as it should be, for the magnitude and scope of the free trade agreement is unprecedented. To most Canadians the free trade agreement is not about legislation; it is about economic growth, opportunity, and prosperity. It is also about the future of this country.

We all know that this agreement incorporates a gradual implementation process which will not be completed until 1999. The full benefits of the trade agreement will not be felt until the next century. This Government will leave a legacy of assured prosperity to Canadians for years to come.

• (1810)

Since the agreement was agreed to in principle in October, my colleagues and myself have been carrying the message of the agreement to our constituents. At town hall meetings, on the street, in homes, in high school gymnasiums, and in auditoriums across this country, we have explained to Canadians that our country is dependent on trade, that 25 per cent of our GNP is dependent on trade, that more than 3 million jobs are dependent on trade, and that 76 per cent of our trade is with the United States.

The Opposition has questioned whether or not this Government has a mandate to initiate the free trade agreement. I believe that it is the responsibility of the Government to examine and explore the possibilities of the best method of economic development for all regions of Canada. Yes, this Government has a mandate to create jobs, and the free trade agreement will do just that.

This Government has a mandate to maintain and improve the standard of living in this country. This Government has a mandate to expand and ensure trade markets. The trade agreement will increase jobs and lower consumer prices, which will translate into increased consumer spending further contributing to an expanding economy.

The reality is that the Canada-U.S. Free Trade Agreement is absolutely necessary to our economic well-being. The trade agreement offers co-operation between the world's largest trading partners.

The trade agreement provides for the reduction and the removal of trade barriers and affords Canada the opportunity to export processed goods rather than raw materials. It will encourage investment which will in turn encourage development and create jobs.

The Economic Council of Canada estimates that nearly 350,000 jobs will be gained. In addition, Canadians will enjoy lower consumer prices on a wider range of goods, and real income will be higher for the average Canadian.

Citizens in my home Province of Alberta are well known for their common sense. Common sense tells them that a trade agreement that removes barriers, encourages investment, and creates jobs is a good deal. It is a good deal for Albertans and it is a good deal for Canadians.

Alberta wants the opportunity to do business with certainty and to trade within a secure market. Alberta has always recognized the benefits of trading. The United States is Alberta's largest export market, representing 75 per cent of total exports, amounting to $10 billion in 1986. Albertans are well aware of the difficulties of trading in a market fraught with increasing protectionism. Without a trade agreement, the United States will continue to build a wall of protectionism that excludes Canada from its best customer. The trade agreement serves to replace the wall with a bridge that provides for a secure market. Alberta needs the trade agreement to ensure long-term access to the U.S. markets. The trade agreement will give Alberta that assurance.

Secure access to the U.S. market will provide a framework for a tremendous surge in Alberta's economy and Canada's economy. With respect to energy, Albertans are very much aware of the tremendous benefits to the energy, agriculture, forestry, petro chemical, service, and investment sectors. These are areas in which we can compete with the best in the world.

Agriculture and energy are the mainstays of our economy. Alberta's oil and gas industry has been developed to serve a huge market which encompasses Canada and the United States. The United States needs our energy exports and Canada needs the cash to maintain a strong producing sector, as well as a stable and predictable market environment to attract the investment necessary to develop our reserves.

I strongly believe that our energy security lies in development and not in reserves locked in the ground. The trade agreement will create a very favourable climate in which to develop Alberta's rich reserves.

Two basic principles underlie the trade agreement with regard to energy. Canada will be a reliable supplier if the United States is a reliable customer. Both countries will share their energy supplies in the event of a shortage. These are sound principles for any trading relationship.

The trade agreement will give Alberta and the rest of the western provinces a measure of equality in national affairs. The days when a Government can put in place an energy policy that discriminates against the owners of the resource are over. Never again will there be a national energy policy that discriminates against the West. Alberta has the resources, the ability, and now we will have the means to develop our full potential.

Turning to agriculture, the United States is Alberta's No. 1 export market in agriculture, a primary key to the future growth of our agri-food industry. The agreement provides for increased access, duty-free, to our largest customer while maintaining our supply management systems.

In the grain and oil seed sectors, the trade agreement offers potential for expansion in the United States market for rapeseed oil, high quality oats, malting barley, and wheat. Certainly the removal of tariffs will hasten this expansion. For Alberta's beef and pork producers, secure access provided by the agreement is vital to the well-being of the industry.

The riding of Pembina, located in north-central Alberta, is closer to the California market with 25 million people than to the Montreal market with 10 million people. We wish to penetrate further this established U.S. market, free from tariffs and artificial barriers.

In Alberta, free enterprisers are developing new industries. We are diversifying our economy and we need additional secure markets. Our business people are confident of their products and of their ability to compete in an enhanced market. Albertans are ready and eager to get on with free trade.

Alberta has long recognized that free trade with the United States is key to the development and well-being of the West. Peter Lougheed carried the message of free trade from the early 1980s, and Premier Getty has worked tirelessly in support of the free trade initiative.

It comes as no surprise that this agreement, which is so beneficial and so necessary to the West, is opposed by the NDP and the Liberals. The whole debate surrounding free trade comes down to our vision of Canada. Are we an outward looking country confident of our ability to compete in the market-place, or are we to be strangled by an unreasonable hold on the *status quo*? Are we to be limited by protectionism or free in a competitive market?

• (1820)

We are Canadians. We have a bright future. We have faith in our ability and a determination to succeed. Our vision of Canada is forward looking and full of optimism. The trade agreement gives Canada the tools with which to build our future and our children's future.

In conclusion, I speak now not only as a proud Albertan but as a strong Canadian who is determined to see Canada rise to the challenge. Free trade will bring equality and prosperity to all regions of Canada.

Mr. Maurice Foster (Algoma): Madam Speaker, I must say that I did not agree with very much of what the Hon. Member for Pembina (Mr. Van De Walle) had to say. However, I certainly agreed with his idea that the trade deal really boils down to what is each Canadian's view of Canada for the future.

Every day I believe that more and more Canadians are opting for the view put forward by the Official Opposition and by the NDP. We want to see Canada trading around the world and not locking itself into a continental policy, a fortress North America approach in which we are the hinterland providing resources to the United States and taking highly processed goods in return.

I say that because of the results published last week of a very important poll. The results appeared in *The Globe and Mail* and were with respect to a poll conducted by Environics a few weeks before. They clearly show that the country is very divided on this issue but that in most cases the majority of Canadians are opposed to the Mulroney-Reagan trade deal.

For instance, in the Province of Ontario some 48 per cent are opposed to this deal while some 31 per cent are in favour of it. However, when we look to those who are strongly opposed and to those who are strongly in favour, we see that a disparity comes into view. Those who are against it, some 28 per cent of that 48 per cent, are strongly opposed. Only 9 per cent of the respondents in the Province of Ontario, which is a province of some 9 million people, are strongly in favour of this deal. Similarly, in Saskatchewan some 49 per cent are against the deal while some 29 per cent are in favour of it. However, if we look behind those figures we see that those who are strongly, vehemently, determinedly opposed to the deal account for 36 per cent while only 9 per cent are in favour.

The figures with respect to the Atlantic provinces show that those for and against are evenly split. However, in practically

every case those who are opposed are strongly opposed. They will get out to fight the deal all the way. This is in spite of the fact that the Minister for International Trade (Mr. Crosbie) is spending some $25 million to $35 million to try to sell the deal as if it were soap, a vacuum cleaner, or an encylopaedia. These millions of bucks are not working. When the Minister admitted that he had not read the deal, we see that that is understandable.

Canadians are not very impressed with the deal, or with the Minister's salesmanship of it. We can at least say that the Minister is consistent. He was opposed to Newfoundland joining Canada. He is in favour of this deal, the free trade deal. He said so in the 1983 Tory leadership convention. All the other candidates were opposed, as was the Prime Minister (Mr. Mulroney). At least the Minister for International Trade is consistent whereas the Prime Minister, the Secretary of State for External Affairs (Mr. Clark), the former Secretary of State, and the Minister of Finance (Mr. Wilson) have done a complete flip-flop. But Canadians are gradually and determinedly coming down against the deal.

I do not believe that Canadians are opposed to the liberalization of trade. I do not believe that in most cases they are opposed to the removal of tariffs. In this deal our average tariff is something in the range of 5 per cent. The tariff coming back from the United States for goods coming into Canada is even less. I do not believe that most Canadians are opposed to the removal or the reduction of tariffs, which have been taking place in any event. As a result of the Uruguay Round of GATT, most of those tariffs will be removed. In fact, some will be removed faster.

I travelled with the committee across the country. There were various delegations that appeared before the committee. It seemed that when the Americans wanted a resource that was great. They were delighted to provide access, especially when talking about energy and resources. But wherever they were not competitive, such as in softwood lumber, an export tax was put in place. If they were not competitive, for instance, in coasting or shipping, then the Jones Act was put in place. But the Jones Act was not good enough. The Maritime Union got to check it out and said: "Oh, not only do we want the Jones Act in now but we want it into the future". Thus that whole section was pulled out of the deal. In pulling it out I think Simon Reisman's comments to the effect that "we really licked the pants off them in this deal" are particularly hilarious. Clearly, the Americans got the best of the deal in every round, whether it be in agriculture or whatever. That is why Canadians are opposing this deal more and more and those who are opposing it are doing so more strongly.

Clearly, when the Americans gave something up or pulled it out, as in the case of coasting and transportation, they received full access through foreign investment. In the case of coasting, for instance in the Great Lakes, Algoma Central Steamship Lines in Sault St. Marie do a great job. It can compete on the Great Lakes. However, that was pulled out of the deal. That company cannot now go in to set up a company in the United States, but an American can come in to set up a company in Canada and have 100 per cent ownership of it. Clearly, we saw that the Americans generally gave full access in most cases for commodities that were already being freely traded. Wherever there was something that was not competitive, then they had a law, a regulation, or they did not put it into the deal.

At the end of the day they kept countervail duties and dumping duties. These are items which are controlled by the Government of the United States. If potash producers in a non-productive potash mine in New Mexico are concerned, they simply slap on a dumping duty, as they did, and saw off a deal in which no potash can go into the United States unless it goes in at $92 a tonne. That is great. Inefficient potash producers can be maintained forever in that way.

In agriculture we gave up practically on every front. We gave up supply managed commodities, the Wheat Board, and transportation subsidies. On top of that we agreed to go to the GATT negotiations in Geneva to state that we support the Americans in the removal of tariffs and agricultural subsidies. That may be true. They are our best friends, our allies, and our biggest trading partner, but they are also involved in international trade. In farm commodities such as grain, wheat, barley, and oats they are our competition.

• (1830)

It is ridiculous to say: "We will support you regardless of your position." I am not sure about the Government and the Minister for International Trade, but generally Canadian farmers do not support the removal of Article 11 of the GATT which would destroy farm marketing boards. The farmers of Canada will not be pleased with the removal of the import control arrangements provided in the GATT.

We are looking at the vision of Canada. Is it a vision where we want to trade world-wide? Is trade with the U.S. important? Maintaining our independence to trade internationally, not throwing ourselves into a continental energy agreement but moving down the barriers to trade through the GATT, is our vision. This arrangement is designed to give less power to the House of Commons and the legislatures of the country, and to put more power into the hands of the multinational corporations and of the Senate and the Congress of the United States.

That is not what we want to do. We want to trade more broadly, but we want to maintain our independence as a sovereign country and maintain the economic regional development and social programs that are distinctive to our country and to our communities. That is why we do not support this deal and we do not think it is good for Canadians.

In the past week the polls indicate that the majority of Canadians no longer support the deal. They want liberalized trade, but they do not want the Mulroney-Reagan trade deal.

Mr. Girve Fretz (Erie): Madam Speaker, I am pleased to have this opportunity to take part in the debate on a subject that holds so much promise for Canadians—the free trade

agreement with the United States. It was interesting to hear the previous speaker, the Hon. Member for Algoma (Mr. Foster), chastise the Minister for International Trade (Mr. Crosbie) for being responsible for conducting seminars throughout the country that would enable business people to have the tools to invade the United States market and to assist them, when indeed the Minister responsible for Industry, Trade and Technology in the Liberal provincial Government, the Hon. Monte Kwinter, has been conducting seminars so that business people in the software industry in Ontario can invade that very rich and potential market in the United States. The Hon. Member is criticizing our Minister for doing the same thing.

It was a privilege to be one of the members of the committee whose mandate was to listen to and question witnesses on the free trade agreement. The committee heard more than 200 witnesses, so it was little wonder that I came away from those meetings with a greater understanding of what was at stake for Canada and its economic well-being in the face of the protectionist mood so much in vogue with numerous American industrial and interest groups.

It has been emphasized over and over how much Canada is a trading nation, how its economic development is dependent and geared toward its export markets, and that no market is more valuable to us than that of the United States. Nearly all of our trade is with the United States, but that market may have been severely jeopardized had not a reciprocal agreement been reached.

The Province of Ontario relies heavily on its export market. Specifically, in 1986, 92 per cent of Ontario's goods were exported to the United States, trade greater than that of Japan, trade greater than $170 billion annually.

As I said before, Canadians were in danger of losing a market 12 times greater than our own simply because there were 200 restrictive trade Bills, including the omnibus legislation in the United States, which threaten our industries' access to the United States market.

I also had an opportunity to question what prompted the Hon. Donald Macdonald, co-chairman of the Canadian Alliance for Trade and Job Opportunities, to become a proponent of free trade. He replied: "If Canadians wanted to have an increase in their standard of living, they were going to have to remove themselves from a substantial dependence on resource exports and look to the manufacturing sector and the services to do that. In order to do that, they are going to have to get access to a very much larger market. We should therefore be prepared to give up the restrictions on ourselves involved in running a protective policy and seek to negotiate better access for Canadian manufacturing".

During our committee hearings I put the following question to Mr. John Bulloch, President of the Canadian Federation of Independent Business, and it is one that is frequently asked of me in my riding of Erie: "If Ontario is currently experiencing an economic boom, why should we change the *status quo*? Why not just remain as we are and continue to build on our successes?" Mr. Bulloch replied that the "*status quo* is not something you can be too comfortable about—you cannot guarantee prosperity. The labour markets and the business community are dramatically changing every day". We must keep in mind that history shows that where trade barriers are down all involved prosper, and in all cases the small country prospers from access to the larger market.

We hear criticisms that the free trade agreement was hastily put together, that it was written without consultation with the people upon whom the agreement will have the greatest impact, the public. I would like to take a moment to explore this criticism, to present a chronology of the history of what led to the free trade text as we have it here in the House of Commons today, and to make clear just how much public input there was.

In March, 1982 a Senate committee which had examined the issues since 1980 recommended that Canada seek bilateral free trade with the United States in all sectors. The committee heard more than 100 witnesses.

In November, 1982 the Hon. Donald Macdonald was appointed by then Prime Minister Trudeau to head the Royal Commission on Economic Union and Development Prospects for Canada. There were 13 people named to work with him; 1,513 written submissions were received from individuals, the private sector, the voluntary sector, educational and research institutions, municipalities, labour, provincial and territorial Governments, the federal Government, women's groups, aboriginal organizations; and 72 volumes of research studies were commissioned. Public hearings were held in 32 cities in all provinces and both territories. Public debates were held in Montreal, Halifax, Vancouver, Calgary, and Toronto, each lasting three days. The work completed in 1985 contains three volumes and 1,911 pages. There are 71 pages of recommendations. The total budget for the Macdonald Commission's report was close to $25 million.

In August, 1983 the Hon. Gerald Regan, former Minister of International Trade with the Liberal Government, called for sectoral agreements. In August, 1985 the Special Joint Committee on International Trade released its interim report pertaining to bilateral trade and recommended immediate bilateral trade negotiations with the United States. In February, 1986 sectoral advisory groups on international trade, SAGITS, were set up across the country dealing with every major sector of the economy including agriculture. Those groups met on 145 occasions and reported regularly to the International Trade Advisory Committee.

• (1840)

SAGITS are now permanently in place and will continue their work on multilateral trade. Their work has been extremely vital, and Canadians will be grateful for the tremendous work that they have done, even if some Hon. Members in opposition do not concur. Finally, in the autumn of 1987 the

Standing Committee on External Affairs and International Trade held two weeks of hearings in Ottawa and two weeks of hearings across Canada.

By nature of our government infrastructure, we expect MPs in opposition to oppose, to proffer concrete and reasonable suggestions on how the free trade agreement may be improved upon, but opposition Members have chosen to grope, to nitpick, to distort fact, to fictionalize, to incite blatantly, and to foster anti-American sentiment in their efforts to draw attention away from what is a very substantial accomplishment of this Government.

The Opposition attempted to claim that the free trade agreement encroached or affected our culture, regional development, our marketing boards, the CBC, and our social services such as medicare, unemployment insurance, old age security, child care, education, welfare. The latest attacks are over water, of all things. What nonsense, what utter nonsense. Despite all the flighty rhetoric and verbal somersaults by some of the Members included in the House that are here today, all are 100 per cent Canadian and will remain so.

The Opposition is reduced to a condition that is aptly described by the following editorial *The Globe and Mail*: "The less there is to complain about, the wilder free trade's opponents become in their similes, in their metaphors, in their epigrams, their prophecies and their sermons".

It is at this point in the one minute I have left that I would like to comment on the strength and resourcefulness of the Canadian people and to assure them that our Canadian identity is not threatened under the terms of the free trade agreement. In the words of the Hon. Gerald Regan, former Minister for International Trade with the Liberal Government: "The greatest assurance of protection of our sovereignty and of our culture is the maintenance of a strong economy. Free trade, with the greatest market on earth". Or, in the words of Dr. Richard Lipsey, Senior Economic Adviser to the C. D. Howe Institute: "Do your country and your national identity the honour it deserves by understanding that it is more than skin deep; that it is not only admirable, it is also deeply rooted, and that whatever sensible, if misguided policies that we follow in the future, our identity as Canadians will be around for quite some time".

Some Hon. Members: Hear, hear!

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, it is a pleasure to participate in this debate. I am sorry, however, that the Government has chosen to limit debate to only five days on an issue which I believe is the most important issue to affect this country in this entire century. In fact, it may bring our country to an end.

The Minister for International Trade (Mr. Crosbie) has been blustering about this issue ever since he became the Minister. The fact is that public support for the trade agreement has been consistently going down since he became the Minister—

Mr. Crosbie: Like hell it has.

Mr. Cassidy: —to the point where now a majority of Canadians are opposed to the trade agreement, where before there was a very small plurality who were in favour of it. I would like to read a letter from Mary Anne Burke, who is a constituent of mine. It states:

> After reading material published by the Federal Government to sell the idea of Free Trade to Canadians, (the recent insert in my family allowance cheque, and The Canada—U.S. Free Trade Agreement Synopsis published by External Affairs, brought home from school by my twelve year old daughter, being two examples), I can't help but wonder how we are different from centrally-controlled societies where citizens, including school children, are regularly fed propaganda on only the Government's view of reality.
>
> What I am asking you, as my elected representative, are: first, to provide me and my fellow taxpayers with an accounting of how much of our money has been spent on propaganda for Free Trade, and secondly, will an equal amount of money also be spent to inform me and my fellow Canadians of the other side of the issue so that we can carry out our responsibility, and right, to make an informed choice?

Mr. Crosbie: You should be ashamed.

Mr. Cassidy: I also have a letter from Howard Schwartz who is a resident in my constituency. These are what the people of Canada are saying. If the Minister for International Trade is not interested in the views of average Canadians, then he should not be in government. That is one reason why my Party wants an election now, so that people like Mrs. Burke and Mr. Schwartz can have their say.

Mr. Crosbie: Your Party would be desolated.

Mr. Cassidy: Eighty per cent of the people that I consulted in my constituency said: "We want an election before Canada is locked into a trade agreement with the United States".

Mr. Schwartz said, and I quote, "If Canada is to enter the year 2000 as a world-class industrial competitor, then the Canadian Government will have to actively support and protect promising Canadian industries. The Canadian Government should support the manufacturing and service industries that can compete against products made in Asia and in Europe". This is an argument for an industrial strategy for this country.

This morning I read an article by Jim Gillies, a former Minister, a former Member, a former adviser to the Conservative Government, who also argued that this country needs an industrial strategy. We will not have the capacity to implement an industrial strategy if this particular trade agreement goes forward as it is proposed right now.

Yesterday I heard the Government House Leader talk about big Canada and small Canada. Small Canada means all those average Canadians who do not support the Conservatives' view— working women, people living in small towns, trade unionists, members of the Pro-Canada network. There is a group in the Council of Canadians who have been holding a picket, a vigil, on Parliament Hill for the last seven weeks, since this trade agreement was submitted in legislation to the

House of Commons. They intend to be there all through the summer. I pay tribute to them. They are small Canadians, too.

Some Hon. Members: Right on.

Mr. Cassidy: I do not believe that the Government should demean average Canadians, the majority of Canadians who say: "We have doubts". Some say: "I am not sure why I have doubts, but I think this is just too far too fast". Some say: "Good fences make good neighbours. To tear down all of the fences between this country and our good neighbours to the south, the United States, is just going too quickly".

I heard the Government suggest that this country lacks self-confidence if people like myself, as financial critic for our Party, suggest that the trade agreement is not an appropriate agreement and goes too far.

I look at a country which is full of self-confidence, and that includes my Party and the people, the 31 per cent or 32 per cent of Canadians who now are supporting the New Democratic Party. We have not lost confidence in this country. We are not trying to erect protectionist walls. We have been supporters of liberalized world trade over the course of the last 30 or 40 years, and we will continue to be so. In the course of saying that, should we as a country be on the forefront in an agreement which is the first international agreement in the world that entirely removes barriers to trade in the service sector, without looking at what the implications should be? Should we expect that Canada with a tenth of the population and the economy of the United States, would generally be working on a level playing field with our friends in the United States? Do we need to make this move all at once?

People say that there are huge protectionist barriers. What are they? The fact is that close to 90 per cent of our trade with the United States—and it is the largest two-way trade flow in the world—is tariff-free right now.

I saw some figures the other day on the trade between West Germany and the Soviet Union. The trade between those two countries is not even 10 per cent of the current flow of two-way trade between Canada and the United States. This country is one of the major trading nations. We have one of the highest percentages of exports in our Gross National Product of any country in the world. Who says Canadians are not confident? Who says Canadians are not effective world traders right now?

• (1850)

An Hon. Member: The Tories do.

Mr. Cassidy: Who says that the economy of this country is now on its knees in order to have the trade agreement today? In fact, it is the contrary. The Conservatives will go into the election talking about economic growth.

We have reached the point where the Bank of Canada in monetary policy, which is supported by the Government and by the Minister of Finance (Mr. Wilson), has determined that any time there is any increase in jobs in central Canada and southern Ontario it will jack up interest rates and jack up the exchange rate in order to nullify that increase in jobs. If we had the trade agreement today, before the optimistic predictions of its proponents were to be fulfilled, if we were starting to see new jobs created in Canada through the trade agreement, every job created through the trade agreement would be nullified by the actions of the Bank of Canada. In other words, according to the Government's current monetary policy, we have reached the limit and, therefore, we are not even in a position where we could benefit, if benefit were to be achieved, from this particular trade agreement.

On top of that, Mr. Speaker, last fall the Canadian dollar was running at around 76 cents at a time when we had these desperate last minute dramatic negotiations in Washington over the trade agreement. In the interim the Canadian dollar has gone up in value by some 10 per cent to about 82 cents or 83 cents.

Mr. Crosbie: Because we have good government in Canada.

Mr. Cassidy: The increase in the value of the Canadian dollar, which has been a part of the Canadian Conservative Government's policy, has totally nullified any gains that will be made through tariff cuts in the Canada-U.S. Free Trade Agreement over the course of the next 10 years. We have done that in one year. If we wanted to continue to have secure access to the United States markets, one thing we could have done was to ensure that the Canadian dollar would not go through the roof, that the Canadian dollar would not go to such levels. The Canadian Manufacturers' Association, the forest industry, and the Canadian Exporters' Association all say "Enough is enough. You are hurting our ability to export into the United States". I do not know how high is up. I am not sure how much further the Government intends to take the dollar, but all of this means that any benefits from the trade agreement have in fact been removed because of what is taking place right now.

Mr. Oberle: Do you want currency controls?

Mr. Cassidy: We have been concerned because the Government went into this trade deal promising to get secure access to American markets, which it failed to do, and promising to get a binding dispute resolution mechanism, which it also failed to do. What we have seen is an agreement where in the United States the U.S. Congress passes a law or has a law proposed before it, that will ensure American law supersedes the trade agreement. In Canada, we are asked to pass a law which says that the trade agreement will supersede all other Canadian laws. That is a recipe for inequality as far as I am concerned. The U.S. Congress can pass a law which would effectively nullify portions of the trade agreement, but here in Canada, any law that is found to be contravening the trade agreement will be null and void. Not only that, we have seen again and again that the Progressive Conservative Government has said "thank you" for small concessions from the Americans when their bargaining objectives fail to be achieved.

I want to quote Clause 153(2) of the Bill. I read this to those Canadians who I know are watching this particular debate—

Mr. Crosbie: No one is watching by now. Everyone has gone for supper.

Mr. Cassidy: It reads:

No order shall be made under subsection (1)—

That is, this free trade Act will not be proclaimed unless:

—the Governor in Council is satisfied that the Government of the United States has taken satisfactory steps to implement the Agreement.

In other words, if this Bill is passed, we in Parliament will be allowing the Government, which has been supine in terms of its acceptance and its tolerance for the American definition, the Cabinet to decide whether or not the Americans have lived up to the agreement. I suggest that that is not good enough.

We have suggested again and again that it is time to have an election on this particular issue. We have suggested that the process being followed right now is inadequate. To have a few weeks of debate in committee over the summer is not adequate. It is not good enough to have a pro-American Cabinet, headed by a pro-American Prime Minister (Mr. Mulroney), headed by a Minister for International Trade who belongs in a Republican Cabinet in Washington, determining whether or not this agreement should be ratified. That should be up to the people of Canada—

The Acting Speaker (Mr. McKinnon): The Parliamentary Secretary to the Minister of Consumer and Corporate Affairs.

• (1900)

[*Translation*]

Mrs. Lise Bourgault (Parliamentary Secretary to the Minister of Consumer and Corporate Affairs): Mr. Speaker, as you know, it takes a great deal of confidence, dynamism, and unrelenting effort for organizations and people in a country such as ours to adapt to changing economic and social conditions. This constant and permanent challenge is what allows us to remain prosperous and competitive.

Because of its diverse economic activity, Canada must remain extremely alert, on the cutting edge of technology, and must adapt to constantly changing foreign markets.

More then ever, we are called upon to outdo ourselves in this global village we all share. In the face of that reality, two reactions are possible: to grumble and cling to the status quo or to take a resolute stand and begin making changes to reflect daily reality.

Mr. Speaker, in the riding of Argenteuil—Papineau, in the beautiful riding I have the honour of representing here, in Ottawa, free trade is welcomed as a sign of leadership, as a sign of the confidence we have in the ability of our businesses, and the vast majority of my constituents support the free trade agreement.

Let me, by way of illustration, name some of the businesses in my riding that are in favour of free trade and that have explained why: The Thundercraft Company of Lachute, Mr. Speaker; here is an example of entrepreneurship, a dynamic company that provides work to 300 persons, 80 per cent of whom are employees of less than 30 years of age.

Mr. Speaker, I must tell you that at the outset, the Thundercraft Company was sceptical, but now, after studying the issue, after carefully examining the agreement we have before us in Parliament today, it wants to jump on the bandwagon of prosperity and it now admits that it is rethinking its marketing strategy and wants to penetrate the very lucrative American pleasure craft market. And, might I had, it says that this agreement has been a motivating factor in its undertaking.

The Lyosan Company, a company that freeze-dries food products, also in Lachute, is not worried at all by free trade. In fact, it already exports 18 per cent of what it produces to the United States. According to the President of Lyosan, the agreement will help him increase his exports. So, Mr. Speaker, this means growth for the company, growth that would not be possible without this agreement.

Les Bois Murray of Grenville makes finished wood products like magnificent wooden staircases. For them, the New England market is a wonderful opportunity and they even expect to triple their sales. They now have 40 employees and logically, tripling their sales should mean two new jobs will be created thanks to this agreement for every one that now exists.

Mobilier Forme-D of Lachute is another company of which we are all proud in our beautiful riding. This company designs top-of-the-line furniture. Last year, it won all the awards: Salon Via Design, Salon du meuble, Salon de l'habitation, Mercuriades, to name only those, and the Argyrose from the *Conseil d'expansion économique d'Argenteuil* at an annual gala for business people . . . So this company in the so-called soft sector is not at all worried about losing jobs, although the Opposition claims that the furniture industry will suffer. I am giving you an example of a dynamic company led by four young entrepreneurs who are convinced, Mr. Speaker, that they will win with this free trade agreement.

FRE Composite of Saint-André-Est, a high technology company, is completely in agreement with free trade, of course. They are much more concerned, Mr. Speaker, about the changing value of the Canadian dollar compared to the U.S. dollar than about free trade.

Another company in Saint-André, H.B. Fullers-Sesame, now imports filaments from the United States and for it, free trade quite simply means survival. At present, their imports are subject to tariffs and we are now working to have this tariff eliminated because it is detrimental to this company's ability to compete in a highly specialized market. It is therefore very important to this company that the tariffs be eliminated.

Charlebois et Fils in Lachute, Madam Speaker, a company that manufactures doors and windows, does not feel threatened by free trade. In fact, they intend to take advantage of the specific opportunities offered as a result of this agreement.

In Argenteuil we have *La Pépinière*, a company that is involved in greenhouse production, also very dynamic. Madam Speaker, the Durochers invented and are applying new technology for greenhouse production. To them, tariff barriers don't make any sense at all. They stand to benefit from free trade, and I can tell you they are enthusiastic and ready and willing to take on the lucrative U.S. market.

In Mirabel, Madam Speaker, there are any number of companies that are in favour of free trade. There are companies that will not be affected one way or another, and I would like to name Nora, a company that bottles top notch spring water. In fact, the area around Mirabel is well known for the quality of its spring water. Nora, a company that started a business using the latest technology in this area, will simply go on exporting its bottled water to the U.S. market. The same applies to Bell Helicopter, and there are many more, Madam Speaker.

Mr. Cassidy: Madam Speaker, on a point of order.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Ottawa Centre (Mr. Cassidy), on a point of order.

Mr. Cassidy: Madam Speaker, I don't think we have a quorum. There may be five or six Conservatives who are enthralled by the Hon. Member's speech, but if I am not mistaken, there should be more Members in the House. Would you agree?

[*English*]

Mr. Crosbie: Let the record show, Madam Speaker, that there is one Liberal and one NDP Member in this House—two Liberals, and they are claiming that there should be further debate. The only people on the other side of the House are three people, two Liberals and one NDP Member, a disgrace.

Mr. Foster: Madam Speaker, I think the record should show that the Minister has not read the Bill. At least the Members on this side of the House have read the Bill.

Mr. Crosbie: If you have, why are you deceiving the public about it?

Mr. Foster: You are the ones who are deceiving the public. Why are you spending $30 million?

Some Hon. Members: Oh, oh!

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

The Acting Speaker (Mrs. Champagne): Order. Order, please.

Mr. Cassidy: Whatever the Minister of International Trade chooses to call me, I believe it is not parliamentary for him to accuse another Member of deceiving the public, and I believe that that comment by the Minister for International Trade (Mr. Crosbie) should be withdrawn.

Some Hon. Members: Oh, oh!

[*Translation*]

The Acting Speaker (Mrs. Champagne): We now have a quorum. The Hon. Member for Argenteuil—Papineau (Mrs. Bourgault).

Mrs. Bourgault: Madam Speaker, I am delighted to see that Hon. Members are interested in hearing the names of businesses in Argenteuil—Papineau that favour free trade. And I must say it was worth being interrupted for that reason alone.

Madam Speaker, as you well know, free trade simply means the economic survival of this beautiful country of ours. I would like to take advantage of this opportunity, since Argenteuil—Papineau is a heavily agricultural riding, to reassure my farmers, and I would like to do so by quoting what was said by Professor Guy Debailleul who is with the Department of Rural Economy at Laval University and who analyzed the agreement.

He states that the agreement in its present form appears to be relatively limited in scope as far as Quebec agriculture is concerned. We know, madam Speaker, that aside from the President of UPA, the big agricultural co-operatives—that are, by the way, also members of the UPA, because when one is a member of a federative association or of a co-op, one is also a member of the UPA—thus the two positions are extremely contradictory. In fact, they are conflicting positions, but for farmers what is important is the organization that buys their products, their co-operative. And the big agricultural co-operatives in Quebec have come out in favour of the agreement. In other words, their position is diametrically opposed to that of the President of the UPA, because we have kept our commitments and have complied with their request to include Article 11 of the GATT. That being done, the Minister of Food and Fisheries of the province of Quebec, Mr. Pagé, is also in favour of the agreement.

Madam Speaker, I could go on about this agreement for hours. You are indicating however that I have used almost all of the time allotted to me. I would, for instance, like to mention comparable arrangements elsewhere in the world. We all recall full well that there are examples such as the European economic community, and I have mentioned this each time I have spoken on the issue. It is to be expected, madam Speaker, that the groups that are opposed to free trade agreements are socialists, labour unionists, unfortunately, and all those who are resistant to change generally; if we want to measure up to those who are in the fore front of progress, we have to step boldly into the new era of free trade. I will conclude with a message to consumers, who will be the big winners under free trade. The Department of Consumer and Corporate Affairs did a study. We have documents to back up what we are saying, and, for instance, consumers will see an

increase of at least 2 per cent in real income, which means approximately $450 per year per Canadian.

And so consumers stand to benefit a great deal from the agreement, and they are too easily forgotten on the other side of the House.

An Hon. Member: Good news, wonderful!

[*English*]

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Madam Speaker, this evening, I want to discuss a number of myths that have been put forward in this debate. As you know, Madam Speaker, a myth is a misleading statement or a distortion of the truth.

The first myth that has been put forward in this debate is that this is a debate about free trade. This is not a debate about free trade, despite how it might appear. I repeat, this is not a debate about free trade.

This is not a debate about whether or not we in Canada are for free trade or are against free trade. That suggestion is a myth. This is a debate about a particular trade agreement with the United States. We are debating whether or not that particular agreement concluded by the Prime Minister of Canada (Mr. Mulroney) and the President of the United States is a good agreement for Canada.

We are not debating whether free trade is good or not good in theory. We are not debating multilateral free trade. We are debating a very particular trade agreement between Canada and the United States and we are asking Canadians to look at the provisions of that agreement and to make a judgment. That is what we ask Canadians to decide upon, not theoretical free trade.

• (1910)

We are opposed to this agreement because we say, and I think Canadians would say as well if they examined it, that we gave too much to the U.S. for what we got in return.

Mr. Crosbie: And they say the opposite.

Mr. Allmand: We gave such things as unrestricted access to our energy, which has no place at all in a free trade agreement. We gave up the right to screen foreign investment, which has no place at all in the free trade agreement. We gave national status to American companies in Canada and vice versa, which really has no place in a free trade agreement. We say that in this agreement we gave up our identity as a country and our sovereignty as a country, and we gave too much power to the U.S. to control our destiny in the future.

I want to make it clear that the Liberal Party is not and has never been opposed to freer trade. If one looks at the record since the end of World War II, one finds that trade barriers between Canada and the U.S. have declined considerably. Even the other side admits that. As a matter of fact, as we debate this agreement, 80 per cent of all trade between Canada and the U.S. is conducted without any tariffs whatsoever. We are talking about only 20 per cent of the trade between Canada and the U.S. That occurred under Liberal Governments.

In addition, that 20 per cent of trade has an average tariff of about 5 per cent. At the end of World War II it averaged about 30 per cent. Obviously Liberal Governments have pursued freer trade and have been very successful at it, both bilaterally and multilaterally.

The second myth is that this agreement is absolutely necessary for economic prosperity. When the Conservative Government went to the U.S. seeking this agreement, we had a balance of trade with the U.S. of over $200 billion in our favour. You have to ask, in whose interest would it be to conclude such an agreement? Of course, it was in the interests of the U.S. and not in Canada's interests.

In addition, to say that this agreement, which sells out our sovereignty and identity, is necessary for economic prosperity is to ignore the past. If one looks at the economic history of this country, both before and after World War II, one will conclude that we had economic prosperity and good economic relations with the U.S. without an agreement such as this. As a matter of fact, in the 15-year period between 1965 and 1980 we had an average rate of unemployment of 5.6 per cent. Times were good during that 15 years of Liberal Governments without this kind of trade agreement.

The third myth which has been propagated in this debate is that the agreement is like the Common Market in Europe. It is not at all like that agreement. The Government has argued that if the Common Market is a good thing, this agreement with the U.S. must be a good thing. The Prime Minister of Great Britain put that same proposition to us when she was here. That is a myth. The Common Market is a trade arrangement between the approximately twelve countries in which no one country dominates. In addition, there is not a common language between any two of those countries. You have the British who speak English, the French, the Germans, the Italians, the Spanish, the Portuguese, the Dutch, the Belgians and so on. There is a wide variety of countries with different languages and cultures and no one country dominates the other.

In our situation we have the U.S., a country of 250 million people, speaking English, concluding a trade agreement with a country of 25 million people with two-thirds of its population speaking English and in which there is already a dangerous cross-current running between the two countries in the media, cultural industries and so on. It is quite different from the Common Market.

Another myth is that this agreement is like the Auto Pact. Again, that is not true. That pact is a sectoral trade agreement in which the U.S. is obliged to invest in jobs and plant and equipment in Canada. They are forced to invest in Canada. It is a managed bilateral trade agreement. It does not leave the

U.S. free to do what it wishes with respect to Canada. The Auto Pact is not like this proposed agreement.

The fifth myth is that we have had enough debate on this agreement and that we can close it down. As a matter of fact, the Government has passed a motion of closure and it is going to close down second reading debate on this Bill this very evening. The Minister responsible for the Bill says that closure is justified because the Conservative Party has made up its mind with respect to the Bill. That Party is unequivocally supporting the Bill and the opposition Parties are unequivocally opposing the Bill. Therefore, what need is there for more debate?

The Minister completely misunderstands the role of Parliament in the Canadian system. That role is not simply to inform Members of Parliament on either side. The purpose of continuing debate is to inform the Canadian public so that they will have a better understanding about the Bill, the issues, and make a decision for themselves. If we prolong the debate, as we should, then the Canadian public will be able to decide much better than now whether the Conservative Government is right or whether the opposition Parties are right. By closing down the debate so quickly we cut off that opportunity, and that is what is wrong with closure. It is a question of keeping the debate going so that what we say here gets out to the greater Canadian public and they can make a decision of their own so they will be stimulated to examine the Bill itself and the agreement.

In the few minutes remaining I want to talk about what I consider to be one of the most dangerous articles in this Bill, Article 8. That article says that all the provisions of the trade agreement with the U.S. and of this Bill prevail over every other piece of Canadian legislation wherever there is some inconsistency or conflict. In other words, the Government is saying that this agreement will have precedence and prevail over every other piece of legislation. It will prevail over our agricultural legislation, our regional development legislation, our employment equity legislation, our labour legislation, and our environmental legislation. As a result, this Bill becomes in a sense the most important piece of legislation next to our Constitution. By the way, it is not only so with regard to legislation passed up to this point but any legislation passed afterwards.

That is bad enough, but what is really shocking about this whole situation is that the draft American legislation does not contain that same provision. Their Bill is exactly the opposite. It can be amended by any other legislation, and that is not acceptable.

• (1920)

Hon. Bob Layton (Lachine): Mr. Speaker, I am pleased to have this opportunity to join in the debate on the Canada-U.S. Free Trade Agreement. The legislation, Bill C-130, is now being debated at second reading and those opposing it are making their best efforts to confuse and to undermine the confidence of Canadians for political purposes before it passes into law. And pass it will, Mr. Speaker, both here and in the U.S. Congress.

It will pass because it is good for Canada and its future. It is good for all Canadians; consumers, students, businessmen, workers and investors. As much as the Opposition would have us believe that the agreement was thrown together—in fact they have adopted a "tear it up" or "tear it down" policy depending upon which part of the Liberal-NDP coalition you talk to—many of their past leaders and supporters, like Donald Macdonald and the Member for St. Henri—Westmount (Mr. Johnston), whom, I was sorry to learn, will not be standing for re-election, favour the trade agreement.

When you include the members of the negotiating team and all those who participated in the sectoral groups of the international trade advisory committee, more than 250 men and women from across Canada participated in these negotiations on Canada's behalf. The negotiations went on for over a year. What an effort, and what a success.

My background, prior to entering politics four very short years ago, was consulting engineering, a sector for which Montreal and Canada have become internationally renowned. My firm of engineers and architects, with which I worked for over 37 years, provided design and project management services to industrial, institutional, and commercial clients around Montreal, but also across Canada and sometimes in the United States, that is, when we could satisfy all the regulations and overcome the obstacles. However, the contracts we won in Vermont and New Jersey were won in competition, and memory assures me that they were very profitable.

Why then is there such mystery, such concern over increased trade in services with the United States? Murray G. Smith, Director of the International Economics Program at the Institute for Research on Public Policy in Ottawa, has made a special study of this part of the trade agreement and I believe that his observations and conclusions will be useful in this debate.

He says that trade in services perhaps can be best understood by contrasting it with trade in goods or tangible commodities. International trade in goods, whether it is in primary commodities such as wheat or lumber, or high technology products such as computer chips and compact discs, involves items that can be counted or measured by customs officials at the border. It may be hard to determine the value of a computer chip or a compact disc but, at least in principle, the existence of the product can be readily verified when it crosses international boundaries. In contrast, trade in services involves intangibles and it is often difficult to determine when or if an international transaction has occurred.

The FTA provisions apply only to specific services, industries. These include a broad range of businesses and consulting services to the resource and manufacturing industries, as well as insurance, real estate and wholesale distribution. In addition, there are specific sectoral agreements that apply to

tourism, architects, and computer services and data transmission.

Major service sectors are explicitly excluded from the provisions of the FTA. The major excluded sectors are the cultural industries, about which we have heard so much, the transportation industries, and basic telecommunications services. Various other services, such as day care, health services, education, and other social services are also not covered under the service provisions. Thus, not only can existing discriminatory policies affecting all these service industries be retained and new non-discriminatory regulations be imposed, but also new discriminatory regulatory, tax, or subsidy measures can be imposed by either country. We each have our own rights under this agreement.

Finally, differential treatment can be justified for prudential, fiduciary, health and safety or consumer protection reasons.

The professor concludes his review by saying:

> Over the decade ahead, Canadian services industries will be challenged to find their vocation in the emerging global services economy. In turn more competitive Canadian services industries will enhance the competitiveness of Canada's resource and manufacturing industries.

To return to my first love, the Association of Consulting Engineers of Canada represents almost the totality of our skills in that field. As I said earlier, it is world-renowned. It has made a major study on behalf of our industry to see how this agreement will affect us. The ACEC raised, in its brief and its subsequent meetings with External Affairs, Canada's International Trade Office, the Trade Negotiations Office and the Sectoral Advisory Group on International Trade, the following major points of concern: professional qualifications, licensing and registration, which are always a problem when we go across the line; cross-border movement of consulting engineering firms' personnel; duties on plans, drawings, and specifications; industrial and regional development programs; local or regional preferences; selection of consulting engineers; foreign ownership of the manufacturing industry; and government procurement of services.

Totalling the reviews of all of those, the ACEC representing the consulting engineers of Canada endorses the final text of the FTA as a positive step toward liberalized trade between Canada and the United States. The agreement breaks new ground and establishes a precedent for the forthcoming multilateral GATT negotiations, particularly those addressing trade in services and government procurement which are of paramount importance to the industry represented by the association.

The association believes that the FTA will be beneficial to Canada and, in particular, to the consulting engineering industry to the extent that it will lead to increases in trade and investment in capital projects and freer movement of people. The association has gone further and has entered into negotiations with its counterpart in the United States as a result of the FTA.

Their president writes: "I wish to inform you that as stipulated in the Memorandum of Understanding (MOU) signed between our Association and the American Consulting Engineers—a joint committee of both Associations has now been formed" to exploit the agreement. I have a copy of that very modern agreement in front of me.

If time permits, Mr. Speaker, I would like to enter into the record the opinion of the construction industry of Canada. It says:

> The Canadian Construction Association, whose members employ 600,000 workers in this country, has closely followed the Free Trade debate as it has evolved over the past 18 months.
>
> After careful examination of the elements of the proposed Canada-U.S. Free Trade Agreement, CCA is convinced the Agreement will be good for Canada and good for the construction industry.
>
> The Free Trade Agreement—will significantly reduce other trade barriers which for years have hindered the free flow of goods and services between our countries.
>
> CCA is confident the Free Trade Agreement will have a positive impact on the construction industry in Canada. As a result, it estimates the volume of employment in our industry will increase.

The construction workers and their leaders and engineers in this country say:

> It's a deal which is good for Canada, good for the construction industry in general and one which warrants the support of us all.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I rise to say a few words in this debate as a Member of Parliament from Saskatchewan. You may have noticed the Environics poll in *The Globe and Mail* last Friday which showed that Canadians are pretty equally divided on this trade deal. In fact, I think about 2 per cent more oppose it than support it.

• (1930)

The Province of Saskatchewan is one of two provinces where the overwhelming majority of people strongly oppose this deal, as a bad deal for Canada and a bad deal for Saskatchewan. Forty-nine per cent of the decided people in Saskatchewan say that it is a bad deal for Canada, 29 per cent say that it is a good deal. That is almost two to one against the trade deal. Only 9 per cent are strongly in favour of the deal, while 36 per cent strongly oppose it.

The overwhelming majority of people in Saskatchewan, representing all political Parties, oppose this deal as destructive to the future of Canada. On behalf of the people of Saskatchewan, I call on the Prime Minister (Mr. Mulroney) to either withdraw this legislation or go to the people of Canada and seek a mandate to implement this deal. If we on this side of the House win the election, we will have a mandate to terminate this deal and save the traditions we have developed in this country in the last 100 years.

An Hon. Member: Why do you not want it to go ahead if you are going to win the election?

Mr. Nystrom: We need an election because if the Prime Minister passes this legislation through the use of closure and

time allocation and stays on for the full five years, we will have to serve the six-month notice after we win the election in order to terminate this deal. Members opposite may think it is funny that people in Saskatchewan strongly oppose this deal, but there will be very few Conservative Members elected in Saskatchewan because of this kind of trade deal.

I say to Members opposite, particularly my friend, the Hon. Member for Gatineau (Mrs. Mailly), that she is a very honest and trustworthy person. It must hurt very badly in her heart of hearts to see her Prime Minister do this when he said in the last election campaign that a free trade deal with the United States is like a mouse sleeping with an elephant. He said that in 1911 the Conservative Party campaigned against this kind of trade deal which the people rejected then and which they reject again in 1983. That is what the Prime Minister said.

The Hon. Member for Bow River (Mr. Taylor) agrees. He knows that every Conservative in the leadership campaign in 1983, except for the Minister for International Trade (Mr. Crosbie), took a very strong stand against a comprehensive trade deal with the United States. The Prime Minister, the Minister of Finance (Mr. Wilson), the former Secretary of State, and the Minister of Justice (Mr. Hnatyshyn) took that position. Now, like the Liberal Party with wage and price controls, they are doing a flip-flop and trying to introduce a deal that will transform this country beyond recognition in the next 20 years.

The Minister for International Trade is in the House. He has not even read the Bill that he is trying to sell to Canadians. At least he is being consistent because he has always supported this kind of deal. He wants to transform this great country into something which his Party strongly opposed for some 100 years. He is probably an old Liberal at heart. I believe he and his family campaigned to join the United States rather than Canada back in 1949. At least that Minister is consistent when he wants to tie our country even more closely to the United States.

Let me explain why the people of Saskatchewan, including Conservatives, New Democrats and Liberals, oppose this deal.

Mrs. Mailly: They do not.

Mr. Nystrom: They oppose this deal because they are afraid we will lose our sovereignty in this country.

Mr. Crosbie: Get your security blanket. Run home with your security blanket.

Mr. Nystrom: The Minister has not read the agreement, but I refer him to page 233, which deals with investment. According to this article, the Prime Minister and Mr. Reagan have agreed that each country will treat each other's investors exactly the same. We will provide national treatment for each other's investors. A wealthy American investor in this country will be treated the same as a wealthy Canadian investor, like the Minister of State for Science and Technology (Mr. Oberle). I say as a Canadian that that is not right. Canadians should maintain the right to set our own rules, to be the master in our own house.

I am not saying anything radical. We should maintain the right to set our own rules for our people.

Article 1602.1 on national treatment states:

> 1. Except as otherwise provided in this Chapter, each Party shall accord to investors of the other Party treatment no less favourable than that accorded in like circumstances to its investors with respect to its measures affecting:
>
> a) the establishment of new business enterprises located in its territories;
>
> b) the acquisition of business enterprises located in its territories;
>
> c) the conduct and operation of business enterprises located in its territories; and
>
> d) the sale of business enterprises located in its territory.

In other words, American investors will be treated the same as Canadian investors. We should not give up our sovereignty in establishing our own rules. That is the position the Conservative Party took for some 120 years.

I can hardly believe that Article 1602 would go on to state:

> 2. Neither Party shall impose on an investor of the other Party a requirement that a minimum level of equity (other than nominal qualifying shares for directors or incorporators of corporations) be held by its nationals in a business enterprise located in its territory controlled by such investor.

We Canadians cannot determine a minimum amount of equity for our own investors. That infringes on our sovereignty and independence and I, as a Canadian, want to ensure that at least a minimum number of shares and equity in many sectors of our economy is kept by Canadians.

Mr. Kempling: You never bought a share in your life.

Mr. Nystrom: The Member for Gatineau is looking through the agreement. It is on page 234 of the free trade agreement, Article 1602.2.

Article 1602 states:

> 3. Neither Party shall require an investor of the other Party by reason of its nationality to sell or otherwise dispose of an investment (or any part thereof) made in its territory.

Mrs. Mailly: What is wrong with that?

Mr. Nystrom: What is wrong with that? There are many cases in Canadian history when we have legislated Canadian ownership and Canadian investment. Foreign investors have been told in the past that such enterprises as broadcasting and banking should be Canadian.

In the 1970s, our Government in Saskatchewan decided to buy out American and other foreign owners of potash mines in order to Canadianize the potash industry in our province.

Mrs. Mailly: We are still doing that.

Mr. Nystrom: Just read the section. One cannot necessarily legislate to ensure that the industry is Canadian.

It also states in Article 1062:

> 4. The treatment accorded by a Party under paragraph 1 shall mean, with respect to a province or a state, treatment no less favourable that the most favourable treatment accorded by such province or state in like circumstances to investors of the Party of which it forms a part.

Had this been in force in the past, Saskatchewan may not have been able to take over the potash industry. This country might not be able to nationalize the oil industry in the future—

An Hon. Member: Or nationalize the banks.

Mr. Nystrom: Or take over public ownership of one of the banks. That is exactly the blueprint.

One of the greatest Parties of public ownership in this country has been the Conservative Party. It began the CBC, the Canadian Wheat Board and the Canadian National Railways. Premier Lougheed in Alberta implemented much public ownership. Bill Davis established Suncor in Ontario.

According to this trade agreement, Canadians will not be able to make those kinds of decisions in the future. I resent that and ask Canadians to rally against this Party that is trying to turn our country into a shadow of Reagan's America or Margaret Thatcher's Great Britain.

• (1940)

I also refer my friends to page 146 of the agreement which refers to energy. It states that we cannot charge a higher price to the Americans than we charge to Canadians. That too is wrong. We cannot impose—

Mrs. Mailly: Look at page 224 and you will see what it says.

The Acting Speaker (Mr. Edwards): I regret to inform the Hon. Member in full flight that his time is up. I recognize the Hon. Member for Perth (Mr. Brightwell) on debate.

Mr. A. H. Harry Brightwell (Perth): Mr. Speaker, I am very pleased to enter into this debate on Bill C-130, a Bill enabling the Canada-U.S. Free Trade Agreement.

In the fall of 1987 it was written that the major trade agreement with the U.S.A. is a giant step toward a bright future for Canada. It dismisses the theory that Canada should draw into itself and exposes the American market to the initiative and free activity of Canadian business. It is a plan for the future and offers the only window of opportunity for Canadian manufacturers to have easy access to a market of over 250 million people.

Canadian jobs have been protected. The number and quality of jobs will be improved and consumer prices will drop. We have done this while protecting supply managed agricultural products.

I particularly like that piece. I bring it to your attention, Mr. Speaker, although I must admit I wrote it myself.

I am pleased to enter into this debate today to try to bring some reason to it. Two years ago when we began talks about enhanced trade with the United States we ended up in a variety of cute little arguments about the fact that it was not enhanced trade, it was in fact free trade. I am sure the Hon. Member for Notre-Dame-de Grâce—Lachine East (Mr. Allmand) will remember that since I would not be surprised if he participated in that debate at that particular time. But tonight we find the same Member arguing the other way. And this is supposed to be an important debate on the free trade agreement.

Also, today, another Member stood up—and I will not name his riding because I think he would be embarrassed—and talked about the great threat of the free trade agreement to supply managed commodities. He referred to the fact that milk can be produced cheaper on the other side of the border and that with the free trade agreement it would flood into Canada putting the dairy people out of business. Frankly, that demonstrates a great lack of knowledge about this agreement. I believe it is time we talked about the facts of the deal.

Therefore, in the time I have available I want to talk about supply managed products and in particular about the poultry industry. You will know, Mr. Speaker, I am sure, that I am a supporter of supply managed products. I believe that the supply management process has provided adequate supply of product at a reasonable price with a reasonable return to farmers. In fact, that is how the plan was set up by the Conservative Government many years ago in order to provide some stability to the farming sector.

During the negotiations on the free trade agreement there was a great deal of concern expressed by those who produced supply managed commodities. They had reason to be concerned, because, surely, if anything is different from free trade it is that we close the borders and make sure the production that is utilized in Canada is produced in Canada. They had reason to worry that under a trade agreement that right of protecting their market may be destroyed.

As we promised early in the negotiations, we protected supply management. I must say that quite a few people in that sector still cannot get over that very extensive and energetic lobby that was generated so long ago. That same thought is generated still by speakers such as we heard today who do not understand what is in the free trade agreement.

The free trade agreement is no threat to supply management. Of course, there have been some small alterations. I will talk about them in a minute. But we have left everything else intact.

There are threats to supply management. The fact is it is difficult among the provinces of Canada to adjust the amount of quota that each would utilize. Some provinces consume much more than they produce, and the opposite is true in other provinces.

There are also problems with respect to quota values. I checked with the Farm Credit Corporation which does a study on this subject once in a while. Quota values in Canada in

1984 amounted to $5.1 billion. We are presently studying farm debt. We know that the total farm debt in Canada is $22 billion. I know that the amount of quotas has gone up since 1984. I am wondering whether the amount of the quotas is not a significant part of the excess farm debt in Canada.

Supply managed commodities have no way of responding to markets and pressures. In poultry, if a new plant opens up there is no way for producers to direct their production to that new plant. This resulted in the payment of bonuses over and above what was an adequate rate of return for that particular commodity. That method of bonuses has been stopped now. In fact, it was stopped a year and one month ago. However, for a year and a half in the poultry industry extensive bonuses were paid.

With respect to the GATT, the Hon. Member for Algoma (Mr. Foster) brought up the fact that we in Canada agree with the United States that Article 11 should be taken out of the GATT. That is simply not a fact. However, if we are going to go to GATT, if we are going to talk trade as we did with respect to the free trade agreement, then we have to talk about everything. The Americans have said if everything can go right through they will take out their Article 20 which allows them to have supply management. We Canadians do not expect supply management to exist in the States.

In a very far off situation in which all other subsidies were gone, Articles 11 and 20 might in fact be negotiated. But it would be so far off that I believe I can almost guarantee that this is not part of what is going to happen in the future. What did happen under the trade agreement with respect to poultry?

It appears that the base quotas went up from 6.3 per cent to 7.5 per cent. I say that it appears that way because, frankly, that is exactly the average amount of poultry produced over the last five years. The fact that we had a 6.3 base quota before and another 1.5 per cent or 2 per cent in supplementary quotas means that there would be no change in the amount of poultry coming into Canada from the United States. Because of the great economic boom that has occurred in Canada and because of the change in eating habits of Canadians the poultry industry has unprecedented demand. This is in part due to Mcnugget attacks, I guess I would call them. The broiler industry has increased by some 8 per cent. In truth, the demand for Canadian poultry is increasing in the face of what is apparently an increase in quotas.

Tariff reduction will have an effect. The fact that 7.5 per cent of poultry consumed in Canada after 10 years will be reduced in price about 17 per cent may put pressure on the other 92.5 per cent of poultry produced in Canada. I say "may" because we are not at all sure whether all of that advantage will be passed on to the consumer, and we do not know the effect in that regard.

Another area of concern, in the poultry industry one which I can understand, is with respect to the 2 per cent of poultry products put into further processed products. I refer to products such as Cordon Bleu and chicken pot pies. This area of business is expected to go up to 4 per cent in the next 12 years, by the year 2000. The tariffs will come off in that particular area. At present there are no controls in place to stop the influx of the product from the United States.

To compete in that market, to compete in the world market, manufacturers will have to be able to buy poultry products at a world price. Is that possible? I think it is. People in good authority have told me that efficient producers in Ontario, given the right to produce in their barns full time can in fact produce poultry at the world price and make a profit. I have a feeling that that statement will generate derision among the poultry people, but I am telling you, Mr. Speaker, what I have in fact heard.

The effect on the poultry industry of the 17 per cent reduction in tariffs on 2 per cent to 4 per cent of its production will mean a net decrease in income of some .6 per cent after 10 full years of production, that is if nothing else is changed. We have to remember that the free trade agreement covers many areas, including lower consumer products. Every poultry producer is a consumer. It includes more economic development, more jobs and higher paid jobs. The fact that more people will be able to buy more products will stimulate this economy.

The total negative effect of the free trade agreement on the poultry industry is less than the variation that occurs year to year in the industry. When all is netted out, when everything is balanced out, the poultry industry, the dairy industry—in fact agriculture as a whole—will benefit from this great agreement between Canada and the United States.

• (1950)

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, this year approximately 40 per cent of farmers' incomes have come from various Governments. One out of every 10 farmers is on the verge of bankruptcy, quitting, or foreclosure. It is important to the farm industry to know exactly what good the free trade deal will do for the farming industry. Will it improve the life of farmers? Will it save the 10 per cent who are going broke?

We must recognize that the trade deal will not make any difference to farmers. In fact, in the short term it may exacerbate the situation. In the short term the real impact of the trade deal will be relatively small, but what will be threatened is the viability of federal and provincial farm support and supply management. The previous speaker suggested that supply management was protected. I suggest that it is far from protected. In fact, the deal undermines the basic structure of supply management. Those programs have been an integral part of the maintenance of the family farm and the social fabric of many of the rural and small town communities. This deal encourages the trend toward continental integration in agriculture and food processing through the large agricultural conglomerates.

The trade deal provides for the elimination of agricultural tariffs over 10 years. In their negotiations the Conservatives

recognized that the trade deal will eliminate the fruit and vegetable industry in Canada. Consequently, 20 years have been given to adjust to the new competitive environment. That is the terminology that has been used in this agreement. That means 20 years to get out of the production of fruits and vegetables in Canada and into something else. In the deal there is also a snap-back provision which is supposed to protect the horticultural industry. However, people in the horticultural industry tell me that it will not protect them. By the time it can be put into effect, and it goes into effect if the prices drop below 90 per cent of the past average price, the Canadian market will be flooded. Most of our products are seasonal, and the U.S. season is two or three weeks earlier than ours. Consequently, people in the horticultural industry tell me that those products are on the market long before theirs and that they are unlikely to be able to stop that flood by any snap-back provision.

Growers must forgo the tariff protection if they increase production. That guarantees that Canadian producers can never increase their share of the domestic market. If they do then they will not have the snap-back protection that is supposedly available. This concession has grave implications for the 27,000 horticultural farmers and the 24,000 processors who are mostly located in Ontario, Québec, the Atlantic Provinces, and British Columbia.

Article 704 is supposedly the section where there is a guaranteed improvement as far as farmers are concerned. This is the article that applies to red meat. Article 704 is cited as the most substantial gain for Canadian farmers. The deal reflects the current practices and the situation as it presently exists between Canada and the United States. Secure access for red meats, which was what was supposed to be sought in this deal, was not achieved. The United States still has the power to put in place quantitative restrictions on Canadian exports, and the 1985 4.4 per cent per pound countervail on live hogs is grandfathered and remains in place. United States beef growers are looking for markets for their beef in Japan. They tell us that there is no room for expansion into their markets by our beef producers. In fact, they told me very specifically that, if California needed more beef, they would produce it in Montana.

The selling or importing of grain into Canada has been regulated in the past by the power of the Canadian Wheat Board to licence the import of wheat, barley, oats, and their products. Article 705 will eliminate this power of the board under certain conditions. Eventually, there will be no stopping grains. Cheaper and lower quality grains from the United States will have no problem replacing our production in certain areas, and at whose expense? Article 705 is a very significant curtailment of the powers of the Canadian Wheat Board. Now the two-price system is phased out. With increases in the price of grains it probably would have been phased out anyway, but the free trade deal will mean that it has to stay phased out permanently, because under the circumstances of the free trade structure it will be impossible for the two-price system to be put back in place if it were ever required. That is or was a very significant portion of the stabilization program for wheat.

Other stabilization programs such as the Western Grain Stabilization Program are coming up for scrutiny. During the next seven years the Western Grain Stabilization and other agricultural programs which are meant to secure the farmers' income will come up for review, renegotiation or negotiation of a definition of subsidies. The Americans already consider them subsidies. Therefore, it is quite likely that programs such as Western Grain Stabilization, the Special Grains Program, and drought relief may be designated as subsidies and will also have to be phased out.

My colleague who just spoke suggested that Article 706 allows increases in quotas for chickens, turkeys, and eggs. The increase in those quotas seems small on the surface, but it is part of what the producers may put into the market. Therefore, it will affect the amount of products that they can put on the market in the future, and consequently it undermines the supply management programs in the feather industry.

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Madam Speaker, I am pleased to rise and speak to Bill C-130. In doing so, I would be remiss if I did not express my regret that Members of Parliament, because of Draconian measures introduced by the Government, are reduced to discussing something as important for Canada's future as the trade Bill, or what I would call the economic union Act between Canada and the United States, in a period of only 10 minutes.

• (2000)

It is instructive to note that, because the Government has never wanted, from day one, to have a comprehensive debate about what this economic union proposal between Canada and the United States really means. It has always been this Government's contention that the less Canadians know about the details involved in this proposal, the less Canadians understand all of the intricacies involved in this package, the better the Government's opportunity to sell this deal.

That is why it is tragic that the debate on free trade has been reduced to a discussion or a polling exercise among Canadians, whether or not they believe in free trade. There is nothing in Bill C-130 that in any way, shape, or form reflects the concept of free trade. Canadians are not being asked to judge, in reality, whether they are for or against free trade. Because being for or against, conceptually, philosophically, religiously, the notion of free trade, in my judgment is not a good enough reason to be for or against this deal.

This deal is not free trade. This is a comprehensive trade agreement that results in the economic unification of Canada and the United States. That is not free trade. So being conceptually for free trade is not a reason to be for Bill C-130. Being against conceptually free trade—if one were to be perfectly honest—is not even a good reason to be against Bill C-130. This is not free trade arrangement.

To understand what it is that the Government has before us today by way of this legislation, it is important to cast our minds back, to remember how it is that we got into this free trade or economic union agreement with the United States in the first place.

Canadians should recall, a few years ago, when we had a Prime Minister who was making predictions like, "You can bet your bottom dollar that when the protectionist winds blow off the shores of the United States, those winds will not be directed at Canada because of our special relationship with the United States". Canadians remember those brave words, a Prime Minister who said, "the flames were being fanned in Congress, but the smoke was being directed at Japan, not Canada".

An Hon. Member: He did not say that.

Mr. Tobin: A good friend and neighbour. And then the Prime Minister (Mr. Mulroney), much to his surprise—

An Hon. Member: Where did he say that?

Mr. Tobin: I suspect, much to his chagrin, he discovered when he woke up one morning that the smoke was so thick he could not see beyond the windows and grounds of 24 Sussex Drive. What happened? There was an action taken against British Columbia softwood lumber. Initially, there was an action taken against cedar shakes and shingles. There were a number of actions taken against Canadian fish. There was action taken against Canadian steel. Non-tariff barriers were erected against Canadian agricultural products, primarily pork.

What was the response in the country, a country that "you can bet your bottom dollar" would not be subjected to American protectionist action? There was dramatic response, anger, a nationalist fervor. There was a response from the Government.

The Prime Minister said not to worry, "we will go south of the border and if you still have a dollar left, you can bet that bottom dollar that we are going to get a trade arrangement in which Canada will be exempt from this kind of U.S. protectionist winds and all the smoke and fire associated with it and that we will have a guaranteed access to the American market".

He told the *New York Times* that U.S. trade law could not "apply to Canada period", when he finished his negotiation.

It is important that we reflect and remember how it is that we got into the trade deal. The Prime Minister's bottom line, that he established by suggesting that we bet our bottom dollar, was that Canada would have guaranteed access to the American market. So, let us ask ourselves the fair question. Did Canada, in the negotiations that we undertook, achieve Canada's—as established by the Prime Minister—bottom line? It is not the NDP bottom line, the Liberal bottom line, Madam Speaker's bottom line, Canadian's bottom line, but the Prime Minister's bottom line. Did we achieve it? No, we did not. There is nothing within this legislation, nor is there anything within the agreement out of which this legislation flows, that gives Canada guaranteed access to the American market. It did not happen. So we did not get our bottom line.

To be fair, if one is to weigh a deal one has to ask two questions: what did you get and what did you give in return? Any company, if we were to assume that Canada were a company—and the Government would like us to assume that—that considered a joint venture with a partner 10 times bigger and 10 times more powerful which of course looks attractive on the surface, would want to examine what it was that you as a smaller player doing a joint venture with a larger player would get in return for this economic union.

I know one thing any business man, no matter how much his eyes may light up at the prospect of doing a joint venture with a company 10 times larger and 10 times bigger, would be less excited if at the end of the negotiation he read the bottom line, the fine print, and found that he that his new partner had 52 per cent of the shares in his company, and he suddenly became not an owner but a tenant to a much larger partner.

What did we give in this deal? We gave on investment substantially. We gave the United States of America the right to come and buy, outright, the valuable resources of this nation, resources that the Americans cannot get access to in any other way. We gave on investment.

An Hon. Member: That is not true.

Mr. Tobin: We gave on energy. We put an end to the day when Canada could be considered to have a Canadian energy policy made in Canada, for Canadians, by Canadians, and we made ourselves part and parcel of the continental energy grid.

The day is gone when a Canadian can expect one scintilla more from a Canadian resource found within the boundaries of this country within our coastal waters than a resident of the City of Los Angeles. Canadians in this deal have exactly the same rights to Canadian energy as any citizen of the United States. Canada has become part of the continental energy grid.

What else did we give? There is a whole area called subsidies which we could not define in time for the agreement to be signed, so we put that concept of subsidies aside. We said that over seven years we would harmonize our relationship. I am five foot eight inches. I know that if I get into a harmonization exercise with somebody six foot eight inches, who gets harmonized—I do.

I conclude by saying to the Hon. Member for St. John's West (Mr. Crosbie) who began his career at his father's elbow in 1947-48 fighting the battle of our Confederation, yes, the battle of Confederation in which Newfoundlanders given a choice, one that Canadians have not been given in this deal, made a choice for Canada. I will tell you who led the charge on the other side. The Hon. Member for St. John's West, his father, and his family led the charge for economic union

between Newfoundland and the United States. This Minister attempts, some 40 years later to achieve through the back door what he could not achieve through the front door 40 years ago. This time it is not economic union between Newfoundland and the United States. I tell him that Canadians are a quiet people. We are placid people. We do no wear our emotions on our sleeves nor do we practise our nationalism like they do in the United States. Scratch a Canadian, in particular a new Canadian from Newfoundland, Canada's newest province, only that deep and you will find a backbone of steel.

• (2010)

The people of Canada will not give away their country in the interest of a corporate climate put together by a Government that has no sense of nation, no sense of sovereignty, and no respect for the fundamental concept and value of a nation on the northern half of the North American continent called Canada. We will not lay down and die, Madam Speaker. This deal must be rejected.

[*Translation*]

Mrs. Claudy Mailly (Parliamentary Secretary to Minister of National Revenue): Madam Speaker, before speaking to this Bill, to explain why my riding massively supports the free trade agreement—not just the principle of free trade but this agreement in particular—I would like to inform the Hon. Member . . .

[*English*]

He is always good for about 10 minutes of entertainment. For instance, he has forgotten to mention—

Some Hon. Members: Oh, oh!

Mrs. Mailly: Shut up. He has forgotten to mention, when he was talking about selling out Canada, that on page 265—

[*Translation*]

Mr. Rossi: Sit down, Mailly! Sit down! You don't even know how to behave in the House of Commons. Go back to your riding, they don't want you here!

[*English*]

The Acting Speaker (Mrs. Champagne): The Hon. Member for York South—Weston (Mr. Nunziata) on a point of order.

Mr. Nunziata: Madam Speaker, the Hon. Member just speaking is a Parliamentary Secretary. Her answer to Canadians and those who oppose this particular agreement is to "shut up", to quote her words. The Hon. Member should know that those words are unparliamentary. But I would ask you, Madam Speaker, to direct the Parliamentary Secretary, the Hon. Member who has the floor, to withdraw those insulting remarks that she has made to opposition Members.

The Acting Speaker (Mrs. Champagne): I am sure the Hon. Member for Gatineau (Mrs. Mailly) will do the right thing.

[*Translation*]

Mrs. Mailly: Thank you, Madam Speaker. I would refer, for instance, to page 265 of the free trade agreement to show that what the Hon. Member just said had no basis in fact, to put it politely, and we read the following:

> . . . Canada retains the right to review the acquisition of firms in Canada by U.S. investors but has agreed to phase in higher threshold levels for direct acquisitions . . . These changes to the Investment Canada Review Process will not apply to the oil and gas and uranium sectors.

So what is he talking about? He is leaving, Madam Speaker, because he knows perfectly well that what I am saying is the plain truth. It doesn't apply to the resource sector, and he knows that.

An Hon. Member: Disinformation!

[*English*]

Moreover, a previous speaker, the Hon. Member for Yorkton—Melville (Mr. Nystrom), surprised me very much today when he started quoting from polls on the free trade agreement, suggesting that because the polls were divided evenly it made the free trade agreement a bad agreement.

I remember when we had the debate on capital punishment and he said that polls did not matter even though 82 per cent of the people were for capital punishment and that what we had to do was the right thing. He was against capital punishment. Now the Member is telling us that the polls are right and that we must not do the right thing, that we must just follow whatever the polls tell us.

He omitted to say when he was quoting particular sections on investment that he skipped a few lines. I will quote them in French because I have the French text here. It says:

[*Translation*]

> The obligation to grant national treatment does not mean that such treatment must be identical in every respect.

[*English*]

That means the same. It does not have to be the same. There is no customs union. There is no giving away our identity. It goes on to say:

[*Translation*]

> A party may grant different treatment for legitimate reasons such as consumer protection or security, to the extent that the treatment is otherwise equivalent. Furthermore, regulations may not be used as disguised barriers to trade.

It also says:

> The parties must ensure that licence criteria are not discriminatory.

The agreement also says:

> That these undertakings are prospective. In other words, they do not oblige either government to change its current legislation and practice.

Further on in the same article it says:

> That the agreement does not prohibit the negotiation of product mandate, research and development and technology transfer requirements with investors.

[*English*]

So much for a customs union.

[*Translation*]

Moreover, this article does not preclude the negotiation of performance requirements attached to subsidies or government procurement.

Madam Speaker, they tend to quote very selectively. And with all due respect for the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand), and in fact I do have a great deal of respect for the Hon. Member because of his many years of experience in the House and because he usually is very accurate when he is quoting . . . Unfortunately, when he quoted section 8, he omitted some vital words. It says, for instance:

That the agreement prevails in the case of inconsistancies in any other Act of Parliament or any regulation . . .

Always within the meaning of section 2 of the *Interpretation Act*.

This particular paragraph bears the heading: "Inconsistant federal laws". Inconsistencies is between federal laws, not . . .

[*English*]

Supremacy of this law over other laws.

[*Translation*]

And when he mentions the Charter of Rights, he knows perfectly well, Madam Speaker, that the Charter of Rights prevails over all other laws in Canada as far as rights are concerned. So it is ridiculous to confuse the issue and have us believe that just because there is a section that says there should be no inconsistencies, that this means supremacy. I wanted to say this before explaining why the people in my riding are massively in favour of the free trade agreement, not just the principle, as I said earlier, but the agreement itself.

Rodrigue Tremblay, an economist, expressed it very well in an article in *Le Devoir* on February 24, 1988, when he looked at the concessions made by Canadians and Americans in the free trade agreement. Because that is what an agreement is all about, Madam Speaker! To arrive at an agreement, the two parties involved sit down and decide to examine a problem and to say: We want to arrive at a solution which will be equitable for both of us, a solution that we can live with and that will improve both of our situations. An agreement always entails some measure of compromise. Opponents to free trade have stated repeatedly that the Canadian Government sold off the country to the Americans. Mr. Tremblay quotes those who are against free trade. Several have also said that Canada made too many compromises. But the fact is that Canada made four important concessions to the United States and the United States made four in return. Firstly, Canada will no longer be able to resort to tariffs and quotas to limit the quantity of a product coming into the country and to block American products in Canada. Canada will no longer be able to discriminate between a Canadian-owned company and an American-owned company. That is what the Member for Yorkton—Melville (Mr. Nystrom) was referring to.

We are talking about discrimination, and not about preventing Canadians from running their own country and adopting the policies they see fit, policies that will further the progress and development of their country. This means that an American company will be subject to the same laws and regulations as Canadian companies, and as our legislation prohibits foreigners from acquiring our industries, this protection will continue to apply. And I have quoted the relevant article. Thus, it is untrue to say that we have a union. It is also false to say that we will no longer be able to protect our industries. Nor are we giving away our resources. That is not in the agreement. It is very clear.

What concessions did the Americans make? Like Canada, they have agreed to relinquish the use of tariffs and quotas. But we must remember one thing, Madam Speaker: There are 25 million of us, and 250 million of them. It follows that that concession was much more consequential for the United States than for Canada.

We will have access to a market that is ten times the size of ours. It is a concession, as Mr. Tremblay said, that is weighted in our favour.

The United States has accepted that complaints of dumping and unfair practices be settled by a group of experts.

That is the key concession. In fact, Madam Speaker, the whole agreement almost foundered on the issue, because the United States is a very powerful country and the Americans are used to having the upper hand, and they were not particularly taken with the idea of an objective tribunal to settle disputes. Several of these controversies were mentioned today, shakes and shingles, for example. Why did we have a problem? Because the United States use their own tribunal to settle these matters and we always lose. So it was absolutely essential for us to have a dispute settlement mechanism and that is what we have. That is another concession that was very important for the United States.

Canada will be excluded from trade disputes that the United States may have with other countries.

That is very clear! So why do people tell us the opposite?

Finally, the United States agreed that some sectors be exempted.

Madam Speaker, "exempted" means "outside of the accord".

a) Cultural industries.

We keep our culture and our sovereignty. For example, films, radio, television, books, the National Film Board, Telefilm, the CBC are all excluded from the agreement.

b) The brewing industry.

This must please many men.

c) Canadian magazines can continue to enjoy postal rates subsidized by the Canadian government.

d) Social programs are protected.

Madam Speaker, you know that social programs are protected.

> e) The provinces continue to require the processing of logs and fish before export.

That is wonderful!

> f) The exchange rate of the Canadian dollar (its value compared to the U.S. dollar).

That continues.

> g) Agricultural marketing programs and agricultural price supports are maintained as well as the right to establish new ones.

We have the right to do so.

> h) Canadian clothing manufacturers can use foreign fabrics and export their products duty-free to the United States.

That is maintained.

So, Madam Speaker, if they try to tell me that this is a customs union, a sell-out to the Americans, if they try to scare me, if they try to tell me to do what the NDP Members have suggested, . . .

• (2020)

[*English*]

Let us march from the cradle to the grave, except this time they want us to march with crutches. We are not going to do it. We are not going to do it in the Outaouais, we are not going to do it in Québec, and we are not going to do it in Canada.

Mr. Jack Harris (St. John's East): Madam Speaker, it is unfortunate that the Conservative Government has chosen to limit debate on the trade agreement, Bill C-130, and that I am only permitted to speak for 10 minutes in this debate.

Mr. Crosbie: Why did you try to block it? Why did you have all these hours of wasted time in Private Members' Bills? Don't be such a hypocrite.

Mr. Harris: Therefore, I must limit myself to the most important issues in this debate by setting out on the record—

Mr. Crosbie: You were afraid to have the Bill debated. You tried to stop it for a month.

Mr. Harris: The Minister for International Trade (Mr. Crosbie) does not want to hear the other point of view.

Mr. Crosbie: You don't have a point of view. You do what you're told over there.

Mr. McCurdy: You are unparliamentary, John, just like "hypocritical".

Mr. Harris: Madam Speaker, despite the objections of the Minister for International Trade, I must put on the record my belief and my concerns about what this Government is doing to Canada and to Newfoundland.

First, let me say that New Democrats do not oppose but do support a gradual elimination of tariff barriers that is done in a way that is fair to Canada and that allows time and provides for programs to help in any adjustments that must be made. What we have here is not that kind of program at all. This Government has acted in the interests of multinational corporations and their Canadian subsidiaries and partners to give them a free hand to act as they see fit. This Government wants to leave future Canadian Governments powerless to control the destiny of Canada in the interests of average Canadian men and women who do not own multinational corporations and whose livelihoods and well-being depend on having a Government they can trust to act for them.

We in Newfoundland were all shocked when we heard that the Minister for International Trade who represents the riding of St. John's West had not even read the agreement. We know that he tries to be a buffoon as part of his big act, but most of us in Newfoundland thought that at least he did his homework, that behind all the quick wit was some knowledge about what he was talking about and a belief, at least in his own mind, that he was right. We were all wrong, and I join with the Montreal *Gazette* of Wednesday, June 29, in which an article read:

> So that's it. The reason Trade Minister John Crosbie keeps making such preposterous statements about the Canada-U.S. free trade deal is that he has not read it.

The Minister for International Trade has called this trade agreement the Auto Pact for Atlantic Canada. He has obviously not read that agreement either. If he had, he would know that under the Auto Pact American companies had a choice. They had a choice either to pay the tariff or guarantee jobs and production in Canada in return for access to the Canadian market. If the Minister had read the trade agreement, he would not be calling it an Auto Pact.

Article 1603 of the agreement reads:

> Neither Party shall impose on an investor of the other Party, as a term or condition of permitting an investment in its territory, . . . a requirement to: . . .
>
> d) achieve a given level or percentage of domestic content.

Those are the kinds of requirements that are contained in this agreement. It is the removal of any obligation and of any possibility of requiring that a foreign investor from the United States has Canadian content, Canadian jobs, and Canadian production to have access to this market.

The maritime provinces, excluding Newfoundland, joined in Confederation, which was a sort of a free trade agreement, back in 1867. Ever since then, they have lost economic ground to the point where now, with the addition of Newfoundland, the four Atlantic provinces are the Cinderellas of Confederation. They have the lowest per capita earned incomes, the highest unemployment rates, and the greatest lack of opportunity in Canada to live, work, and raise a family in their own communities of all the Provinces and Territories of Canada.

A full 10 per cent of Canada's population suffers as the victim of market forces, government neglect, and a lack of government resolve, either Conservative or Liberal. That is the fate brought on by the free market forces that have existed in

Canada untrammeled and unchained by government policies that would act in the interests of protecting all Canadians across the country.

We have heard the Government boast about ACOA, saying it is a regional development program which will do something about this. The Economic Council of Canada stated in its most recent annual review that the programs administered by ACOA were likely to be the targets of U.S. countervailing actions. That is despite and regardless of whatever is in the agreement negotiated by this Government.

This American trade agreement will put Newfoundland and Atlantic Canada up against even greater market forces, which will force us either up against the wall or to compete. Companies can compete, but they compete at the expense of individual workers and their families who will pay the price in lower wages, lower social benefits, lower government services, part-time employment and part-time futures, such as we are already experiencing quite severely in Newfoundland.

Competition results in a number of factors. The President of the Canadian Manufacturers' Association, Laurent Thibeault, said:

> It's simply a fact that as we ask our industries to compete toe to toe with American industries—we in Canada are obviously forced to create the same conditions in Canada that exist in the U.S. whether it is the Unemployment Insurance scheme, workman's compensation, the cost of government, the level of taxation or whatever.

We in Canada are worried. The Canadian Teachers' Association says that it is concerned about the downward pressure that business will place on the cost of government and warns of a great long-term hazard to education of the free trade agreement. In Canada keeping the cost of government competitive in terms of education would mean cutting spending for education. Canada now spends about 5.3 per cent of total personal spending on primary and secondary education, whereas the U.S. spends 3.7 per cent. In American dollars we spend about $3,420 per child compared to $3,199 in the United States.

• (2030)

In the Atlantic Provinces Harrison McCain of McCain Industries, a very large international company, no small potatoes in New Brunswick, said that if economic factors were to make his plants' continued presence in the province untenable, "we're a multinational and have other options. Unfortunately, our employees and our growers don't". He is honest about the prospects for Atlantic Canada under this agreement.

Regional development programs are vital to the development of Newfoundland and Atlantic Canada. The Economic Council of Newfoundland warned that regional and industrial development policies, local preference and procurement policies, and agricultural subsidies have been identified by the U.S. in recent actions as being incompatible with the tenets of free trade, but these same policies are seen as important tools for economic development in that province and region.

Yet, we are told that the agreement does not interfere with regional development policies. Whom do we believe? Unfortunately, we must believe those who have read the agreement and studied it, not those who have not read it and are prepared to tout it anyway.

In the United States social benefits are quite clearly seen by business leaders to be a cost to business. When proposals were put in the United States for federal legislation for compulsory maternity benefits for women, the biggest opponent to such benefits was the business community. It said that that would bring about an economic catastrophe and make it uncompetitive. The U.S. Chamber of Commerce spoke out strongly against granting time off without pay and a guarantee of a return to a previous job for a women who was pregnant. These programs are seen by business leaders in the United States as a cost of doing business. In Canada business leaders will come to see it in the same way. In Newfoundland we have already heard the St. John's Board of Trade speaking out about high hospital costs and how we must lower them.

We are told by the Deputy House Leader that big Canada is in favour of this deal and small Canada is against it. Well, there are more of us than there are of them. As Tennyson said: "Some work of noble note may yet be done, Come my friends it's not to late to seek your newer world". We will help build that world. We will defeat the Government. We cannot defeat this Bill because we do not have the numbers, but we will defeat this policy and this Government.

Mr. Jim Edwards (Edmonton South): Mr. Speaker, it is a privilege to intervene in this debate because to us in Alberta, those of us who are able to think large and dream big dreams, this is an opportunity not to be missed.

The final comment in the peroration of the Hon. Member for St. John's East (Mr. Harris) was unfortunate. He referred to a comment made by the Hon. Government House Leader. In that particular comment the Government House Leader was referring to small-minded Canada rather than small town or small Canada. We all have small town roots, and it is quite evident that small town Canada and rural Canada as well as urban Canada support this trade agreement.

We sounded some views in my own constituency of Edmonton South. One of the first questions in a recent scientific poll that was taken in the constituency asked what was the most important issue facing the country. Bear in mind, Madam Speaker, that this was an open-ended questionnaire in so far as that particular question was concerned. The question was simply: "What is the most important issue facing Canada today?" It was a write-in question.

It is interesting that the issue which led all the rest was the free trade agreement with the United States. Twenty-seven per cent of the respondents said that it was the most important issue facing the country. The next issue was far down the line. It was economic questions and questions of employment which were at 11 per cent. There were many others down the line.

Later on in the questionnaire we took the opportunity to ask the view of constituents on the trade agreement which had been negotiated with the United States. The combined figures of those who supported it and those who strongly supported it was 66 per cent. Fully two-thirds of those polled in this scientific survey supported the free trade agreement which has been entered into.

I have been listening with great interest to the progress of this debate. I took care this afternoon to pay attention to the comments offered by the Hon. Member for Oshawa (Mr. Broadbent), the Leader of the New Democratic Party. I listened with some fascination because he is an academic and has a good knowledge of Canadian history, although our analyses may differ. He traced the evolution of the American psyche and the evolution of the Canadian *Zeitgeist*. He came to the conclusion that we are different nations when we examine ourselves, when we consider our role in the world, and when we consider our priorities for our nations. I agree with that fully.

Later in his remarks, through *omittendo* and some innuendo, the Hon. Member for Oshawa strove to imply that because we are entering into a trade liberalization agreement with the United States we will become the United States or become like the United States. That is where logic fails the distinguished Leader of that Party.

He, in that respect, is not unlike a fellow Edmontonian, Mr. Mel Hurtig, who also uses the slippery slope argument. As I understand it, the argument goes something like this: Once you have entered into a trade liberalization agreement, the next slide takes you to a customs union. Further the skids are greased so that you descend into some kind of a political union. Ultimately you are politically absorbed.

Mr. Hurtig and others dine out on this argument quite well, but never have they traced the causal connection, either through logic or through historical example. I put it to the House that it is rather irresponsible, at this very important stage in Canadian history, to torment Canadians with fear, fantasy, and fabrication when facts are what they crave. Tonight, in the time available to me, I intend to present some of those facts.

Before I do so, Madam Speaker, I want to comment on some of the other speeches we have heard here tonight. The Hon. Member for Yorkton—Melville (Mr. Nystrom), for example, suggested—and again in the fashion of his Party he did not come out and say it—or implied that because of ownership facilitation that is contained in this agreement somehow our broadcasting and banking industries were to become prey to the American eagle. He knows well, because he is a well-informed Member, that that is truly not the case, that there are clear safeguards and protection under Canadian law to prevent that from happening, and that the free trade agreement takes those aspects of Canadian law well into account.

The Hon. Member for Yorkton-Melville lamented that this free trade agreement might prevent the nationalization of the Canadian oil industry. If there is one reason why we should embrace and adopt this agreement, that is the reason. The biggest plus of this agreement is that it would not only preclude the nationalization of the Canadian oil industry but would prevent a Government of Canada from ever again bringing in a national energy program. That means something to an Albertan who has seen $60 billion skimmed off the top of the market price and transferred to central Canada. Sixty billion dollars is what the National Energy Program rape and pillage amounted to.

• (2040)

The Hon. Member for Prince Albert (Mr. Hovdebo), who is normally a very straightforward, honest, and forthright Member of Parliament, said that fruits and vegetables were specially recognized under the agreement in that they were given 20 years to disappear as a Canadian industry. That is not the case. They are given 20 years in which to flourish as a Canadian industry. There is special recognition given for the necessity of an extended period of time because of the seasonal disadvantage in growing certain fruits and vegetables.

The Hon. Member for Humber—Port-au-Port—St. Barbe (Mr. Tobin) said that we had no sense of nationhood. Where was he when the Meech Lake vote was taken? He says that we have no sense of sovereignty. He omitted to recognize that the very embodiment, the repository of our sovereignty, which is our cultural sense and our cultural pride in terms of how we regard ourselves as being Canadian, is totally excluded from this agreement. I say again that that distinguished Member is falling prey to the temptation of dealing in fear and fabrication.

Last week, the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie), in responding to a question I posed to him about certain discussions that had been entered into with the leaders of the Congressional Democratic Party in the United States and a group of Canadian parliamentarians, suggested that it was out of fear that Canadians had entered into this agreement. He suggested that we are driven to the agreement out of fear.

I believe that what attracted Canadians to this agreement and what will attract them in greater numbers as the days go by is the reality of the growth of the protectionist sentiment in the United States. That reality has resulted in 38 protectionist Bills targeted at Canada being put on the desk of the Chairman of the House Trade Committee, Congressman Sam Gibbons of Florida. To the credit of that hon. gentleman, he is delaying those Bills because he has believed in free trade all his life and would like to see the arrangement go forward.

In referring to the facts of this agreement, I am drawn to some comments that were offered by the former Premier of Alberta, the Honourable Peter Lougheed, when he testified before the Standing Committee on External Affairs and

International Trade in November. Mr. Lougheed said that it became clear to him in the latter part of 1984 that Canada's future competitiveness, its future as a productive country, was dependent upon entering into broadened trade, first with the United States and later with the Pacific Rim.

In his view there were three options: The *status quo*, a sectoral agreement, and a comprehensive agreement. Perhaps all Members of the House would agree that the *status quo* is not the answer. What about the sectoral solution? Sectoral trade would not have been acceptable to the other party, and there are many problems with a sectoral agreement which did much for us in the remaining 20 per cent of our trade that is not now duty-free.

Mr. Lougheed came to the conclusion that a comprehensive agreement under Article 24 of the GATT was the correct way to proceed. No agreement is perfect. However, he said that he felt good about this agreement.

I wish to associate myself with the view of this distinguished Canadian and advocate to all Members of the House, particularly members of the Opposition, that they reconsider their position and embrace this, not as a panacea but as an opportunity for our country to grow and prosper.

Mr. John Nunziata (York South—Weston): Madam Speaker, in exactly 59 minutes, second reading debate in the Canadian House of Commons will end because of the Government's decision to invoke closure on what is without question the most important debate in the history of our country. There are 59 minutes left at second reading stage to determine whether or not this particular piece of legislation affecting the very heart of our country should or should not be endorsed in principle.

Bill C-130 is 123 pages of legislation amending 27 different Acts of this Parliament. The Government has the audacity simply to dedicate five days of debate to this important piece of legislation.

It is no coincidence that second reading debate is ending today, on July 5, 1988, in less than an hour. It is a belated birthday gift to the United States of America.

The Minister responsible for this particular agreement made an astonishing admission last week. He said: "I did not read the agreement". He is the key Minister responsible for the free trade agreement, which we like to refer to as the Mulroney-Reagan agreement. He has admitted that he has not even read the agreement. What utter contempt for his portfolio. What utter contempt for this Parliament. What utter and absolute contempt for the people of Canada. How can Canadians have trust in the Minister and the Government? How can they trust that the Government knows what it is doing when the Minister admits he has not read the agreement?

What Canadian would have a lawyer go to court for him or her without the lawyer knowing the facts of the case or reading the law involved? What sane Canadian would go to a doctor who is intent on simply cutting the person open without knowing what organ to operate on?

The Minister for International Trade (Mr. Crosbie) says: "I once sold vacuum cleaners but I have never vacuumed a house. I once sold encyclopaedias but I never read the encyclopaedias". If given the opportunity, Canadians will say to the Minister responsible for this terrible agreement: "Go back to selling vacuum cleaners. Go back to selling encyclopaedias. You have no business affecting in such a negative and irresponsible fashion the future of our country".

Is it too much to ask the Minister to read 123 pages of legislation? All too often the Minister has trivialized the issue in the House. He has been seeking laughter and making humour. This is a serious matter that affects the sovereignty of our country. It affects the future of our country, and the only thing the Minister can do is make jokes. He is the clown of the House of Commons. The Minister admitted last week that he was winging it. He did not know what he was talking about. The people of Canada do not want a wing-nut Minister. They want a Minister who acts responsibly and who knows what he is doing.

• (2050)

The Minister has hightailed it out of the House of Commons because he cannot stand the truth. The Government has decided to invoke closure on this measure. As a Member of Parliament I am given but 10 minutes to express my point of view on this most important piece of legislation affecting my constituents in the riding of York South—Weston and affecting all Canadians from coast to coast.

Why is the Government limiting debate? Why is the Government rushing into this so-called free trade agreement? Because the United States, Ronald Reagan, and the White House have given our Prime Minister his marching orders. They have given the Minister for International Trade his marching orders. They have been told to get that free trade agreement through and to give them a birthday present. It is a day late, but they are still giving the United States a birthday present.

Is it too much to ask for this Government to go to the people of Canada? Members of the Government said during the last election campaign, during the long hot summer of 1984: "We will consult. We will keep Canadians informed. We will consult with people from coast to coast on any national issue of importance". What happened to that promise? It is but another broken promise.

If members of the Conservative Government were true to their word, they would be consulting with Canadians now. They would be giving Canadians an opportunity to review this agreement. While the Minister may not be interested in reading this agreement, other Members of Parliament and other Canadians are very interested in it. Why is he so afraid to read the agreement? Why is he so much of a coward as to allow Canadians the opportunity to enter into a meaningful

and intelligent discussion about something that will affect Canadian sovereignty?

It took three years for the Government to negotiate this particular agreement. It is now ramming it through Parliament in a dictatorial, Draconian fashion. It has allowed but five days of debate on it. No doubt it will limit debate at committee as well.

We know that the Conservatives, led by the Prime Minister (Mr. Mulroney), want to go into an election campaign to talk about what they have accomplished. They think that the people of Canada will give them lollies for having passed and endorsed the free trade agreement here in the House of Commons. We say to the Minister for International trade that if he is so confident the agreement is so positive, and if he is so confident it is in the best interests of Canada, then why rush it? Why not go to the people in a general election? We will debate the Minister in any riding in Canada on any political platform during an election campaign. Let us be given the opportunity to present our side of the story, and the Minister can present his limited side of the story.

The Government is afraid. If the Minister took the time to read this particular agreement he would notice a few interesting facts. In Clause 2 it is interesting to note that those who drafted this particular agreement defined "United States". What is the United States? We all know the United States to be a country, a large country to the south of us, but for some reason it was important to include a definition of it in the Bill. I do not know what motives the Minister had in instructing the drafters of this legislation to define the United States, but it is defined as follows:

> (a) the customs territory of the United States, including the fifty states of the United States, the District of Columbia and Puerto Rico,
>
> (b) the foreign trade zones located in the United States and Puerto Rico, and
>
> (c) any areas beyond the territorial sea of the United States—

I suppose the Minister wanted to make it absolutely clear that we were not talking about Canada when we are talking about the United States.

No where in this clause is Canada defined. There is no definition of Canada, yet there is a definition of the United States of America.

We see that in Clause 130(9) it was important to define what an American is. Why define what an American is? Why define what the United States is and not define what Canada is? "American" means an individual other than a Canadian who is a national of the United States or is lawfully admitted for permanent residence. I just do not know what the ulterior motives of the Minister were.

I know that the Minister for International Trade can read. I know for a fact that he passed high school. I would ask him simply to take the time to read the agreement. I know that it might be a little complicated for him. He might have had some difficulties when he went to law school, but any lay person could at least read through the agreement and try to understand it.

I want an opportunity to express my view. You might find it necessary, Madam Speaker, in a few moments to cut me off, but I am not going to sit down voluntarily. I want to make submissions. I have a right as a Member of Parliament to make submissions on the most important issues facing my constituents.

In the last election campaign free trade was not an issue. It was not an issue in the riding of York South—Weston. It was not an issue in Manicouagan. It was not an issue anywhere in the country. This Prime Minister lied to the people of Canada, Madam Speaker, during the last election campaign—

The Acting Speaker (Mrs. Champagne): I must interrupt the Hon. Member. The time at his disposal has now expired.

Mr. Nunziata: Madam Speaker, the people of Canada will be given the opportunity to reject that Prime Minister—

Mr. Crosbie: Madam Speaker, I rise on a point of order. The Hon. Member for York South—Weston knows the rules. We know he is only seeking publicity. Nevertheless, he has said that another Member of this House lied. In fact, he referred to the Prime Minister. He should do the proper thing and withdraw that remark.

He should remember this as well. He should remember that truth does not lurk in rat holes.

Mr. Robichaud: You should know, John.

The Acting Speaker (Mrs. Champagne): I am sure the Hon. Member will do the honourable thing. The Chair heard him as well.

Mr. Nunziata: Madam Speaker, there is another word that rhymes with rat hole, and that is what the Minister is.

The Prime Minister of Canada, the integrity, the honesty, and the credibility of that Prime Minister—

Some Hon. Members: Withdraw!

Mr. Andre: You are disgusting, Nunziata, do you know that?

Mr. Rossi: Superbox Harvie, keep quiet.

The Acting Speaker (Mrs. Champagne): I have not as yet heard the Hon. Member withdraw. I am sure he will do the honourable thing and withdraw the term that was unparliamentary which he used, I know, in the heat of debate at the end of this long day. I am sure the Hon. Member will withdraw.

Mr. Nunziata: Madam Speaker, out of deference to the Chair, on occasion I do get carried away, but I did call the Prime Minister of Canada a liar. I know that to call the Prime

Minister a liar, or any Member in this House, any Conservative Member, is unparliamentary. I withdraw the fact that I called the Prime Minister of Canada a liar.

The Acting Speaker (Mrs. Champagne): I am sure that the Hon. Member knows that this rule applies not only to a member of the Government but to any Member of the House.

The Chair recognizes the Hon. Member for South West Nova on debate.

Mr. Gerald Comeau (South West Nova): Madam Speaker—

Mr. Crosbie: Back to your rat hole now.

Mr. Rossi: Go back to your cheese.

Mr. Nunziata: Go back to law school, John, and try to pass this time.

Mr. Robichaud: Go read the agreement, John.

The Acting Speaker (Mrs. Champagne): The Hon. Member for South West Nova (Mr. Comeau) has the floor.

Mr. Comeau: Madam Speaker, I appreciate the lateness of the hour and the emotion with which some Hon. Members approach this subject. I also appreciate the opportunity to add my few words to the debate. First, I would like to say that Atlantic Canadians have been waiting for more than 100 years for this very significant achievement. Free trade offers the hope that we can return to the once great prosperity that we had in Atlantic Canada.

• (2100)

In the 17th, 18th, and 19th centuries Atlantic Canada was a prosperous nation. There was a freer flow of goods based on natural north-south trading patterns. Our ancestors were building a nation and they had confidence in themselves, their ability to compete, and in their future. They were exporting lumber, fur, agricultural products, fish, and coal, among others.

In those days there were no socialist reactionaries to hold back the progress of our nation such as we have today with the NDP socialists and their socialized Liberal partners. Socialists believe that we can solve all the problems of the world by throwing taxpayers' dollars at the problems. Socialists believe that when one runs out of money one simply prints more. Socialists wanted to choke off investment from coming to Canada, and now want to shut off our market access to the United States. They give the weak excuse that one cannot have a mouse sleeping with an elephant. Well, they are the mice, and they are afraid of their own shadows. They are a bunch of wimps.

We have not heard business state that it is afraid of the free trade. On the contrary, those who shout the loudest against free trade are the big union leaders and the academics who do not make business and investment decisions. On this subject, who is the judge that you would like to listen to, Madam Speaker—NDP Shirley Carr or John Bulloch who represents 80,000 independent small businesses across Canada?

The other day a constituent of mine gave me a good reason for supporting the free trade agreement. She stated: "If the big union leadership is against it and small business is for it, then it must be good". I agree with her.

According to the socialists, free trade will cause pollution, it will affect the environment, and it will somehow divert our water. When the socialists are challenged they wrap the Canadian flag tightly around themselves and shout that we will lose our culture, our language, and many other nasty things will happen. For all we know, we may even go bald, or I may lose my accent.

The socialists are afraid that Atlantic Canadians may taste the good life, such as is evident in the riding of the Hon. Member for Oshawa (Mr. Broadbent). They say to Atlantic Canadians: "If you have prosperity, you might somehow lose your culture, and we cannot have that". There is nothing cultural about not having a job. Quite the contrary. Free trade will provide jobs in Atlantic Canada. With the dignity of jobs we will be just as cultural as the Member for Oshawa who, incidentally, rarely complains of the billions of dollars which have been invested in his riding.

Can we trust the socialist anti-American rhetoric, treating the Americans as enemies rather than as our friends and closest neighbours and allies? They somehow forget that 2 million direct Canadian jobs are dependent upon continued access to U.S. markets.

To move a little closer to home and the benefits to Atlantic Canada—

The Acting Speaker (Mrs. Champagne): On a point of order, the Hon. Member for Windsor—Walkerville (Mr. McCurdy).

Mr. McCurdy: In listening to the reading by the Hon. Member, my attention was drawn to *Beauchesne's Parliamentary Rules and Forms*, Fifth Edition, Citation 309, which states:

> (1) It is a rule in both Houses of Parliament that a Member must address the House orally, and not read from a written, previously prepared speech. Bourinot, p. 335.
>
> (2) On April 19, 1886, a resolution was adopted by the House, which reads:
>
> "That the growing practice in the Canadian House of Commons of delivering speeches of great length, having the character of carefully and elaborately prepared written essays, and indulging in voluminous and often irrelevant extracts, is destructive of legitimate and pertinent debate upon public questions, is a waste of valuable time—

Mr. Lewis: Which is what you are doing right now.

The Acting Speaker (Mrs. Champagne): The Chair has listened with a lot of attention to the Hon. Member reading a rule which, according to the year he was mentioning, seems

slightly archaic to me. Many people have been using notes. I am sure that the Hon. Member is really for debate, as are all Hon. Members in this House. As we were reminded a few moments ago, there is very little time left for debating this Bill. I am sure that the Hon. Member will want everyone who can speak at this time to speak. Therefore, we will not waste any more time on archaic points of order.

The Hon. Member for South West Nova.

[*Translation*]

Mr. Gérald Comeau (South West Nova): Madam Speaker, I am just using copious notes anyway, and if the Hon. Member for Windsor—Walkerville (Mr. McCurdy) does not like comments about his great leader from Oshawa (Mr. Broadbent), what can we do about it? That's his problem!

[*English*]

Members of the NDP like to dish it out, but they cannot take it.

Returning to my precious notes, I wish to refer to the benefits that will accrue to Atlantic Canadians. First, it will give us more assured and improved access to American markets and an end to the continued trade harassment which has been affecting industries in Atlantic Canada for the past few years.

If the Hon. Member for Windsor—Walkerville were to check with his Atlantic Canadian colleagues, he would know that every two or three years the American fishermen come after us and attempt to place countervail on our fish. Under the free trade agreement, it will be much more difficult for American fishermen to come after our fishermen and attempt to take away our markets.

By removing the tariffs on processed goods that we export, we can do more value-added processing, thereby creating jobs in fish plants, saw mills, farms, and manufacturing facilities. We have shipped our raw resources long enough. With the removal of tariffs on processed fish, we will be able to produce consumer ready products such as TV dinners, adding value in Canada and creating jobs in Atlantic Canada.

It does not stop with fish. We will be able to use our vegetables from our farms in TV dinners. The value adding plants will require construction workers, electricians, plumbers, and repair people. As far as the NDP is concerned, this will create jobs in Atlantic Canada and we cannot have Atlantic Canada enjoying some prosperity. The NDP is against Atlantic Canadians.

The energy provisions of the agreement will assist hydrocarbon and energy development in Atlantic Canada. Security of access and stronger foreign investment guarantees will spur exploration and development of Atlantic Canada's energy resource base.

The socialists have painted a picture of doom and gloom, a picture of what they say are the three evils of the Government. Those three evils are: privatization, deregulation, and free trade.

An Hon. Member: Right on.

Mr. Comeau: They are saying "right on". They are against privatization, deregulation, and free trade. This means that they support the opposite. They are for nationalization or state control of business, regulation, and central planning by the NDP, and finally, if they are against free trade, they are against trade. Simply stated, they want increased state bureaucratic and political intervention in the market-place, more central planning from Ottawa, and the creation of more Crown corporations.

• (2110)

The opposite of a national free trade policy is isolation, protectionism, and no trade. It means building a fortress Canada, insular and paranoid. Even socialist Russia has realized that centralized bureaucratic planning and intervention in the market-place is inefficient. It leads to low wages, low standards of living, food shortages, and long line-ups. You would think that Canadian socialists would learn from the experience of their socialist counterparts in the U.S.S.R. Business and entrepreneurship are dirty words to the socialists and the big union leadership.

We have heard the anti-American rhetoric. We saw the sheer anger when Margaret Thatcher said it like it was, when she dared to say the truth in the House of Commons about free trade and NATO. We all know what will happen if the NDP and the Liberals form a coalition Government. They will be against trade, against NATO, and they will drive this country into the ground.

I appreciate the opportunity, Madam Speaker, to have said a few words.

* * *

BUSINESS OF THE HOUSE

The Acting Speaker (Mrs. Champagne): The Hon. Minister of Trade on a point of order.

Some Hon. Members: Oh, oh!

The Acting Speaker (Mrs. Champagne): I am sorry, the Hon. Minister of State.

Some Hon. Members: Hear, hear!

Mr. Lewis: Madam Speaker, that is about the only thing I have not done in the last week.

Some Hon. Members: Oh, oh!

The Acting Speaker (Mrs. Champagne): If I may, I want to apologize for the slip of the tongue at this late hour. I certainly

did not intend to put a cabinet shuffle in motion at this point. The Hon. Minister of State for the Treasury Board.

Mr. Lewis: Madam Speaker, it has just been pointed out to me by the Whip of the Official Opposition that I made my first error as Deputy House Leader.

Some Hon. Members: Oh, oh!

Mr. Lewis: This morning when I suggested, because all Parties had discussed the matter, that we would defer all recorded divisions until tomorrow at 6 p.m., I unfortunately said "the final recorded division".

Mr. Prud'homme: Stick to it.

Mr. Lewis: It was the intention of the House that we would give as much time as possible for debate today and this evening. Therefore, I would like to correct the record and have it read that "there have been discussions among the Parties with respect to the final recorded divisions on Bill C-130", which would, under the rules, take place at 9.45 p.m. tonight. I think you will find unanimous consent to defer the recorded divisions on second reading of Bill C-130 until 6 p.m. tomorrow evening.

Mr. Gauthier: Madam Speaker, since I was brought on to the scene, I did bring the matter to the attention of the Hon. Minister. He has my copy which I underlined for him. This morning the Minister made a Freudian slip. It was clear to me that he wanted the final recorded division, but later on he said "the last recorded division". There was no "s" to make the word plural. I took it that it was the main motion that would be put tomorrow night and that we would deal, as we did this morning, with any subamendments or amendments that were before the House prior adjourning tonight. I thought that was the disposition.

Tomorrow, we will be debating Bill C-72 if I understand correctly. Maybe the Minister could confirm that to me. If we are, there may be several votes if the amendments are still on the books. I think it could be a very long evening. He is just adding to tomorrow night's voting patterns.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Point of order, Madam Speaker.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Saint-Denis (Mr. Prud'homme) on a point of order.

Mr. Prud'homme: Madam Speaker, I must tell you that I also read the Order Paper for the House this morning, and it is just like—because the Minister knows that it must be unanimous, anyway. That is what I understood this morning, that we would hold all the votes on amendments this evening, today, but that the final recorded division would be tomorrow night. So I do not see why we do not dispose of all the other minor votes, the subamendments, this evening, as we did today. I am just repeating what our whip said.

Now, if my whip, not the house leader, but my whip tells me that he agrees, I will give my support, but I still want to say very clearly that this is not what we agreed on today.

I am looking at my whip there and he is busy talking. If my whip tells me that he agrees, I will agree with my whip, but otherwise, I will not give my support. But if my whip tells me that he understood it could be done, I will gladly do so.

[*English*]

Make it the final recorded division.

[*Translation*]

Mr. Gauthier: To respond to the invitation of the Hon. Member for Saint-Denis (Mr. Prud'homme), I have only one request and a modest one at that. I would like to ask the Government and the New Democratic Party to give the Hon. Member for Laval-des-Rapides (Mr. Garneau) who is sitting here in the House, who is waiting very patiently and would like to take part in the debate, a chance to speak. If the House agrees to let the Hon. Member for Laval-des-Rapides speak for the ten minutes he is allowed before we adjourn this evening, I will agree to the changes proposed by the Minister.

[*English*]

Mr. Nystrom: Madam Speaker, I rise on the same point of order. I confirm what the Deputy House Leader has said, that we will be voting on the free trade legislation tomorrow before report stage on Bill C-72. That was the understanding and agreement at the House Leaders' meeting today, I am told by the House Leader of our Party.

The Acting Speaker (Mrs. Champagne): Maybe it is the late hour, but things still seem a little confused. I suggest that we continue with debate and maybe the House Leaders can get together and come up with a final decision to help the Chair.

Mr. Gauthier: Madam Speaker, didn't I make it very plain? Anything clearer than that would be Calabogie spring water.

Some Hon. Members: Oh, oh!

Mr. Gauthier: The Government proposes that all divisions be deferred until tomorrow night at 6 p.m. We accept that on one condition, namely, that the Hon. Member for Laval-des-Rapides has a chance to make his 10-minute contribution to the debate today.

The Acting Speaker (Mrs. Champagne): If points of order are put aside, we will have time to hear at least one Member from each of the Parties before adjournment. We would hear first the Hon. Member for Windsor—Walkerville, followed by the Hon. Member for Laval-des-Rapides.

The Hon. Member for Ottawa—Vanier said that there was agreement, as long as the Hon. Member for Laval-des-Rapides was heard tonight. The Hon. Member for Windsor—Walkerville has the floor now, and I will come to the other Hon. Member a little later.

CANADA-UNITED STATES FREE TRADE AGREEMENT IMPLEMENTATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Crosbie that Bill C-130, an Act to implement the free trade agreement between Canada and the United States of America, be read the second time and referred to a legislative committee; and the amendments of Mr. Axworthy (p. 16661) and of Mr. Young (p. 17089).

Mr. Howard McCurdy (Windsor—Walkerville): Madam Speaker, I should not have thought it possible that over a century of struggle of this nation to maintain its independence would end with the fulfilment of the American notion of a manifest destiny within the House of Commons of Canada.

I talk as one who loves his country and not as one who is anti-American. As a matter of fact, my colleague to my right and I participated over the last three weeks in a joint celebration between the Cities of Detroit and Windsor celebrating our friendship, celebrating our mutual independence, and honouring our differences. Those who would allege that those of us opposed to this particular deal are anti-American ought to recognize that from where I come we have cousins, uncles, sisters, and brothers on the other side of the river. We marry and have children that are often American, as my children are. My wife is American. Let us not engage in allegations that because we stand for the preservation of a Canada that we love that we are anti-American.

Canada is a rich and a wonderful country, richly endowed with many natural resources becoming increasingly a nation that reflects the many peoples of the world. It is a country that perhaps can be described as one of the most civilized, if not the most civilized of the world, because it pursues not just the prosperity and the enrichment of the few but has a total commitment to social justice that marks us as different from many other nations of the western world. But because we are civilized and richly endowed does not mean that we have done all that we could have done.

Historically the many natural resources that we have had have been traded off to Europe, to Great Britain, to our neighbour to the south, and to Japan. We have done so with fair rewards and a fair degree of comfort, but those resources were traded off at the cost of jobs that might have been created in Canada if we had appropriately exploited the comparative advantages of our rich endowment of natural resources, including energy. It is historically true that those who in the past were willing to enrich themselves grandly by sacrificing jobs that might have been created to enrich a small portion of the population of the past, constitute the same sector of our society that would now perpetuate Canada as a resource source for our neighbours to the south.

• (2120)

Canada must now face a world that has changed tremendously, a world in which we understand that Canada must be much more open than it has been in the past, in order to compete effectively in a free trade environment.

Let me dismiss another allegation that is addressed to us who are opposed to this deal, who are opposed to free trade, that we are afraid of competing. It has been said by those who advocate this deal that there are going to be certain losses, certain sacrifices, in order to achieve long-term gain.

I would say that if the Canadian people are to suffer losses in order to achieve long-term gain, then let it be at the price of the sacrifice that must be made to maintain our independence, and not to give away a country that is a rising star to a nation that is a falling star. There is no doubt that critical changes must take place. Surely those changes should not be constituted in giving away the comparative advantage which our resources present us. They should not be on the basis of conceding our energy resources that could give us the ability to compete in a variety of areas with the rest of the world. They should not be at the expense of giving away our industry to those in the south. They should not be at the cost of allowing the acquisition of our businesses and our industries without being able to impose even those minimal and nevertheless yet costly conditions that we were able to apply when we entered into the Auto Pact.

We have heard a lot of talk about the Auto Pact. I do not want to enter into a long discussion about the Auto Pact in particular, but there is one thing that characterizes this deal clearly, namely, benefits. I would say that the Auto Pact was flawed, but nevertheless the benefits which it provided in terms of an assured level of production in Canada and jobs therefor have been excluded by this deal.

What other nation would give away its comparative advantages? What other nation would give away over the long run control over its financial institutions? One would have to be a pretty crude idiot not to understand that those who ultimately control the financial institutions of the country determine where investment will take place.

What kind of a country would state what no other countries in the world have done, because they recognize the neocolonials aspect of it, that our service industries will be open to Americans on an equal basis with Canadians?

We understand that the elements of information and so on constitute the mode of control of nations. Even Third World countries understand that concessions with respect to the service industries are concessions with respect to ultimate sovereignty.

The future of this country does not reside in becoming part of the continental divine mission of the United States. Our future must reside in Canada driving a hole in its future, takings its competitive advantages, its cheap energy and its resources and building from them the industries that will

create jobs, not just for the Canadians who are here but for the Canadians who should be encouraged to come here in the future. Canada should have as its century the 21st century because we present a different kind of model from that of our neighbour to the south.

There are those who argue that somehow Ontario is trying to resist the opportunities that would lie in the future for the West and the East in this free trade deal. In 10 minutes I will not be left with very much time to examine an issue of this sort in great detail. I would ask those in Alberta and Saskatchewan whether they have seen that North and South Dakota and Wyoming have become the industrial giants that the Conservative Government says that they will be. I ask those in the Maritimes whether they really think that becoming more like Maine will make them more prosperous. Will the fate of this country and the fate of those regions reside where so many Canadians have told us over and over again? They want control of their economic future in their hands. They do not want an ACOA that is controlled from Ottawa, nor do they want an economy that is controlled from New York or Washington. They want the opportunity to shape their own fate.

If there is an alternative to the free trade deal, certainly it must be admitted that that future will not be gained without struggle, without sacrifice. The struggle and the sacrifice is to ensure the future of a country that has so much to offer.

We have said repeatedly that we must allow those in the regions to control their own regional economical development by decision making at the local level. We must make it possible for every community to shape its future through the financial resources and the expertise necessary, but we must recognize that this country is going to be competing in a knowledge based world economy. The Government is selling this country down the river if it truly believes that it can achieve the kind of innovation and the production of new products that this country will need if it intends to compete in the future. We are robbing our children of their future.

There are who say there will be job losses in the textile industry and in the service industry over the short term, but the real sacrifice will be the loss to Canada of the opportunities that this land offers us and the opportunities to shape a new model for the world about what a country can do if it pursues not just prosperity but social justice.

I do not want the cities of Canada to look like Detroit, New York, or Chicago with a market oriented philosophy, allowing the kind of degradation that that kind of market-driven philosophy which the Reagans and the Thatchers have allowed. Let us retain our independence. I stand with the majority of Canadians who are firmly against this deal, and in the future will be a majority of Canadians as demonstrated in an election. I dare those people over there to do two things: Read the agreement and then go talk about it to the electorate.

Some Hon. Members: Hear, hear!

• (2130)

[*Translation*]

Mr. Garneau (Laval-des-Rapides): Madam Speaker, I welcome this opportunity to take a few minutes to speak to Bill C-130, which deals with the Canada-U.S. Free Trade Agreement. Ten minutes are of course hardly enough to address all the aspects of a Bill that contains so many pages and schedules and so forth. I will therefore concentrate on two issues that are of particular concern to me: agriculture and energy. Within these two sectors, I would like to deal with some very specific questions, namely marketing boards for agricultural products, including supply management, and our food processing industries which are located across Canada, including a number in the province I represent, the province of Quebec.

Madam Speaker, the Government has been saying that the Canada-U.S. Free Trade Agreement does not in any way affect Canada's supply management policy, what we call supply management marketing boards. Government Members maintain that article 710 of the agreement allows both governments to set up marketing boards and to maintain existing ones. They maintain that this is consistent with our obligations under GATT, where article XI allows the creation of such boards.

However, it is extremely difficult to reconcile article 710 of the agreement with other articles in the same agreement, for instance article 703, which invites the parties, Canada and the United States, to improve access to their respective markets by eliminating tariff barriers and other barriers to imports. Furthermore, section 3 of the Bill provides that the purpose of this legislation is "to eliminate barriers to trade in goods and services between Canada and the United States". And this is followed by a whole series of objectives.

So how do you reconcile Article 710, which seems to allow some marketing boards, with the restrictions of Article 703 and clause 3 of the Bill, which seek to eliminate these tariff and non-tariff barriers?

Since, as we saw in the debates in the U.S. House of Representatives and Senate, the United States considers marketing boards to be barriers limiting the imports of American products into Canada, we are entitled to wonder whether we can set up such boards or after the process of harmonization, whether existing marketing boards can resist the pressure from the Americans, who will certainly use Article 703 of the agreement and Section 3 of the Canadian legislation to try to eliminate these barriers that marketing boards and supply management are in their view. Personally, I believe that as it is written, the agreement that was signed, as well as Bill C-130 that is being considered, will limit Canada's ability to set up marketing boards and to control supply. And this seems to fit in—this concern is found in the articles I mentioned and it is consistent with the spirit in which the Bill and the agreement seem to have been written, in particular the interpretation given by American legislators to these articles I just mentioned.

Also, clause 8(2) of Bill C-130 stipulates that "no person shall—do any act, exercise any power or carry on any practice that is inconsistent with or contravenes this Act or any regulation made under this Act, or the Agreement." In other words, this clause stipulates that marketing boards may no longer exercise their present powers if they are contrary to this agreement, for example, by limiting imports. But that is not all! In practice, the policy of controlling agricultural production results in slightly higher prices, as we see for milk, eggs and poultry. So these marketing boards, especially with supply management and limits on imports, make prices a little higher in Canada. In a way, this is the price we pay for greater stability in agricultural production, which protects the family farm and the income of family farm operators.

The sector that will be hardest hit by the agreement is certainly the whole food processing industry.

To survive, that sector will bring pressure to bear on the Government to do away with marketing boards or prevent the creation of new boards, but it will press even harder on governments to prevent quota limits or again the imposition of new import quotas which would reduce imports from the United States. The Canadian processing industry has said on several occasions that if the Canada-U.S. Free Trade Agreement comes into force and if marketing boards and supply management are maintained it will be forced to set up shop in the United States to take advantage of the lower cost of American basic products. Should the food processing industry choose to leave, the related agricultural industries will also disappear. In other words, the FTA will make it even harder to establish marketing boards.

Madam Speaker, the agricultural sector is bound to be hit the hardest, and if that is not in the short term it will be in the medium term because for the processing plants the result of the gradual quota increase will be that the entire organization of production which Canada took 18 years to set up under various governments might be eliminated in the time required to harmonize Canadian and American programs.

That is why I will vote against Bill C-130, Madam Speaker, and I urge all Members from rural ridings, not only in Quebec but throughout Canada, to insist and pressure the Prime Minister (Mr. Mulroney) and the Minister responsible for this Bill so that they secure much tougher guarantees not only for the short term but for the medium term as well.

The other part of the agreement I want to talk about is Chapter 9 of Section 904 dealing with energy and stating that in times of short supply, Canada would be able to limit its exportation of energy products, providing that such export restrictions do not reduce the proportion exported to the United States prior to the imposition of the restriction.

In other words, the energy problem of Canada is subjected to a guarantee as far as exports are concerned, a proportional guarantee which would apply whenever Canada would be forced to reduce its domestic consumption as well as its exports because of short supply.

So, you see, Madam Speaker, we find ourselves in a situation somewhat similar to that of a farmer producing, let's say, 10 sacks of potatoes, and eating 5 sacks a year. Our farmer goes to his neighbour and says, "I have five sacks too many. If you want to buy them, I'll export them." Now, let's assume that the following year, for some reasons, there is a short supply or a drought, and our farmer produces only five sacks of potatoes. Since he himself needs five sacks a year, he would go to his neighbour and tell him, "Sorry, but this year I don't have anything to sell. Because of the short supply, I won't export." But under the agreement, Madam Speaker, in terms of energy products, if I go back to my example, Canada would not be able to reduce the proportion exported due to short supply unless we cut down our own consumption by 50 per cent, in order to sell the other 50% to the United States. For my potato producer, that would mean that although he has only produced five sacks instead of ten and needs five sacks for his family, he would still have to sell two and a half sacks to his neighbour.

That is the meaning of Article 904, Chapter 9, in the Trade Agreement concerning energy shortages. The government maintains that this article is in accordance with the Emergency Oil Sharing System which Canada adhered to in 1974 through the International Energy Agency.

However, a study of the matter reveals that obviously the trade agreement goes much farther than the Emergency Oil Sharing System and differs from it on several points. Firstly, the international agreement signed in 1974 only concerns oil while the Trade Agreement covers as well electricity, natural gas, etc.

Secondly, Madam Speaker, energy products are not the only products involved.

You are indicating to me that my time is up, Madam Speaker. What a pity that, on such an important agreement, we should be held to the 10-minute deadline.

Madam Speaker, I am sure that, if Canadians and, in particular, businessmen like me who agree with the principle of freer trade and farmers for that matter, took the time to read the bill, their perceptions would change radically. The more the people read it, the better they understand it, the more they're against it. That is why the governement has chosen to limit the debate because, as we go into details about the bill's provisions, Canadians will realize the seriousness of this agreement and will condemn it in much greater numbers than the polls presently show. I invite people to take a closer look at this agreement and the bill implementing it.

• (2140)

[*English*]

Mr. Lewis: Madam Speaker, there have been further discussions among the Parties, and I think you would find unanimous consent that all final recorded divisions on Bill C-130 which would normally take place under the rules at 9.45 p.m. tonight would be deferred until 6 p.m. tomorrow evening.

The Acting Speaker (Mrs. Champagne): The House has heard the remarks of the Hon. Minister of State. Is there unanimous consent for that?

Some Hon. Members: Agreed.

Mr. Gauthier: Madam Speaker, just to make sure that I understand, the Standing Order says that the Speaker must interrupt the proceedings at a quarter to ten. It is now forty-seven minutes before the hour of ten. I take it that that does not modify in any way Standing Order 117, and that the Minister is proposing that at 15 minutes to 10 p.m. the Speaker will interrupt proceedings, put the questions to the House, and whatever happens after that will be deferred to tomorrow at 6 p.m.

Mr. Lewis: Yes, Madam Speaker, if in fact there is a recorded division requested, it will be deferred until 6 p.m. tomorrow.

Mr. Langdon: Madam Speaker, it seems to me unfortunate that if there is unanimous agreement that the vote will be tomorrow there cannot be an extension of the debate until 10 o'clock to permit the last few arguments to be put in this attempt by the Conservatives to cut debate to a minimum on this major issue facing the country.

[*Translation*]

The Acting Speaker (Mrs. Champagne): Does the Hon. Member for Saint-Denis (Mr. Prud'homme) seek the floor?

Mr. Prud'homme: I am sorry, but there have been so many orders from the House . . . I am sorry, Madam Speaker, please be patient, it is almost over. But I cannot speak on my point of order if you are standing, since that is against the rules.

The Acting Speaker (Mrs. Champagne): I first asked the question to the Hon. Member to find out if he wished to have the floor.

Mr. Prud'homme: It was concerning a point of order.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Saint-Denis on a point of order.

Mr. Prud'homme: I think that it would help, Madam Speaker, if I said in answering my colleague from the NDP that section 117 of the Standing Orders is very clear on that point. There have been orders from the House. If we start changing everything in this House that the Honourable Minister has been helping us to understand, there will be no end in sight. There is a section of the Standing Orders which is called section 117. The Honourable Minister has made concessions. My colleague the whip has accepted. The new Democratic Party has accepted, but I realize that it is 9.45 p.m. So I would think that my point of order . . .

[*English*]

The Acting Speaker (Mrs. Champagne): It being 9.45 p.m., pursuant to Order made in accordance with the provisions of Standing Order 117 on Monday, July 4, 1988, it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the second reading stage of the Bill.

The first question is on the amendment of Mr. Young. Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the amendment will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mrs. Champagne): Pursuant to agreement reached earlier this day, the recorded division and the putting of the questions on the amendment and the main motion stand deferred until 6 p.m., Wednesday, July 6, 1988.

It being 9.48 p.m., pursuant to Order made June 23, 1988, this House stands adjourned until tomorrow at 2 p.m. pursuant to Standing Order 3(1).

The House adjourned at 9.48 p.m.